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OHFA Annual Plan

The Ohio Housing Finance Agency’s enabling legislation requires the Agency to “adopt an annual plan to address the state’s housing needs.”¹ The law requires that the Agency’s Board appoint an Annual Plan Committee to develop the plan for presentation to the Agency. Further, the Annual Plan Committee selects an Advisory Board. The Advisory Board may contain persons representing:

- state agencies,
- local governments,
- public corporations,
- nonprofit organizations,
- community development corporations,
- housing advocacy organizations for low- and moderate-income persons
- realtors
- syndicators²
- investors
- lending institutions as recommended by a statewide banking organizations
- entities participating in the agency’s programs

Previous OHFA Annual Plans focused primarily on Agency-specific programming and resulted in a set of tasks to be completed. Significant stakeholder input determined the priority and substance of these tasks, directly impacting OHFA programs and operations. While these plans gave voice to the Agency’s public purpose, they were not designed to address the state’s housing needs.

Expanding the scope of the Annual Plan will allow OHFA to effectively and strategically identify critical housing issues throughout the state. Inviting input from stakeholders, partners, other state agencies and customers helped foster extensive collaboration throughout the process and led to the creation of a comprehensive plan.

¹See Revised Code §175.04(E) (1). This statute was enacted in 2005 when OHFA became an independent quasi-public agency.
²These are organizations that facilitate investment in affordable housing using low-income tax credits.
The Annual Plan Process

OHFA staff members developed an inventory of Ohio’s housing needs and assembled members of an Advisory Board that would act as the forum to collect partner and stakeholder input. This diverse group was comprised of representatives of state and federal agencies, non-profit organizations with an affordable housing focus, financial institutions, development/building/real estate interests and affordable housing advocates.

The Advisory Board was tasked with reaching consensus on the state’s housing needs and determining the issues to be addressed. Once consensus was reached, Subject Matter Expert Workgroups analyzed the individual housing issues and reported findings back to the Advisory Board. Groups were formed by matching stakeholder knowledge and experience with the housing needs. OHFA staff liaisons assisted the workgroups, gathering information and assisting in the development of workgroup reports.

Workgroup reports presented the information compiled, including housing issue-specific research and best practices from other states. These workgroup reports and stakeholder collaboration led to the creation of Actions for State Policy Makers to Address Gaps. These recommendations formed the core of information that was then presented to the Advisory Board. The plan was then reviewed and approved by the OHFA Annual Plan Committee and presented to the OHFA Board for review and approval.
Mission Statements
The OHFA Annual Plan Committee adopted a mission statement for the desired outcome of the plan and for the Advisory Board. These statements were also endorsed by the Advisory Board.

Annual Plan Mission:
To inventory state housing activities, assess the state’s housing needs (whether or not those are part of the housing activities) and develop a comprehensive, measurable long-term plan for the state to address those needs.

Advisory Board Mission:
To combine OHFA expertise with customer and stakeholder expertise to strategically collect, collate and prioritize all statewide housing needs.

Table of Organization
The table of organization for the Annual Plan process was designed to foster extensive stakeholder input and achieve specific results. The unique use of Subject Matter Expert workgroups to explore specific housing issues helped provide comprehensive programmatic information and recommendations for the plan.
The Importance of Consensus

The diversity of representation on the Advisory Board was a powerful asset in developing this plan, and reaching consensus was imperative to successful outcomes. By communicating the common goal and allowing participants to have an opportunity to speak on any issue at hand, consensus was reached in all matters related to this plan.

The Importance of Advocacy

The Annual Plan does not replace the role advocates play in advancing affordable housing public policy, but is meant to support the relationship between advocates and OHFA, ultimately guiding policy creation. OHFA is responsible for understanding public policy and administering it as well. Effective interaction between OHFA and affordable housing advocates is critical to creating effective affordable housing public policy.

Affordable Housing and its Importance to Ohio

Ohio has historically encountered various challenges that threaten the viability and stability of the state, its residents and its communities. Current unstable economic conditions, the continued mortgage and foreclosure crisis and rising energy costs emphasize the need for sustainable affordable housing. The Ohio Department of Development estimates that there are 5,044,709 housing units to serve 11,466,917 Ohioans. However, some Ohioans are not properly served by the available housing units due to the housing not being safe, decent, affordable, sustainable and physically adequate for all members of the household.

Affordable housing is important to meet the needs of Ohioans because housing costs absorb the largest portion of a household’s income. The 2007 inflation-adjusted median family and household income in Ohio was $57,999 and $46,296 respectively; yet 22.9 percent of Ohio's population is below the poverty level. The income limits of very low-, low- and moderate-income households are further strained by housing costs; the fair market rent (FMR) for a one-bedroom apartment is $507 and a two-bedroom apartment is $680 in Ohio. As a result, affordable housing is necessary and important to mitigate the income limits and address the housing needs of Ohioans.

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4Combined percentages of families (9.7 percent) and individuals (13.2 percent) below poverty level. U.S. Bureau of the Census. 2005-2007 American Community Survey 3-Year Estimates.
Housing Needs Defined

For the purposes of this Annual Plan, a housing need is defined as follows below. Importantly, the definition itself is basic but relies on the listed assumptions to clarify its meaning. These assumptions allow the basic definition to fill the scope of affordable housing needs in the State of Ohio without those individual needs confusing the foundational definition.

What is a housing need?

A housing need is a lack of an “appropriate” dwelling. An “appropriate” dwelling is one that is safe, decent, affordable, sustainable and physically adequate for all members of a household.

Assumptions

- Households may be impacted by high housing costs, insufficient income to afford an appropriate dwelling, and/or a lack of access to the appropriate type of housing.
- Government programs are created as a supplement to, not a replacement for, the private housing market. Partnerships between private for-profit or non-profit organizations and local, state, and federal programs exist to bridge the gaps between the housing needs of households and the households’ ability to pay for or access the appropriate housing.
- Resources for both capital expenditures and supportive services will be required to fully address housing needs.
- Households must be empowered to determine how their individual housing needs are met. The ability to live independently is an important factor in leading a fulfilling life. Some housing needs are only met when services are provided and housing is designed that allows a household to live as independently as possible.
- While many government policies and programs mitigate housing needs, other government policies and programs, for example taxes and regulation, may contribute to housing needs by adding cost burdens or creating barriers to access decent, affordable and appropriate housing.
- Public resources should primarily be targeted to households with low to moderate incomes and should enable these households to spend no more than roughly one-third of their monthly income on housing costs.
- Strategies to address housing needs should, whenever feasible, align with strategies that focus on other important public policy issues, such as economic development, transportation, community revitalization, public health and safety, environmental quality and energy conservation.

The scope of these assumptions needs clarification. The mission of the Ohio Housing Finance Agency is focused on “affordable housing”; that is housing policy focused on people having low and moderate incomes. Therefore, the Annual Plan of the Agency is necessarily limited to the Agency’s mission. This is not necessarily captured in the definition of Housing Needs without a view towards the OHFA enabling legislation. See ORC 175.02.
The State’s Housing Needs

Affordable Homeownership

Homeownership can provide families with the benefits of stability and wealth building, but when homebuyers are unprepared for the financial and legal responsibilities of ownership, the opposite may result. Making appropriate financing tools available to otherwise qualified borrowers who do not have access to the broader credit market is a valuable public purpose. In order to afford and retain homeownership, low and moderate income homeowners may need assistance with energy efficiency and resource conservation, property maintenance or rehabilitation, while other homeowners require modifications to remain in their home.

Counseling and Education Resources

The ability to obtain and retain access to quality affordable housing depends, in part, on a household’s ability to manage their financial resources and to protect their rights with respect to their housing situation. Many families have benefited from a variety of services such as: foreclosure mitigation and prevention, pre-purchase and post-purchase counseling and education, homelessness prevention, fair housing advocacy, and legal assistance with landlord-tenant disputes.

Affordable Housing Preservation

Ohio has a large and aging portfolio of subsidized housing properties across the state. This housing was developed using the Department of Housing and Urban Development (HUD) and Rural Development resources, including project-based rental subsidies. In addition to the federally subsidized properties, the number of housing tax credit properties that are 15 years or older is growing. These existing affordable rental properties are meeting many critical housing needs, including serving very low-income households. Stagnant population growth and high construction costs for infrastructure and new rental units are other factors to consider in allocating resources between building new and preserving existing affordable housing.

Development and Operating Costs for Multifamily Housing

Multifamily housing projects are experiencing increasing costs, including real estate taxes, utilities, and insurance. Because of stagnant or slow growing household incomes in much of Ohio, multifamily projects are unable to mitigate rising costs through rent increases. The inability to increase rents, even marginally, further restricts the capital available to maintain projects appropriately, which impacts the ability to provide an attractive product. Potential residents are not attracted to poorly maintained projects, so the cash flow of projects is further reduced because of unoccupied units, creating a downward cycle.

Accessible Housing

Ohio’s supply of housing is not functional for people who have or develop disabilities due to aging or other reasons.

Very Low-Income Housing Assistance

Under HUD’s definition, a “very low income” household is one with an income that is at or below 50 percent of an area’s median income (AMI). It is difficult to serve these households using only the housing tax credit program, which is currently the largest rental production
program in the state. As a result, the demand for federal rent subsides far exceeds the supply. The struggling economy and greater emphasis on de-institutionalization contribute to this growing need.

**Existing Special Needs Housing**
Existing low-income rental housing for special needs populations is aging, inadequate to meet the need and in some cases lacks adequate funding for operations. Some units have come off-line, reducing the available inventory.

**Rural and Appalachian Regions**
The ability of residents in rural and Appalachian Ohio to find quality affordable housing is constrained by factors such as: smaller and aging populations, lack of zoning and regulations, stagnant economic growth, job loss, substandard existing housing stock, lack of appropriate sites, infrastructure and capacity for development.

**Vacant Housing**
Many communities throughout Ohio face the problem of vacant and abandoned housing. Such housing destabilizes neighborhoods and community tax bases, creating additional challenges to rebuilding impacted neighborhoods.

**Permanent Supportive Housing Production**
Supportive housing is nationally recognized as a model for reducing homelessness and for targeted populations; it is a better investment of public dollars than crisis and institutional care. Supportive housing experts opine that a significant increase in the number of units in Ohio is necessary to have a meaningful chance of ending homelessness and improving outcomes for people. Currently, there is no clear means for creating the number of units needed, providing services to the tenants of those units, and insuring units have adequate subsidy for long-term viability.
Subject Matter Expert (SME) Workgroup Summaries

Each SME Workgroup was responsible for developing a report that thoroughly analyzed the issues and provide recommendations related to the respective housing need. It must be noted that there is not enough funding and SME Workgroups were challenged to prepare reports without recommending increased funding. As listed above, there are a total of ten housing needs in Ohio that were identified by the Annual Plan Advisory Board. Some of the housing needs were combined and Workgroups were created according to the combined housing needs. The following consists of summaries of each of the eight SME Workgroups; see Appendix for full SME Workgroup Reports.

