

**Testimony of
Douglas A. Garver, Executive Director
Ohio Housing Finance Agency**

**Senate Finance Committee
May 4, 2011**

Good afternoon Chairman Widener, Ranking Member Skindell, and members of the Senate Finance Committee. My name is Doug Garver and I am the Executive Director of the Ohio Housing Finance Agency. I am pleased to be here today to present the Agency's Personal Services Fund appropriation request for Fiscal Years 2012 and 2013.

The Ohio Housing Finance Agency, also known as OHFA, was created in 1983 as a division within the Department of Development. On July 1, 2005, OHFA became a quasi-public, self-supporting agency that is governed by an eleven-member board, nine of whom are appointed by the Governor and confirmed by the Senate. Two additional seats on the board, by statute, are reserved for the Director of Development and the Director of Commerce or their designees, and both serve as ex-officio voting members.

The Agency makes affordable housing opportunities available for low- to moderate-income Ohioans including first-time homebuyers, renters, senior citizens, veterans, and populations with special needs. By forging public-private partnerships with housing industry leaders and stakeholders, OHFA is able to leverage its resources to create jobs and strengthen communities.

OHFA's First-Time Homebuyer Program is made possible by the issuance, private sale, and repayment of tax-exempt and taxable mortgage revenue bonds. Since 1983, OHFA has issued over \$10

billion in tax-exempt mortgage revenue bonds that have allowed more than 140,000 Ohioans in all 88 counties to become homeowners.

Providing financial assistance for the acquisition, development, and preservation of affordable multi-family rental properties is also a key component of OHFA's mission. Through the issuance of \$645 million in multifamily mortgage revenue bonds, the allocation of federal low income housing tax credits, and other state and federal resources, OHFA has helped with the creation of more than 77,000 affordable rental-housing units.

The Agency also utilizes a number of federal and state housing programs including the HOME Investment Partnerships Funds, project-based Section 8 housing assistance, the American Recovery and Reinvestment Act, the Housing Development Fund, and the Ohio Housing Trust Fund. Together, these programs and funding sources enable OHFA to play a leading role in addressing Ohio's affordable housing needs.

One of OHFA's newest and most complex undertakings is the Restoring Stability foreclosure prevention program. Last year, 18 state housing finance agencies in areas with severely depressed housing markets and high unemployment were awarded federal funding through the Treasury Department's Hardest Hit Fund.

Ohio received \$570 million in federal funds that will assist an estimated 60,000 homeowners who have experienced a financial hardship that puts them at risk of foreclosure. OHFA is working in conjunction with 35 non-profit, HUD-approved, counseling agencies in Ohio and over 100 mortgage servicers nationwide to implement this important program.

OHFA recognizes that housing is a significant driver of the economy and the foundation upon which successful families, businesses, and communities are built. In the upcoming biennium, the Agency projects that we will issue an additional \$700 million in mortgage revenue bonds that will fund approximately 7,000 new mortgages statewide. Additionally, OHFA will allocate \$60 million in tax credits that will leverage roughly \$420 million in private investment to develop 90 properties with 8,000 affordable housing units.

I am here today in support of the OHFA appropriation request contained in Governor Kasich's Executive Budget. Payroll is the only item in the Agency's overall budget that appears in the Executive Budget and requires appropriation by the Ohio General Assembly. All other elements of the Agency's budget are subject to review and approval by the OHFA Board.

OHFA's payroll is funded entirely by charging user fees and seeking administrative reimbursements for programs and services provided to outside organizations. No General Revenue Funds are used or being requested.

For fiscal year 2012, OHFA is requesting an appropriation of \$12.6 million, and for fiscal year 2013, an appropriation of \$12.4 million. These appropriations will compensate 196 dedicated employees ranging from full-time staff members to interns who are passionate about the Agency's affordable housing mission and make our programs and services possible.

One additional item that I would like to address is an amendment added in the House Finance and Appropriations Committee. This amendment calls for the creation of the Ohio Housing Study Committee to review the policies and procedures of OHFA and to report the findings of the committee to the legislative leadership by January 1, 2012. While this amendment was not drafted in

consultation with OHFA, should the legislature desire to have this review conducted, the Agency will offer its complete support of the committee's work.

Thank you for the opportunity to come before you today. I ask for your continued support in our efforts to provide safe, decent, and affordable housing for low-to moderate- income Ohioans by approving this appropriation request. I am happy to answer any questions you may have.