Affordable Homeownership and Counseling & Education Resources

Background Data

Homeownership is the preferred housing choice for Ohioans where 70 percent of households are homeowners according to the U.S. Census Bureau’s 2006 American Community Survey. Homeownership needs fall into three categories: affordability, quality and sustainability.

- Of the owner-occupied units in Ohio 18.7 percent experience a “cost burden” which is defined by the U.S. Department of Housing and Urban Development as paying more than 30 percent of household income for housing.
- The housing stock in Ohio is considerably older with the majority of homes being built prior to 1939. An older housing stock often means an increase in expenses for maintenance or rehabilitation, which strains low income households who may already be experiencing a cost burden.
- The current volatile economic conditions and foreclosure crisis has hit Ohio particularly hard resulting in high foreclosure rates. In 2007, foreclosure filings increased 6.7 percent from the year before, according to the annual study issued by Policy Matters Ohio. Overall, there were 84,751 new foreclosure filings in 2007, up from 79,435 in 2006. Foreclosure filings have grown by double-digits in 39 of Ohio’s 88 counties, and state-wide have more than quintupled since 1995.

Synopsis

Affordability can be a concern for both aspiring homeowners and existing homeowners. Downpayment Assistance programs offered throughout the state help low and moderate income households overcome initial affordability barriers, but due to market conditions, OHFA’s programs are temporarily suspended and additional resources are needed. Existing homeowners as well as low and moderate income homeowners may need assistance with energy efficiency and resource conservation, property maintenance or rehabilitation, while other homeowners require modifications to remain in their homes. The Ohio Department of Development offers the Community Housing Investment Program (CHIP) to address this need. The CHIP program provides funds for downpayment assistance, rehabilitation and repair to create and preserve affordable homeownership.

Homeownership can provide families with stability and wealth building, but when homebuyers are unprepared for the financial and legal responsibilities of ownership, the opposite may result. The ability for homeowners to manage their financial resources and to protect their rights with respect to their housing situation is critical for homeowners to successfully continue homeownership. OHFA has recently established a housing counseling program to educate future homebuyers of these and other aspects of responsible homeownership.
In response to the devastating impact foreclosures have had on Ohio, Governor Strickland created the Ohio Foreclosure Prevention Task Force. One outcome of the Task Force was the creation of Save the Dream, a collaborative effort of state agencies, which provides a toll-free hotline and website to refer borrowers to counseling agencies or legal assistance. As of September 2008, 74.75 percent of a total 4,250 Ohioans who access Save the Dream resources seek help early to prevent the foreclosure process. Many families have benefited from a variety of services offered such as: foreclosure mitigation and prevention, pre-purchase and post-purchase counseling and education, homelessness prevention, fair housing advocacy, and legal assistance with landlord-tenant disputes. The demand for foreclosure prevention assistance exemplifies the importance and need for additional counseling and education resources.

While many resources listed on the Resource Inventory promote affordable homeownership and housing counseling, additional resources are required due to the following:

- Demand for housing rehabilitation and repair assistance exceeds the available resources.
- Potential homeowners lack knowledge, savings and adequate credit requirements to complete the homeownership process.
- Homeowners who have experienced recent foreclosure or bankruptcy, lack programs to help re-establish their credit and save for a down payment.
- Energy conservation programs are limited to very low-income households which excludes other households where energy costs make up a significant percentage of their housing expenses but incomes are higher.

Several recommendations were developed to address the need for affordable homeownership opportunities and housing counseling, with consideration given to the current economic environment.

**Recommendations**

1. **Individual Development Accounts**

   Many potential homebuyers are not able to qualify for a mortgage due to weak credit history, limited income or changing underwriting standards. Individual Development Account (IDA) programs can help households by encouraging savings for down payment while the household gains financial literacy and improves their credit. Ohio should expand Individual Development Account programs by supporting increases in federal funding, promoting the concept with employers and philanthropic organizations, and exploring the potential to expand matched savings resources through an Ohio State Income Tax or other public resources.

2. **Lease Purchase Programs**

   Former homeowners who have experienced recent foreclosure or bankruptcy would benefit from short term lease purchase programs while they re-establish their credit and save for a down payment. Such programs would also keep people in homes that might otherwise become or remain vacant. A portion of rent paid would be applied to the down payment, provided the individual participates in a financial literacy plan to correct whatever credit issue they may have.
3. **Financial Literacy**

OHFA and other agencies administering housing programs should help connect consumers with financial literacy resources such as those offered by the Ohio Treasurer (Your Money Now), the FDIC (Money Smart), HUD and many other partners through links on its website.

4. **Home Buyer Education in OHFA First Time Homebuyer Program**

OHFA should require home buyers who use any OHFA Down Payment Assistance funds, to complete home buyer education through a HUD approved counseling agency, or through a combination of online education and telephone counseling. Because homebuyers who use Down Payment Assistance have little or no equity in the home at the time of purchase, it’s important for them to know the basics of homeownership, to complete a household budget and to know what steps to take if they have a financial setback.

5. **Home Purchase and Rehabilitation**

a) Continue programs that link Down Payment and Rehabilitation Assistance for low- and moderate-income households.

b) The FHA 203(k) program is a valuable resource for acquisition and rehabilitation of homes, especially for properties that are in bank’s real estate owned (REO) portfolios, or that are in municipal land banks. Using FHA plan consultants to assess the feasibility of rehabbing properties, non-profit agencies or municipal governments would obtain specifications and allowable costs of rehabilitation. Properties would then be transferred to prospective homeowners who would be able to secure financing utilizing the FHA 203(k) rehabilitation loan to cover the cost of acquisition and rehabilitation. Funds advanced by the municipalities or local governments would be able to be recovered upon transfer to the new owners prior to the start of restoration.

c) State and local governments who receive Neighborhood Stabilization funding through the Housing and Economic Recovery Act of 2008 (HERA) should use funds to rehabilitate vacant homes for purchase by low and moderate-income households, when this strategy is feasible in local markets.

6. **Energy Improvement Loans, Grants, and Incentives**

a) OHFA will continue to promote green and sustainable construction practices by for-profit and non-profit Ohio developers of affordable housing for homeowners. These practices, in both new construction and rehabilitation, can contribute to healthier indoor air quality, a better quality of life, less negative environmental impact and reduce the use of new resources. Examples include the use of certified sustainable forest products, materials with recycled content including paints, glues and sealants with reduced levels of volatile organic compounds. Sustainable practices should include an emphasis on energy efficient design and renewable energy technologies to produce long-term utility and affordability for homeowners.

b) For low and moderate income homeowners, energy costs make up a significant percentage of their household expense. The costs of improving energy efficiency should be included in subsidized homeownership development projects funded through the Ohio Department of Development (CHIP) or the Ohio Housing Finance Agency (OHFA).

c) OHFA should promote the use of Energy Efficient Mortgage (EEM) options through its First Time Homebuyer Program to allow home buyers to finance the cost of energy efficient improvements in their mortgage. HUD’s Energy Efficient Mortgages Program helps homebuyers or homeowners save money on utility bills by enabling them to finance the cost of adding energy-efficiency features to new or existing housing as part of their
FHA-insured home purchase or refinancing mortgage. With EEMs, borrowers do not need to get a separate, loan for energy improvements when buying an existing home but they are required to obtain an energy assessment. OHFA should explore options for reducing the costs of the energy assessment which may be a barrier to greater use of EEMs.

7. **Continuation of Save the Dream: Ohio’s Foreclosure Prevention Effort**

The Save the Dream program, which provides a toll-free hotline and website referring borrowers to counseling agencies or legal assistance, should be continued. Save the Dream is a collaboration of the Ohio Attorney General, Ohio Department of Commerce, Ohio Department of Development, Ohio Housing Finance Agency, Ohio State Legal Services Association and other partners. During the first six months of operation, the hotline received 11,000 calls which were subsequently referred to housing counseling agencies or legal assistance. The benefits of the program extend beyond foreclosure help, as many of the counseling agencies are able to identify other areas in which the borrowers’ needs are not being met and work closely with other organizations to provide aid.
Affordable Housing Preservation & Development and Operating Costs for Multifamily Housing

Background Data
Ohio has a large and aging portfolio of subsidized housing properties across the state; there are approximately 179,000 affordable housing units in 2,700 affordable housing communities. Affordable housing is necessary because many Ohioan households face a housing burden; these households either do not have access to appropriate housing or pay too much for the housing occupied.

Multifamily housing projects are required to maintain affordability for a specific time period according to the financing program. Today there are nearly 88,000 affordable units in projects where the owner, over the next five years, will have the option to exit the program(s) as well as the affordability requirements. In addition, these projects incur operating costs once developed; these costs are increasing, specifically real estate taxes, utilities, and insurance. Because of stagnant or slow growing household incomes in much of Ohio, multifamily projects are unable to mitigate rising costs through rent increases. The inability to increase rents, even marginally, further restricts the capital available to maintain projects appropriately, which impacts the ability to provide an attractive product. As a result, potential residents are not attracted to poorly maintained projects, so the cash flow of projects is further reduced because of unoccupied units, creating a downward cycle.

The state has been a leader in recognizing the need to preserve affordable rental housing. Currently affordable housing communities are being preserved using a number of programs and collaborative efforts. The Low-Income Housing Tax Credit (LIHTC) program is an important funding source for preserving communities; since 2001, 80 affordable housing projects have been preserved. Over the last decade, preservation has also been addressed with set-asides and special provisions in the Qualified Allocation Plan (QAP).

Synopsis

Affordable Housing Preservation
While Ohio has made significant progress in preserving affordable housing, the overall need is largely unmet owing to the size of the portfolio in Ohio. Preservation is important because it can be more cost effective and energy efficient than building new and creating additional community assets. Sufficient resources do not exist to rehabilitate, recapitalize, and preserve all of the units that may be available.

The impact of expiring projects is significant. It is magnified by Ohio’s changing demographics, slow population growth and an increased older population. These changes will require developers and funders of affordable housing to carefully consider where housing should be preserved and for which populations. Current policies and programs partially address this need.

Development and Operating Costs for Multifamily Housing
Each year, approximately $50 million is invested by OHFA in the development and construction of new units of affordable housing. Approximately, $22 million is from tax credits and $27 million from gap financing sources and other funders. These new units only meet a modest percentage of the identified need. According to The Millennial Housing Commission (MHC), nationally “the gap between the available rental supply of units affordable to the poorest households and the demand for them stood at 1.8 million in 1999.”

annual production of more than 250,000 units for more than 20 years to close the gap. These national figures are reflective of the affordable housing gaps in Ohio as well.

Few programs exist to meet the operating costs of affordable housing. Apartment communities encounter the following costs and challenges:

- **Taxes:** The use of the income approach to property valuation results in most tax credit properties being over-valued. This results in higher payments of property taxes. At present there is no policy, program, or state law that helps to address this issue. However, tax abatements and other agreements are available for relief.

- **Utilities:** Utility cost increases are reflected in a reduction in the net rent an owner receives as a result of the utility allowance most housing programs require. Other than encouraging the resident to reduce usage, the owner has few options to reduce the impact of rising utility allowances. The IRS has issued a revised utility allowance regulation that should ensure more accurate allowances.

- **Insurance:** Costs are covered by property revenues; increasing costs have negatively impacted many property budgets.

- **Compliance:** Compliance fees of multiple programs can increase a property’s costs; there is not a specific program available to reduce these costs confronted by properties.

HUD subsidy programs help to pay many of the operating costs of affordable apartment communities; however some subsidies are not available to all properties. More importantly, even those properties with a dedicated subsidy for operating costs find that the costs are rising faster than the subsidy payments, leaving a significant gap between what is collected through rents and subsidies and what must be paid to operate the property. The programs and resources that exist to increase the energy efficiency of apartment homes usually require an investment from the owner. Cash constrained properties find it difficult to raise the capital necessary to fund energy efficiency measures.

**Recommendations**

There is significant interest and need for the preservation and development of affordable housing in Ohio. It is also recognized that development and operating costs are two unique, intertwined problems that create additional challenges. Primary and secondary recommendations were developed to address these affordable housing needs.

**Primary**

1) **Expand the use of multifamily bonds.** As a state-wide entity, OHFA can issue multifamily bonds for projects anywhere in Ohio. The Agency is also responsible for allocating 4 percent tax credits to federally subsidized projects. These two responsibilities place OHFA in a unique position to impact preservation projects. OHFA should review the costs associated with issuing bonds and make adjustments as appropriate to ensure OHFA is an attractive issuer of multifamily debt. Explore the viability of OHFA financing or providing credit enhancement.

2) **End mandatory extended use.** Reinstate the qualified contract process to ensure properties can transition to the best use.

3) **OHFA will direct significant tax credit allocations for the preservation of affordable housing.** OHFA will enhance established priorities that recognize that preservation projects significantly outnumber the resources available and therefore, will develop a sound and reasonable criterion that strives to achieve the highest number of long-term sustainable preservation units. Revise policies to ensure that multiple funding resources, (ie. HOME, HDAP, AHT, etc.) are efficiently utilized in projects with tax credits and
federal subsidies. To achieve this goal, OHFA will participate in a collaborative effort with RD, HUD and industry partners in order to develop consistent intra-agency criteria.

4) **Work with HUD and RD to create policies that will facilitate the preservation of projects.** OHFA has very productive working relationships with the Ohio Rural Development and HUD staff members. OHFA should build on these relationships by encouraging additional collaboration. When possible, HUD and RD staff should be consulted regarding proposed preservation projects.

5) **Establish a grant and loan program to fund the purchase and rehabilitation of affordable housing.** Few programs specifically target preservation projects.

6) **OHFA should target the new basis boost authority granted in H.R. 3221 to high cost areas and projects in general,** but should allow flexibility in using the boost for preservation projects.

7) **OHFA should work closely with the Ohio Department of Development’s Office of Housing and Community Partnerships to create the most efficient environmental review process.** Determine whether environmental reviews conducted for one funder can be used by other funders.

8) **Provides administrative and financial support to the Ohio Preservation Compact,** which is seeking a grant from the John D. and Catherine T. MacArthur Foundation. If awarded, the grant funds will enable the Preservation Compact to set up a loan and grant fund, establishes databases of projects and best practices, and provide technical assistance.

9) **Identify untapped and non-traditional resources for the development of affordable housing.**

10) **Property tax assessment in Ohio should take into account the restrictions placed upon the properties.** OHFA should provide data and information to responsible parties to ensure the unique aspects of affordable housing are properly understood.

11) **Incentivize green building in all programs.** Projects should be rewarded for forward thinking with additional resources or flexibility.

12) **Focus on the efficiency of the multifamily offices by simplifying procedures, reducing processing times,** and using technology whenever possible.

13) **Reestablish the OHFA Compliance Advisory Committee to ensure OHFA has adequate input from managers and developers regarding compliance and operating issues.**

**Secondary**

- Explore the possibility of OHFA providing credit enhancement.
- Publicize successful preservation projects to attract local interest and show the importance of the properties to the communities in which they are located.
- Maintain a database on innovative and successful preservation strategies.
- Advocate to allow owners to transfer project based Section 8 subsidy from one property to another based on the viability of the properties involved.
- Support exit tax relief.
- Identify appropriate expense and income trends for underwriting. Underwriting is the method by which the financial viability of a project is determined. Factors such as expected income and cost increases are critical to determining the long term performance of a project. These should be as accurate as possible to ensure only those projects that can be sustained are funded.
- Explore the viability of creating purchasing cooperatives for insurance and other services. Pools of purchasers can often secure discounts a lone purchaser cannot. While insurance is not the most important cost factor undermining properties, it is a significant operating cost. Therefore, any reduction in this cost benefits affordable housing properties.

- Limit or reduce OHFA fees where possible. OHFA should ensure its fees reflect the value added by OFHA, and are comparable to other HFA’s fees, taking into account OHFA’s unique cost structure. Steps that reduce the growth rate of its fees should be implemented by OHFA. This includes seeking new sources of revenue that support the Agencies operations while allowing it to pursue its mission.

- Use HOME or other gap financing programs to fund long-term project reserves.

- Projects are burden by requirements to comply with multiple funders. Many of the funders are units of local government that administer an allocation of HOME Program funds as a Participating Jurisdiction (PJ). OHFA should explore creating a funding collaborative to encourage awards of gap financing from a single source, instead of multiple sources.
Accessible Housing

Background Data

Ohio has one of the oldest populations in the country and as the baby boom generation ages, the ability of people to remain in their homes and in the community will depend on actions taken now. Over 17 percent of Ohio’s population (close to 2 million people) is over 60 years old. This is projected to increase by 800,000 by 2020. Noting that disability increases with age, only 3 percent of the 60-69 year olds have a severe disability compared with 44 percent of those over 90 years old. Given the desire of most people to live independently for as long as possible, these numbers reflect a large and growing need for housing units with features that make them accessible to disabled persons.

The Journal of the American Planning Association (JAPA) conducted a study, released in Summer, 2008, that indicates that over the course of the lifespan of a new house, there is a 25 percent chance it will have a resident who needs full accessibility; a 60 percent chance it will have a resident that needs an adaptable house; and a 93 percent chance that the home will require visitability features. Currently, there is a very small percentage of housing units with accessibility features at any level. So that all of Ohio’s households will have adequate housing choices, action is required to ensure accessibility in all new construction, provide funding for home modifications and promote information about housing through technological and non-traditional channels. Ohio local government and nonprofit organizations have waiting lists for their home modification services that enable people with disabilities to remain in their homes. In the greater Toledo Ohio area, the waiting list is 12-16 months. Accessible housing is a critical issue for planners and policy makers.

Synopsis

According to the Ohio Legal Rights Service (OLRS), there is an inadequate supply of safe, affordable and accessible housing for individuals with disabilities. The need for accessible housing far exceeds that which already exists and that which is slated to be produced. Public and private housing complexes that receive federal funds are generally required to have five percent of their rental units accessible to people with mobility impairments and two percent of rental units accessible to individuals with hearing or vision impairments. Anecdotal information suggests that that requirement is not always met. Also, the availability of these units to people with disabilities has declined due to inconsistent enforcement of accessibility requirements and occupancy of accessible units by people who do not need the accessibility features. In addition a substantial majority of publicly and privately subsidized housing complexes limit admissions to the elderly; neglecting disabled youth and family members of people with disabilities.

Programs such as the Low Income Housing Tax Credit (LIHTC) program have worked to increase the number of accessible housing units; however affordability continues to be a concern. Frequently, individuals with disabilities receive Supplemental Security Income (SSI) as their only source of income. At $637 a month, or approximately 18 percent of the median income in Ohio, SSI recipients are priced out of most of the Low Income Housing Tax Credit apartments, most of which are targeted to those earning 50 to 60 percent of the median income.

Insufficient data exists documenting the actual number of accessible housing units for people with disabilities residing in Ohio. In addition, there is little information about the location of accessible units available among the existing housing stock. Many developers of affordable housing do not include information about accessibility in their property lists.
For this reason, in some communities, accessible units remain vacant. This reinforces the misperception that those who are in need of affordable and accessible housing units are being accommodated.

The concluding paragraph of the JAPA report summarizes the issue quite well: “The needs of an aging population, combined with concerns about the civil rights of people with disabilities and the high cost of nursing home care, make the lack of accessible housing a critical issue for planners and policy makers... Given the slow pace at which changes in the housing stock occur, there is an urgency to act now. Increasing the supply of accessible housing will benefit not only currently disabled people, but also their families and friends, those who become disabled in the future, and society as a whole.”

**Recommendations**

The following recommendations were developed from the data collected, analysis of best practices in Ohio and other states, and the expertise of the workgroup participants. Recommendations are organized as five broad categories (in bold). The sub-recommendations are the strategies for implementation. The group consensus is that these sub-recommendations should not be separated from the broad categories.

1) **Develop ways to identify existing accessible housing units and endeavor to fill those units with people who will benefit from the accessibility features.**

   a) Recommend that a data depository be created by OHFA to consolidate all of the disparate public and private accessible housing data across the state.

   b) Require that all publicly funded accessible units be listed in statewide and local housing locator databases.

   c) OHFA will continue to maintain a list of agencies/organizations that provide services to those in need of accessible housing. Applicants for OHFA funding must notify the appropriate agency at the time of application that accessible housing is being proposed, agree to accept referrals for potential residents, and agree to receive design suggestions for the property.

2) **Increase the number of affordable, accessible, adaptable and visitable units in Ohio.**

   a) OHFA will continue to require that all new construction funded by the agency will be visitable.

   b) OHFA will continue to require universal design features in all OHFA funded developments.

   c) Recommend that a group comprised of representatives from the building industry, state agencies for whom affordable housing is part of their mission and disability advocacy groups explore incentives to builders and developers that will encourage the development of units with accessibility features over and above those required by law.

   d) OHFA will support a consistent definition of visitability in order to simplify the process for those who build affordable housing in various localities across the state. This uniformity and direction will encourage builders to incorporate those elements into their projects that they choose to make visitable.

   e) OHFA shall audit their internal processes to insure proper tracking of developer compliance with agreed upon accessibility features. This includes review of documentation before construction as well as post construction reviews.
3) **Create dedicated funding streams to promote home modification programs that allow people who develop disabilities to remain in their homes.**

4) **Supply policy makers with data that compares the costs of building accessible features into affordable housing units at construction with the costs associated with retrofitting the units.**

   a) Recommend that a group comprised of representatives from the building industry, state agencies for whom affordable housing is part of their mission and disability advocacy groups who administer home modification projects be established to determine those costs.

   b) Collect and compile data on the costs of adding in accessibility features after construction.

5) **Develop educational and promotional initiatives about accessible housing to stimulate demand for features which will translate into more units built.**

   a) By virtue of OHFA’s leadership in championing visitability in its program, and in order to better educate OHFA’s stakeholders, OHFA, in conjunction with other agencies, shall promote educational initiatives to familiarize building professionals to the concepts of visitability and universal design (training events, conferences). This recommendation is specifically targeted to building professionals such as architects, builders, appraisers, building officials, planners, etc.

   b) Recommend that in conjunction with other agencies, OHFA create a public relations campaign directed to consumers and real estate agents to highlight the benefits of accessible housing and to create the situation where consumers ask for houses that have accessible features.
Very Low-Income Housing Assistance

Background Data

The U.S. Department of Housing and Urban Development (HUD) defines a "very low-income" household as one with an income that is at or below 50 percent of an area’s median income (AMI). The state has the following composition of very low-income households:

- 791,429 households under 50 percent area median gross income (AMGI)
- 548,464 households under 35 percent AMGI
- 271,161 households under 18 percent AMGI

People with very low incomes across the state “face a crisis in the availability of decent, safe, affordable housing,” because there are not enough units to meet the demand. Ohio has roughly 270,388 rental assistance units to serve 1,370,627 households and an estimated 69,557 households are on Public Housing Authorities (PHA) waiting lists as of June 2008. Combined, Ohio is only meeting 19 percent of the need. Due to the substantial waiting lists and demand it will be near impossible to meet the housing needs of very low-income populations.

Synopsis

The income levels of very low-income populations range from $619 to $1,712 per month. While the average cost of a one-bedroom unit is $507 a month and the studio/efficiency unit rent is $450 a month in Ohio. A person under 50 percent AMGI should be able to support themselves without rental assistance for a one-bedroom unit. However, temporary assistance may be needed for emergencies. Households under 35 percent AMGI would experience pressure to afford a one-bedroom apartment because the rent is more than half of their monthly income. A crisis situation occurs for groups under 18 percent AMGI because over 81 percent of their monthly income is spent on rent. This leaves no additional funds to afford food, utilities, phone, or other primary needs. Therefore extremely low-income households receive government assistance (e.g. Social Security Income, Medicaid, food stamps, etc.), yet even with these types of assistance, they are still unable to live sufficiently on a small income.

These statistics indicate that the sub-population from 50 percent to 18 percent AMGI are all in need of some form of rental assistance; those with extremely low incomes are in severe need. These populations are forced to look for rental assistance elsewhere that is unavailable. Other states (e.g. Illinois, Pennsylvania, Indiana, and others) have implemented programs and additional resources to meet the housing needs of very low-income populations; Ohio should take additional steps to address these housing needs as well.

Recommendations

- Several recommendations were developed to address the need for very low-income housing assistance in Ohio with recognition of the current economic conditions.
- Recommend the State of Ohio support the initiative of an Ohio Unified Long Term Care Budget/Money Follows the Person to open possible collaboration with other state agencies.
- Recommend the State of Ohio to use the National Housing Trust Fund to establish a sustainable rental assistance program within the Low Income Housing Tax Credit Program.
- Recommend that Ohio support the initiative of broader geographical dispersion of family's with rental assistance vouchers.

- Recommend OHFA to create a plan that allows 10 percent of a project to have an extremely low income targeting (Additional Income Targeting) to 18 percent AMGI and plan for these lower rent units to be sustainable for the full compliance period of the project (Additional operating funds, flexibility of the developer to raise the rents in the other units, etc).

- Recommend the State of Ohio to study a short-term subsidy program for Home Choice (formerly known as “Money Follows the Person”) participants.
**Existing Special Needs Housing**

**Background Data**
Ohio has an aging portfolio of housing for individuals and families with special needs. For the purposes of this effort, special needs populations are defined as the elderly, individuals with severe and persistent mental illnesses, and those with developmental disabilities and/or mental retardation. The challenges associated with providing special needs populations with housing are the following:

- Units traditionally need to be fully accessible and require extensive rehabilitation.
- Significant supportive services are required for long-term stability.
- These populations are typically very-low income and require continuing subsidy to maintain adequate housing.

**Synopsis**
Special needs housing units are being created through a variety of programs and partnerships across Ohio. The Ohio Department of Mental Retardation and Development Disabilities (ODMRDD) and the Low-Income Housing Tax Credit (LIHTC) Program has developed most of the housing available for special needs populations through a variety of sources. Specifically, MRDD Boards has purchased property by using various funds including Medicaid waiver dollars to convert existing residential units to accessible units; subsidies are also provided. Metropolitan Housing Authorities (MHAs) issues Section 8 vouchers to address the needs of very-low income residents as well. The LIHTC program aggressively addresses the need for senior housing within the state. The program over the last ten years has developed 12,494 units of senior housing and is currently allocating over 50 percent of its resources annually to addressing the needs of senior residents. Unfortunately there is an inadequate supply of special needs units to meet the housing demand.

**Recommendations**
The following policy and programmatic recommendations were developed to potentially impact and address the housing needs of special needs Ohioans.

1. **Create a permanent source of funds for operational subsidies to target lower incomes, specifically for households at or below 30 percent of area median gross income (AMGI).** Many individuals with special needs are either homeless or at-risk of homelessness due to severely low incomes. No subsidy exists to address this issue and bridge the gaps necessary to make low-income units (LIHTC specifically) affordable.

2. **Develop a coordinated plan for the collection and analysis of data relating to special needs populations.** No single source for data collection and evaluation exists. Data that does exist works in a competitive framework between competing constituencies within the special needs community.

3. **Improve the budgetary requirements and evaluation procedures used to develop, underwrite and approve supportive service packages for LIHTC and other units developed through OHFA programs.** Currently OHFA sets a minimum supportive service budget of $100 per unit on LIHTC projects with limited subjective review of the quality of supportive service packages. Increased scrutiny of and required financing for these services will increase the success of the units created through these programs.

4. **Increase the number of units developed through new programs.** While the current economic conditions often creates a need for economies of scale, many existing special needs units are scattered or in smaller unit projects. OHFA should encourage the development of products that work to address these needs on a smaller scale.
Rural and Appalachian Regions

Background Data

Ohio is the seventh most populated state but ranks fifth in the number of rural residents. The rural population of Ohio accounts for over 22 percent of the state’s total population according to 2000 Census data. Living in a rural area is a lifestyle choice for some and a necessity for others, and is notably different than urban areas. The percent of homeownership is higher in rural areas with 85.1 percent versus 65.6 percent for urban areas. In order to raise a family in the rural area or care for older family members, many families are forced to commute further to work and services. Over 41 percent of rural residents work outside of the county of their residence as compared to 25 percent in urban areas.

Living in the rural area is becoming more difficult as the cost of transportation increases, percentage of persons in poverty rises, and unemployment rates climb. As the shift in the Ohio economy has gone from industrial to information technology the rural area has suffered. Of the five highest unemployment counties, four are located in the Appalachian region of Ohio. Whereas Ohio residents living in the large urban cities the unemployment rate is lower and jobs are in close proximity eliminating the need for a long commute.

Synopsis

Appalachia is defined as a 200,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. In Ohio, Appalachia encompasses 29 counties in the southern and eastern parts of the state. Rural Ohio is defined as villages of less than 2,500 residents or in the open country. Collectively these two areas account for nearly 25 percent of the state’s population.

Both areas lack access to affordable housing. In Rural Ohio, there is a lack of existing public infrastructure upon which to build an economic base which could then support affordable housing. Appalachian Ohio has additional constraints: the lack of suitable terrain to build quality housing and inconsistent rules and regulations. Further exacerbating these conditions are historical practices of these areas not receiving adequate rehabilitation dollars resulting in a large amount of existing substandard housing stock.

There are numerous reasons for the lack of decent, safe, and affordable housing in rural and Appalachian areas, the following reasons were identified:

- The existing housing stock in rural areas are deteriorating and in desperate need of rehabilitation resulting in “housing of last resort” stock
- Additional development costs are incurred to build in rural and Appalachian areas costs are passed on to renters with already limited incomes
- Many rural residents cannot meet the underwriting criteria for homeownership opportunities
- Suitable building sites are more difficult to find
- Cost of construction often exceeds the appraised value for single family homes
- HUD’s income limits use statistics that are influenced by adjacent MSA’s or those in another state and are stagnant in most rural areas
- Lack of financial education has resulted in deteriorating credit
- Some rural counties are affected by large cities with a good but limited employment base
- Job opportunities in rural areas are few
- A large uncounted homeless population exists
- Lack of support for Community Housing Development Organizations (CHDOs) in rural areas
- Services for special needs, case management, and supportive services are limited in rural communities
- The shift of federal programs from a direct loan program with subsidy to a guaranteed loan program does not serve the same clientele
- Rural areas of Ohio are suffering with large increases in foreclosures and vacant homes

Several programs attempt to address the housing needs in Appalachian and rural areas in Ohio. Specifically the Low Income Housing Tax Credit program, administered by the Ohio Housing Finance Agency, works fairly well but doesn’t meet the full needs of affordable housing in rural areas. The USDA Rural Development Section 502 Direct program provides a deep subsidy for rural homebuyers but the funds are limited and due to budget costs they may be reduced. Financing offered by ODOD and OHFA for development, home improvements, down payment assistance, and counseling has also been very helpful in the rural areas. In 2007, the Ohio Department of Development also identified 25 distressed Ohio counties that are priority investment areas and are eligible for priority financing for some economic development programs. Of the 25 counties identified, 22 are located in the Ohio Appalachian region. Recommendations were formed to further address the unique challenges in Appalachian and Rural Ohio and to promote affordable housing in these areas.

**Recommendations**

1. **Priority to Communities that have Infrastructure in Place**

   With such limited resources available, state programs should give priority to communities that have infrastructure in place. It is less costly to adapt/reuse or tear down and rebuild where you have existing infrastructure.

2. **Qualified Allocation Plan (QAP) priority to Rural Development Section 515**

   Ohio Housing Finance Agency’s (OHFA) Qualified Allocation Plan should give priority to the Section 515 funds from Rural Development. There are limited Section 515 funds and they need the leverage of tax credits to be most successful.

3. **Increased Preservation Efforts**

   More priority and funding needs to be given to preservation of rental units in the rural area. The single family homes may not be feasible to save but apartment complexes, especially those with tenant subsidy need to be preserved as they cannot be replaced.

4. **Interest Rate Assistance as Bridge to Homeownership**

   Down payment assistance grants take care of the equity requirement on the front end for home purchase but not the long term affordability. For those who are ready for homeownership, interest rate assistance is needed as a bridge.

5. **Consistency and/or Consideration for Septic System Costs**

   Development of individual septic systems in the rural areas can be very costly. The cost for required systems in some counties makes home development cost prohibitive. There needs to be requirements from the state level for local health departments to have consistency in the development of individual sewer systems. If consistency is not obtained, OHFA should be flexible in administering programs to account for the added costs.
6. **Annual Set-Asides and Incentives for CHDOs**

Community Housing Development Organization (CHDO) funding offered through OHFA must be maintained at past levels or increased. There is a current lack of support for CHDOs in the rural areas. In many cases there is only one non-profit developer in a county or several surrounding counties. If they are not supported, there is no one to take over the work they are doing, and it may take several years for someone else to build the capacity if it ever happens. This differs in the urban areas where there are often several nonprofit developers in one city. We recommend an annual set-aside of operating funds for rural CHDOs with special consideration for areas of distress (i.e. poverty, high foreclosures, vacancies, etc.). We also recommend incentives for participating jurisdictions (PJ) to assist CHDOs in their own jurisdiction. It is not appropriate for the PJs to use all their HOME funds for other purposes, and then rely upon the state to provide funding for the local CHDO.

7. **Prioritize new funding to Rural and Appalachian Regions**

The state needs to look closely at the additional funding that it is receiving from the Housing and Economic Recovery Act (HR 3221) and prioritize funding for struggling rural and Appalachian areas.

8. **Consideration for Green and Sustainable Construction Compliance**

Although we think OHFA should continue to promote green and sustainable construction practices, it can be more difficult to fully comply in rural areas. The impact of reduced energy costs is a great benefit to the rural population where incomes are already low. We recommend special consideration be given to allow rural properties to comply to the extent possible and still receive consideration for additional points or preference given to green buildings.

9. **Boost Tax Credit Projects in Rural and Appalachian Ohio**

With the tightening of the credit market, it is becoming more difficult to develop affordable rental housing in the rural areas. Due to the tight cash flow they are less attractive to tax credit investors. Through the Housing and Economic Recovery Act (HR 3221), Ohio now has the ability to use a 30 percent boost for tax credit projects. We recommend consideration be given to allow this boost in rural areas that are difficult to develop, especially in the current market conditions.
Vacant Housing

Background Data
As of September 30, 2008, statewide Ohio has a total of 212,419 vacant residential properties according to the US Post Office data, which uses a definition of houses where mail has not been collected for three months. ReBuild Ohio and Community Research Partners also identified a number of factors for the vacant property crisis, including job and population losses, an older housing stock, foreclosures and subprime lending, and property tax delinquencies in Ohio.

Foreclosures in particular are widely seen as a major driver of the large numbers of vacant homes in Ohio. The impact on neighborhoods, particularly in weak market cities, is devastating. The cost of vacant homes to Ohio’s cities is a major burden. In 2007, ReBuild Ohio reported that $64 million in costs to eight local governments from demolition and boarding, grass cutting and trash pickup, fire and police runs, tax losses, and additional code enforcement. And demolition cost for a single unit residential structure in the state of Ohio ranges from $6,000 to $8,000.

Local governments, both large and small, are further struggling to track vacant properties. Cleveland’s Northeast Ohio Community and Neighborhood Data for Organizing (NEO CANDO) project at Case Western Reserve University, have model systems capable of tracking and even preventing foreclosures and vacancies, while others do not have the capacity to quantify vacant properties.

Additional challenges include the use of various definitions and measurements for vacant, abandoned and nuisance properties and lack of defined key terms in use, creating a challenge for local and state policy makers, according to Roberta Garber, Executive Director of Community Research Partners. Currently municipalities gather most of their data during code enforcement activities. For example, Cleveland, Toledo, and Dayton examine utility shut off and reconnection data and attempt to compare the data with county level data, such as tax liens. Other concerns include the prevention of tenant evictions due to foreclosures and the development of quick means to move vacant, tax delinquent property to local land banks and collaboratives so that properties can be quickly conveyed to responsible owners.

Synopsis
The State of Ohio has taken steps to address the issues associated with vacant housing; specific programs and collaborations include:

- **U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP):** Ohio will receive $258 million; funds are distributed as part of a short-term stimulus package approved by Congress and the President; funding must be committed within 18 months and spent within three years.

- **Ohio Housing Finance Agency (OHFA):** provides financing for rehabilitation of vacant housing through the Housing Credit Program, Housing Development Assistance Program and Housing Development Gap Financing.

- **Ohio Community Development Finance Fund:** $1 million loan pool for acquisition and holding costs (LANDLOC) from the Ohio Housing Trust Fund.
Several cities in Ohio currently have land banks, including Cleveland and Columbus.

City revenues: Cities are currently using local tax dollars to board and demolish homes, maintain grass cutting, monitor code violations and respond to crime and emergency calls that result from activity in and around vacant housing.

Local vacant housing collaborations (Cleveland, Cincinnati, Toledo and other cities in Ohio): generally involve a diverse group of stakeholders and support of the city and county.

Ohio Foreclosure Prevention Task Force: Save the Dream: directly responds to the need for foreclosure prevention.

These efforts are commendable however more will need to be done to fully address the issue because some of the programs are short-term whereas vacant housing has and will continue to have a long-term impact on Ohio. Remaining challenges include: cost discrepancies between rehabilitation and demolition, insufficient and inconsistent tracking data for vacant properties, lack of renter protection policies, issue of “toxic” titles that impede the reclamation of vacant properties, and the lack of comprehensive long-term policies.

Recommendations
The State of Ohio must work with various entities to develop sound, comprehensive, long-term policies that address the needs of affordable housing for homeowners and renters. The following recommendations were developed to address the remaining challenges associated with vacant housing:

1) Support land bank legislative and policy reforms that would include the following elements.

Land bank legislation and policy reforms are needed to modernize Ohio’s existing land bank statute, address the large and unprecedented volume of vacant homes on the market, prevent destructive speculation and property flipping, and create an efficient and cost-effective process for disposition of properties. Key features that should be part of land bank legislation reform include the following:

- The land bank entity should be an independent public authority governed by elected officials appointed to the Board of Directors or included in state law as a part of the Board of Directors when the entity is formed. The Board of Directors should have one or more representatives from each major unit of local government in the land bank territory.

- The land bank authority is predicated on the county taxing authority and a functioning intergovernmental partnership between the county and/or counties and jurisdictions within the county/counts.

- The legal land bank entity should be a public authority comprised of a county and cities within the county or multiple counties.

- The authority should have broad discretion in setting disposition criteria with property conveyance resting with the authority except that in forming the authority, local governments could specify priority use of property such as housing, green space, or economic development, etc; but final authority on disposition should rest with the authority.

- The land bank authority should have the power and discretion for a broad range of acquisition methods such as:

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*Proposed legislation with these elements is pending in the State Legislature (HB 602 and SB 353).
- direct transfer of property from units of local government;
- buying properties at foreclosure (tax foreclosure or other foreclosure);
- purchasing property on the open market;
- receiving donated properties, etc.

- As a public authority the land bank would own property free of taxes.
- The land bank authority should have independent borrowing capacity such as tax exempt bonds or other financing mechanisms but limited to borrowing capacity based on the security assets of the land bank authority.
- Housing codes and nuisance abatement procedures for units of local government should allow for government expenditures on behalf of vacant or abandoned property to become a first priority lien on the property. This will enable the land bank to exert more control on properties.
- A possibility for funding the land bank authority is to allow the authority to receive 50 percent of the property tax for five years on any property that is placed back on the tax duplicate.

Land bank reform legislation focused on Cuyahoga County was passed December 2008.

2) ASSIST LAND BANKS AND VACANT HOUSING COLLABORATIONS IN ACQUIRING FORECLOSED, REAL ESTATE OWNED (REO), AND OTHER VACANT PROPERTIES FOR RENOVATION INTO AFFORDABLE HOUSING AND DEMOLITION.

A major issue for all Ohio cities in the Ohio Vacant Properties Initiative (OVPI) report was the difficulty in both land assembly for immediate projects as well as longer term land banking of vacant properties, especially of larger scale, where current housing and neighborhood demand is presently lacking. The OVPI recommends OHFA provide direct support for both land assembly and land banking activities where tied to comprehensive plans and strategic neighborhood strengthening activities.

3) STREAMLINE THE STATE’S NUISANCE ABATEMENT RECEIVERSHIP LAW AND EXPAND ITS USE AS A TOOL TO ADDRESS VACANT AND ABANDONED HOUSING.

Receivership as a nuisance abatement strategy has been in Ohio law for 24 years but has had only moderate usage in cities outside of Cleveland due to the cumbersome nature of the process and lack of education among attorneys, local governments and nonprofit housing organizations. In addition, the absence of housing or environmental courts in many cities has made abatement of nuisance properties more challenging. Modernization of the statute is needed to allow for efficient receipt of clear title by the receiver in cases where the owner has not abated the nuisance. State legislation was introduced in the Ohio House in 2008 to address this issue. Streamlining of receivership as a nuisance abatement tool was also recommended by the Ohio Foreclosure Prevention Task Force in 2007.

4) ASSIST THE STATE’S URBAN AREAS AND RURAL COUNTIES WITH HIGH INCIDENCE OF FORECLOSURES WITH IMPROVEMENTS TO THEIR DATA COLLECTION SYSTEM, DATA ANALYSIS AND STRATEGY DEVELOPMENT.

With the exception of a few of Ohio’s largest cities and counties, many municipalities lack the data collection, organization and coordination strategies necessary to develop a targeted response to the growing numbers of vacant properties in their communities. In a time of intense economic challenges, scarce resources must be allocated as efficiently as possible to maximize return on public investment.
OHFA should provide funding, training and technical assistance to municipalities and counties to help them develop or improve their data collection systems and strategies to address vacant properties and neighborhood revitalization. Potential first steps include:

A) Conduct a needs assessment of the state’s first and second tier municipalities and counties to determine needs and associated costs; and

B) Provide or facilitate workshops for local governments on basic data collection methods, definitions and team approaches with other government offices to share data.

5) **Incentivize the formation of broad coalitions and collaborations to address vacant housing.**

Provide seed funding and/or other incentives as an incentive for the formation of urban collaborations and development of community-based, data-driven strategies that support neighborhood stabilization and market recovery. The Ohio Vacant Properties Initiative (OVPI) final report recommends that OHFA invest in initiatives that take advantage of and work in partnership with county wide or regional information systems, especially University partnerships. The work of the National Vacant Properties Campaign in Ohio cities (including Toledo, Cleveland, Dayton, and now Youngstown) show the importance of having a clear information system that quantifies and tracks both vacant housing structures as well as its effects on crime, tax revenues, and neighborhood instability. In turn this information aids the development of coalitions and their comprehensive plans from a broad range of stakeholders; and allows for the development of strategies based upon data and the involvement of a variety of stakeholders beyond traditional housing and social service organizations. A diverse coalition of stakeholders is a potentially powerful tool in developing comprehensive vacant property strategies. Such stakeholders might include local government, Community Development Corporations (CDCs) and Community Housing Development Organizations (CHDOs), neighborhood and civic associations, hospitals, schools, universities and other major anchor institutions, large and small businesses and corporations, realtors, homebuilders, financial institutions, police, city planners, social service agencies, engineers (to address infrastructure issues), university extension services (to address reuse of vacant land) and environmental specialists.

6) **Provide consistent funding streams for rehab and demolition of vacant housing.**

**Low- to Moderate-Income Housing Trust Fund**

We recommend the State of Ohio remove the cap on the Housing Trust Fund which limits the amount used for housing to $50 million. This will allow efforts started by federal, State, and local resources to continue into the future. In addition, it is recommended that the Ohio Revised Code be modified to allow up to 5 percent of the Housing Trust Fund to be used for demolition only of vacant and blighted structures. Land that becomes vacant as a result of Housing Trust Fund dollars must remain vacant or be used in a manner that benefits low- and moderate-income (LMI) households for a period of at least five years (e.g. parks, community and recreational buildings and safety services that benefit a LMI neighborhoods).

7) **Take quick action to slow the rate and impact of foreclosures and prevent homes from becoming vacant.**

The State needs to look at how to slow the rate of foreclosures, one of the major causes of vacant housing. Both state and local agencies are investing in foreclosure prevention counseling, some of which now have success rates as high as 50 percent. Unfortunately, while success is high, the number of foreclosure defendants entering the counseling system is low.
The State should consider temporary emergency legislation (3 to 24 months) that mandates a stay of proceedings on occupied property and a court-ordered referral to one of the funded counseling programs. By doing this, state and local court systems would be taking maximum advantage of state and local foreclosure prevention programs.

One strategy to prevent vacant housing and more people from becoming displaced due to foreclosure is to provide more protections to tenants. Renters face serious consequences as a result of foreclosure, including immediate eviction, displacement and high transition costs, including new security deposits, increased new rent, moving and storage costs, and property costs.

A recent Policy Matters Ohio report entitled “Collateral Damage: Renters in the Foreclosure Crisis,” shows the impact the foreclosure crisis has on renters in Cuyahoga County and elsewhere in the state. The study found that nearly 4,000 foreclosure filings were rental properties and foreclosures of rental units have increased at a higher rate than owner-occupied properties.

According to COHHIO, renters need protections that would allow them to stay in their units for a period of time following the foreclosure of their unit, making it easier for them to relocate or enter into new arrangements with the new owner. Tenants also need at least 30 days written notice before a sheriff sale and the ability to continue their tenancy upon sale to a new owner. Legislation has been introduced in the House and Senate to provide greater protections to tenants in the event of foreclosure actions.

8) **Continue with efforts to address Foreclosure Prevention in an effort to minimize the increase of vacant housing.**

Recommend the State of Ohio restart the Foreclosure Prevention Task Force in order to evaluate the progress of recommendations made; evaluate new possibilities in light of changes to legislation, changes to markets, efforts undertaken by local governments, and to address unforeseen issues that arise throughout these market conditions. While vacant housing has always been a factor in the market, it has never been to the degree currently seen. These conditions will not be mitigated over a short period, and conditions will change with the market. Therefore, the Task Force should remain as long as this condition continues to place a significant burden on Ohio.
Permanent Supportive Housing Production

Background Data

Permanent supportive housing (PSH) is affordable housing that offers an array of comprehensive services that can be beneficial to both homeless individuals with a disabling condition, as well as other vulnerable populations. The populations best served by permanent supportive housing are: homeless persons, persons with severe mental illnesses, persons with alcohol and drug addiction disorders, youth aging out of foster care, and offenders exiting Ohio Department of Rehabilitation and Correction’s institutions.

The exact number of permanent supportive housing units and population in need of such housing in Ohio is difficult to determine. It is estimated that as of 2007 there are at a minimum 8,000 to 8,500 units of permanent supportive housing scattered throughout the state, with a concentration in urban counties.\(^9\) According to the 2007 Continuum of Care (CoC) applications, Ohio needs 6,583 units of permanent supportive housing to provide housing to over 9,000 people. Whereas methods used by state agencies determined that on an annual basis 10,426 people were identified to need supportive housing. The population and state agency figures combined indicates that in Ohio 19,727 people are in need of PSH. Geographic differences are important when estimating the need of PSH as well; specifically the resource capacities of rural versus urban areas. The calculations used to determine the number of units and people in need of PSH varies at the local, state, and federal level. Due to variations there is general agreement that the numbers under-represent the need for permanent supportive housing throughout the state.

Synopsis

The development of PSH units has been challenging historically for housing developers and permanent supportive housing providers. The creation and operation of permanent supportive housing requires funding for three distinct and necessary components:

1) Capital to acquire property, rehabilitate existing units, and/or to construct new units
2) Operating subsidies to offset the rents which are usually beyond the ability of most tenants to pay (generally tenants in PSH are at or below 30 percent of AMI) or to cover the cost of having security and support at the front door of an apartment building
3) Service funding which pays for the staff which assists the tenants in accessing and utilizing community based services such as treatment.

It must be noted that currently in the state of Ohio, nonprofit supportive housing providers are getting little to no financial support for the funding of operating or support services provided in PSH.\(^10\) Capital financing for permanent supportive housing is generally available, but there are fewer resources available for operations and services. Securing funding for all three components of PSH sometimes result in developers “cobbling together” 10-25 different funding sources to make the projects work and operate successfully. Funding challenges exacerbate the issues and housing needs of those populations best served by permanent supportive housing.

Rural and urban communities across Ohio have worked with local housing authorities, mental health boards and Continuums of Care to secure funding for supportive housing operations and services. Despite this progress, there is a significant shortfall of operating and services subsidy that will limit the continued development of PSH and keep homeless people in shelters and places not meant for human habitation for too long.\(^11\) "There is a

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\(^9\) Corporation for Supportive Housing, Ohio Permanent Supportive Housing Inventory (2008) available Internet: http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=4212&nodeID=87


\(^11\) Permanent Supportive Housing Gap Program, as presented to the Governor’s Interagency Council on Homelessness and Affordable Housing, September 25, 2008.
pipeline of PSH projects in communities around Ohio that will meet the needs of more than 1,000 long-term homeless individuals and families over the next three years. However, waiting lists demonstrate additional gaps in funding. For example, housing data for mental health consumers showed increased demand and less access; for supported housing, the number of consumers waiting increased from 2,372 to 3,387, and the number waiting more than a year increased from 17 percent to 21 percent between 2004 and 2008.\textsuperscript{12}

The Ohio Department of Mental Health, local mental health boards, nonprofit housing developers, and other organizations and state agencies efforts has focused on the need for permanent supportive housing in the State of Ohio. The Corporation for Supportive Housing (CSH) for example, has been working to provide advocacy, leadership and financial resources for the creation of permanent, supportive housing for seventeen years. CSH has identified six building blocks\textsuperscript{13} that have been present in successful permanent, supportive housing nationwide. The six key indicators that should be present to develop an adequate supply of successful permanent, supportive housing are: leadership, collaborative planning, financial leverage, provider infrastructure, credible data, and networks of allies. Other notable efforts include the Columbus Housing Network’s tenant education training, National Church Residences’ contract between housing management staff and case managers, and Jobs First service model that seeks to engage tenants in employment when they sign-up for housing.

Ohio has recognized homelessness issues and the need for permanent supportive housing as homelessness is an ongoing problem in the State of Ohio. People experiencing homelessness are among the most vulnerable people in society. If society is judged by how it treats the least of its citizens, those in homelessness are among the most deserving of attention. In order to provide the necessary attention to permanent supportive housing additional resources and efforts are required.

\textbf{Recommendations}

Multiple recommendations were developed as a means to further address the need for permanent supportive housing in Ohio, recommendations are as follows:

1. Better coordinate existing state resources with Federal Home Loan Bank (FHLB) to capture more FHLB money in Ohio for PSH development.
   \textbf{Rationale:} The FHLB of Cincinnati has invested in PSH extensively in Ohio. Unfortunately, the percentage of their funds for special needs housing (of which PSH is one type) is disproportionately going to projects in two other states in their footprint. Based upon population census, Ohio represents 53 percent of FHLB of Cincinnati’s footprint but is only capturing approximately 36.5 percent of FHLB resources.\textsuperscript{14}

2. The State should facilitate an easier, coordinated process for access to multiple state resources that fosters partnership with local organizations for PSH development and operations.
   \textbf{Rationale:} Providers and local community leaders must apply to multiple state agencies to access limited PSH resources. These applications are commonly on differing application deadlines, requiring differing supporting materials. Monitoring and compliance follows suit with one PSH provider in Columbus reporting three separate monitoring visits by three agencies in one month to review the same project. ODOD and ODMH have a workable model for shared investment. This concept should be examined further for application and extension.

\textsuperscript{12}Ohio Department of Mental Health, 2009 Community Plan Report System Performance Indicators
\textsuperscript{13}Corporation for Supportive Housing, Toolkit for Advancing Systems Change, Available Internet: http://intranet.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=4028&stopRedirect=1
\textsuperscript{14}Corporation for Supportive Housing, Ohio office analysis completed on FHLB of Cincinnati’s 2005-2008 awards. Contact CSH at 614.228.6263.
3. The State should assist local Continuums of Care that have underutilized federal HUD McKinney Vento funds available for PSH.

   Rationale: In 2007 alone, approximately $4 million of federal McKinney-Vento funds were left unapplied for and therefore lost to the state of Ohio due to local capacity and inadequate numbers of new PSH projects.

4. Develop performance measures and common standards for quality PSH and adopt them across multiple state agencies that invest in PSH.

   Rationale: Investors and technically assistance providers such as the Community Shelter Board, Enterprise Community Partners, and the Corporation for Supportive Housing have found that performance outcomes and quality of PSH varies from location to location.

5. Develop a business plan across the state agencies whose constituents are identified in this report needing supportive housing. The business plan should include a multi-year approach to developing units to meet the need; common terminology and definitions; local/state collaboration; methods for complimentary use of resources; consistent methods for data collection across multiple systems; method for reporting out results; identify an easier coordinated process for accessing state resources.15

   Rationale: In Minnesota, a statewide business plan to develop PSH called for by the Governor, led to greater targeted investment in PSH development.16

6. Preserve existing state resources targeting PSH in the current biennium and future biennium budgets.

   Rationale: Research and data collected around PSH provides policy makers with irrefutable evidence that PSH is a very strategic investment with an excellent rate of return. Ohio and its citizens are paying dearly for the lack of investment in PSH – through avoidable trips to emergency rooms, involvement with the criminal justice system at the state and local level, demands upon shelters and behavioral health crisis services, and other emergency services. There is also the human cost associated with the expensive option of status quo. Therefore, it is recommended that Ohio preserve state resources aimed at PSH and be open to considering new options for funding of PSH in the future. For example, the Ohio Housing Trust Fund revenues used by OHFA and ODOD for PSH development, operations and services should continue at increasing levels to address increased costs.

7. Create a new PSH Gap Program to provide funding for services and operations.

   Rationale: A new Bundled Supportive Housing Subsidy would fill the critical operations and essential service funding gaps of new and existing PSH projects. The PSH Gap Program would fill gaps specifically for on-site service coordination and operating PSH with new ongoing source of revenue.

---

15In order to make informed decisions, policy-makers must be aware of concerns among advocates about the best approaches to public policy. Insufficient funding for PSH creates a conflict about where resources are best directed. Tension arises between efforts dealing with homelessness on a local community level and efforts seeking to broadly direct resources at possible points of entry into homelessness.

Local communities are sometimes suspicious of non-community based programs that if ineffectively administered, direct PSH resources - including units - to helping people for whom PSH may not be appropriate. Local communities have a strong need for assistance in reducing the immediate burden on local resources to continuously shelter and provide emergency assistance to people that are homeless now. Organizations with a focus broader than a local community’s plan make a case that resources should be directed towards populations at risk of homelessness (e.g. those exiting public institutions).

The tension between those focal points necessarily enters into the public policy debate over PSH. To be certain, the debate is not about the “right” thing to do for homeless people and (contrary to some belief) housing professionals understand that PSH is not the solution for ending all homelessness. The conflict is primarily about prioritizing limited funds.

Resource Inventory

The Subject Matter Workgroups created an inventory of existing programs and resources directed to the identified housing needs; this inventory is the only such housing itemization that exists in the State of Ohio.
<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
<th>Statistics</th>
<th>Location</th>
<th>Source</th>
<th>Cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First-Time Homebuyer Program</strong></td>
<td>Makes purchasing a home more affordable for qualifying homebuyers by offering 30-year, fixed-rate mortgage loans at competitive interest rates.</td>
<td>2007: 6586 loans</td>
<td>Ohio</td>
<td>OHFA</td>
<td>$975 million (est.)</td>
<td>Also addresses the Rural and Appalachian Regions housing needs</td>
</tr>
<tr>
<td><strong>Target Area Homeownership Program</strong></td>
<td>Makes purchasing a home more affordable for qualifying homebuyers by offering 30-year, fixed-rate mortgage loans at competitive interest rates.</td>
<td>2007: 1370 loans</td>
<td>Ohio</td>
<td>OHFA</td>
<td>$136 million (est.)</td>
<td>Also addresses the Rural and Appalachian Regions housing needs</td>
</tr>
<tr>
<td><strong>Ohio Heroes Program</strong></td>
<td>Provides 30-year, fixed-rate mortgages to full-time employees in specific professions.</td>
<td>Active Military, Emergency Medical Technicians, Firefighters, Healthcare Workers, Military Veterans, Paramedics, Police Officers, Teachers</td>
<td>Ohio</td>
<td>OHFA</td>
<td>$21,000,000 (in above FTB and target area programs)</td>
<td>Also addresses the Rural and Appalachian Regions housing needs</td>
</tr>
<tr>
<td><strong>USDA Section 502 Direct Loan</strong></td>
<td>Subsidized loans for low income buyers.</td>
<td>Below 80% AMI 357 individual loans Eligible rural areas</td>
<td>USDA Rural Development</td>
<td>USDA budget authority</td>
<td>$25,852,213</td>
<td>-</td>
</tr>
<tr>
<td><strong>USDA Section 502 Guarantee</strong></td>
<td>Private loans for low/moderate income buyers with loan guarantee.</td>
<td>Below 80% AMI 1,112 individual loans Eligible rural areas</td>
<td>USDA and private lender</td>
<td>USDA budget authority/private mortgage</td>
<td>$90,042,848</td>
<td>-</td>
</tr>
</tbody>
</table>

### Down Payment Assistance and Affordability Subsidy

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
<th>Statistics</th>
<th>Location</th>
<th>Source</th>
<th>Cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing Development Assistance Program (HDAP): Homeownership Development Grants</strong></td>
<td>Provides financing for eligible affordable housing projects to expand, preserve, and/or improve the supply of decent, safe, affordable housing.</td>
<td>Very low- to moderate-income persons and households.</td>
<td>-</td>
<td>OHFA</td>
<td>$10 million (OHTF), $8.38 million (HOME)</td>
<td>Also addresses the Affordable Housing Preservation, Development, and Operating Costs for Multifamily Housing, and Accessible Housing needs</td>
</tr>
<tr>
<td><strong>Community Housing Improvement Program (CHIP): Homeownership Activity</strong></td>
<td>Provides downpayment assistance of affordability subsidies, often in conjunction with rehabilitation of the house.</td>
<td>At or below 80% of the area median income 200+ units Non-urban areas of Ohio</td>
<td>Ohio</td>
<td>Department of Development/local governments</td>
<td>$5.5 million annually</td>
<td>-</td>
</tr>
<tr>
<td><strong>Community Development Program: Formula Allocation Grants- Acquisition/Rehab Activity</strong></td>
<td>Subsidizes the development of newly constructed houses, and ensures their affordability to an eligible homebuyer. Includes units constructed in partnerships with Habitat for Humanity.</td>
<td>At or below 80% of the area median income 2 units Non-urban areas of Ohio</td>
<td>Ohio</td>
<td>Department of Development/local governments</td>
<td>$40,000 annually</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ohio Housing Trust Fund Discretionary Grant Program: Habitat for Humanity Allocation</strong></td>
<td>Subsidizes the development of newly constructed houses, and ensures their affordability to an eligible homebuyer. Includes units constructed in partnership with Habitat for Humanity.</td>
<td>At or below 80% of the area median income 20 units Urban areas of Ohio</td>
<td>Ohio</td>
<td>Department of Development/Habitat for Humanity State Affiliate</td>
<td>$200,000 annually</td>
<td>-</td>
</tr>
<tr>
<td><strong>Public Housing Family Self Sufficiency Program</strong></td>
<td>Designed to assist program participants to achieve economic independence and self-sufficiency.</td>
<td>Residents of Public housing Youngstown, Lucas, Ashtabula, Trumbull, Lorain, Springfield, Cuyahoga, Mahoning MVA's</td>
<td>Metropolitan Housing Authorities</td>
<td>-</td>
<td>FY 2007 State Total: $429,313</td>
<td>-</td>
</tr>
<tr>
<td><strong>Welcome Home Program (WHP)</strong></td>
<td>Provide members with downpayment and closing costs for owner-occupied housing.</td>
<td>Persons with incomes at or below 80% of state housing finance agency Mortgage Revenue Bond (MRB) income limits</td>
<td>-</td>
<td>Federal Home Loan Bank of Cincinnati</td>
<td>Grants up to $5,000 per unit</td>
<td>-</td>
</tr>
<tr>
<td><strong>American Dream Homeownership Challenge</strong></td>
<td>Funds variety of uses leading to increased number of homeownership units. Minority members with special needs.</td>
<td>-</td>
<td>Fifth District (Cincinnati, OH)</td>
<td>Federal Home Loan Bank of Cincinnati</td>
<td>Grants up to $100,000 or $200,000 depending upon eligible household type</td>
<td>Also addresses the Existing Special Housing needs.</td>
</tr>
<tr>
<td><strong>Community Investment Program (CIP)</strong></td>
<td>Promotes community and economic development and job creation/intention. Owner-occupied or rental housing or economic development in federally designated areas and neighborhoods.</td>
<td>-</td>
<td>Areas and neighborhoods with incomes at or below 80% of HUD AMI</td>
<td>National</td>
<td>HUD</td>
<td>Administered as a part of the HUD Home Investment Partnerships Program</td>
</tr>
<tr>
<td><strong>U.S. Housing and Urban Development (HUD): American Dream Downpayment Initiative (ADDI)</strong></td>
<td>ADDI aims to increase the homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities. ADDI will help first-time homebuyers with the biggest hurdle to homeownership downpayment and closing costs.</td>
<td>Low-income first-time homebuyers 422,024 people assisted</td>
<td>National</td>
<td>HUD</td>
<td>Discounted loans</td>
<td>-</td>
</tr>
<tr>
<td><strong>Down Payment Assistance</strong></td>
<td>Assist households with down payment assistance.</td>
<td>At or below 50% of area median income 200+ households assisted with DPA and 1,000+ assisted with counseling</td>
<td>Ohio</td>
<td>Department of Development/local non-profit</td>
<td>$12 million (est.)</td>
<td>Also addresses the Rural and Appalachian Regions housing needs</td>
</tr>
<tr>
<td>Affordable Homeownership &amp; Counseling and Education Resources</td>
<td>Home Ownership: First Mortgage Financing</td>
<td>Housing Assistance and Affordability Subsidy</td>
<td></td>
<td></td>
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<tr>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td><strong>First-Time Homebuyer Program</strong></td>
<td>Makes purchasing a home more affordable for qualifying homebuyers by offering 30-year, fixed-rate mortgage loans at competitive interest rates.</td>
<td>Provides financing for eligible affordable housing projects to expand, preserve, and/or improve the supply of decent, safe, affordable housing.</td>
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<td></td>
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</tr>
<tr>
<td>Low- and moderate-income Chicanos who have not had ownership interest in a home in previous 3 years</td>
<td>2007: 656 loans</td>
<td>Very low- to moderate-income persons and households.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Ohio</td>
<td>OHFA</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage Revenue Bonds</td>
<td>$675 million (est.)</td>
<td>OHFA Housing Trust Fund, Federal HOME Improvement Partnership Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Also addresses the Rural and Appalachian Regions housing needs</td>
<td></td>
<td>$10 million (CHTF), $8.38 million (HOME)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Target Area Homeownership Program</strong></td>
<td>Makes purchasing a home more affordable for qualifying homebuyers by offering 30-year, fixed-rate mortgage loans at competitive interest rates.</td>
<td></td>
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</tr>
<tr>
<td>Homebuyers with incomes up to 140% of area median</td>
<td>2007: 1370 loans</td>
<td></td>
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<tr>
<td>Ohio</td>
<td>OHFA</td>
<td></td>
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<td></td>
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<tr>
<td>Mortgage Revenue Bonds</td>
<td>$136 million (est.)</td>
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<td>Also addresses the Rural and Appalachian Regions housing needs</td>
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<td><strong>Ohio Heroes Program</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Active Military, Emergency Medical Technicians, Firefighters, Healthcare Workers, Military Veterans, Paramedics, Police Officers, Teachers</td>
<td>2008 Est: 1,800 (included in above FHA and target area programs)</td>
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<tr>
<td>Ohio</td>
<td>OHFA</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Mortgage Revenue Bonds</td>
<td>2008 est: $21,000,000 (included in above FHA and target area programs)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Also addresses the Rural and Appalachian Regions housing needs</td>
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</tr>
<tr>
<td><strong>USDA Section 502 Direct Loan</strong></td>
<td>Subsidized loans for low income buyers.</td>
<td>USDA Rural Development</td>
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</tr>
<tr>
<td>Below 80% AMI</td>
<td>357 individual loans</td>
<td>USDA budget authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible rural areas</td>
<td></td>
<td>$35,802,213</td>
<td></td>
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</tr>
<tr>
<td><strong>USDA Section 502 Guarantee</strong></td>
<td>Private loans for low/moderate income buyers with loan guarantee.</td>
<td>USDA and private lender</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Below 80% AMI</td>
<td>1,112 individual loans</td>
<td>USDA budget authority/private mortgage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible rural areas</td>
<td></td>
<td>$90,040,848</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Housing Development Assistance Program (HDAF): Homeownership Development Grants                  | Provides downpayment assistance of affordability subsidies, often in conjunction with rehabilitation of the house. | Provides members with downpayment and closing costs for owner-occupied housing.                             |
| At or below 80% of the area median income                                                          | 200+ units                                                                                                | Persons with incomes at or below 80% of state housing finance agency.                                        |
| Non-urban areas of Ohio                                                                           | Ohio Department of Developmental governments                                                          | Federal Home Loan Bank of Cincinnati                                                                       |
| CDBG                                                                                               | Ohio Housing Trust Fund for Humanity State Affiliate                                                  | Federal Home Loan Bank of Cincinnati                                                                       |
| $5.5 million annually                                                                             | Ohio Housing Trust Fund                                                                                 | Grants up to $5,000 per unit                                                                               |
| **Ohio Housing Trust Fund Discretionary Grant Program-Habitat for Humanity Allocation**         | Subsidizes the development of newly constructed houses, and ensures their affordability to an eligible homebuyer. Includes units constructed in partnership with Habitat for Humanity affiliates. |                                                                                                               |
| At or below 65% of the area median income                                                          | 20 units                                                                                                |                                                                                                               |
| Urban areas of Ohio                                                                               | Ohio Department of Developmental governments                                                          |                                                                                                               |
| Ohio Housing Trust Fund                                                                             |                                                                                                          |                                                                                                               |
| $200,000 annually                                                                                 |                                                                                                          |                                                                                                               |
| **Public Housing Family Self Sufficiency Program**                                                | Designed to assist program participants to achieve economic independence and self-sufficiency.        |                                                                                                               |
| Residents of Public housing                                                                       | FY 2007: 496 rental subsidies converted to homeownership.                                             |                                                                                                               |
| Youngstown, Lucas, Akron, Trumbull, Lorain, Springfield, Cuyahoga, Mahoning MVA's                  |                                                                                                          |                                                                                                               |
| Metropolitan Housing Authorities                                                                   |                                                                                                          |                                                                                                               |
| FY 2007 State Total: $429,313                                                                      |                                                                                                          |                                                                                                               |
| **Welcome Home Program (WHP)**                                                                     | Provide members with downpayment and closing costs for owner-occupied housing.                        |                                                                                                               |
| Persons with incomes at or below 80% of state housing finance agency.                             |                                                                                                          |                                                                                                               |
| Fifth District (Cincinnati, OH)                                                                    |                                                                                                          |                                                                                                               |
| Federal Home Loan Bank of Cincinnati                                                              |                                                                                                          |                                                                                                               |
| Grants up to $100,000 or $200,000 depending on eligible household needs                           |                                                                                                          |                                                                                                               |
| **American Dream Homeownership Challenge**                                                        | Funds variety of uses leading to increased number of homeownership units.                             |                                                                                                               |
| Minorities and persons with special needs.                                                        |                                                                                                          |                                                                                                               |
| Fifth District (Cincinnati, OH)                                                                    |                                                                                                          |                                                                                                               |
| Federal Home Loan Bank of Cincinnati                                                              |                                                                                                          |                                                                                                               |
| Grants up to $100,000 or $200,000 depending on eligible household needs                           |                                                                                                          |                                                                                                               |
| **Community Investment Program (CIP)**                                                            | Promotes community and economic development and job creation/retention. Owner-occupied or rental housing or economic development in federally designated areas and neighborhoods. |                                                                                                               |
| Low-income first-time homebuyers.                                                                 | Low-income first-time homebuyers.                                                                      |                                                                                                               |
| 422,024 people assisted                                                                          |                                                                                                          |                                                                                                               |
| National                                                                                          | HUD                                                                                                      |                                                                                                               |
| **Down Payment Assistance**                                                                       |                                                                                                          |                                                                                                               |
| Assisted households with down payment assistance.                                                 |                                                                                                          |                                                                                                               |
| At or below 50% of area median income                                                              |                                                                                                          |                                                                                                               |
| 200+ households assisted with DPA and 1,000+ assisted with counseling                            |                                                                                                          |                                                                                                               |
| Ohio                                                                                               |                                                                                                          |                                                                                                               |
| Ohio Department of Development/ local non-profits                                                  |                                                                                                          |                                                                                                               |
| Ohio Housing Trust Fund                                                                           |                                                                                                          |                                                                                                               |
| $700,000 annually                                                                                 |                                                                                                          |                                                                                                               |
### Counseling and Education Resources

<table>
<thead>
<tr>
<th>U.S. Department of Housing and Urban Development (HUD): Housing Counseling</th>
<th>Homeowners, homeowners and renters</th>
<th>Statewide</th>
<th>Intermediaries receiving funding</th>
<th>HUD</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Housing Finance Agency: Comprehensive Counseling</td>
<td>Provides homebuyer education and counseling before, during and after the purchase of a home so as to increase the chances of the borrower remaining in their home, and at the same time incorporating the strategy to commit CDBG and HOME funds to provide housing assistance to local communities to address the local needs and in turn contributing to Ohio’s growth.</td>
<td>No income limit</td>
<td>Ohio</td>
<td>OHFA</td>
<td>HUD/ OHFA</td>
<td>$135,206</td>
</tr>
<tr>
<td>Community Housing Improvement Program: Homeownership Counseling</td>
<td>Provides counseling and education to would-be homeowners. At or below 80% of area median income 177 households assisted</td>
<td>Non-urban areas of Ohio</td>
<td>Ohio Department of Development/Local communities</td>
<td>CDBG</td>
<td>$116,000 annually</td>
<td>-</td>
</tr>
</tbody>
</table>

### Energy Conservation Programs

<table>
<thead>
<tr>
<th>Home Weatherization Assistance Program (HWAAP)</th>
<th>Households &lt;150% poverty 7500 units</th>
<th>Statewide</th>
<th>Ohio Energy Office</th>
<th>Department of Energy / Dept of Health &amp; Human Services (through Ohio LIHEAP allocation)</th>
<th>$30 million</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Partnership Program (EPP)</td>
<td>Electric baseboard services including high efficiency light bulbs, refrigerator and freezer replacements, Heating system upgrades and weatherization for electrically-heated homes Households must be eligible to participate in the Percentage of Income Payment Plan 10,000 units</td>
<td>Service territories of Cincinnati Gas &amp; Electric; Cleveland Electric Illuminating; (CEI), Columbus Southern Power; Dayton Power &amp; Light; Monongahela Power; Ohio Edison; Ohio Power; and Toledo Edison</td>
<td>Ohio Energy Office</td>
<td>Utility bill rider</td>
<td>$12 million</td>
<td>-</td>
</tr>
</tbody>
</table>

### Warm Choice Programs

<table>
<thead>
<tr>
<th>Housewarming Program</th>
<th>Emergency heating unit (furnace or boiler) repair or replacement. Other weatherization and health and safety related services, including natural gas stove repair.</th>
<th>Dominions East gas customers &lt;150% poverty 1,750 units</th>
<th>Dominions East service territory</th>
<th>Cleveland Housing Network</th>
<th>Dominions East</th>
<th>$3.5 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dayton Power &amp; Light Weatherization Program</td>
<td>Program focuses on reducing heating costs and baseboard electric measures. Some health and safety services also funded.</td>
<td>Dayton Power &amp; Light customers &lt;150% poverty -</td>
<td>CP&amp;L service territory</td>
<td>Community Action Partnership of the Greater Dayton Area</td>
<td>Dayton Power &amp; Light</td>
<td>$265,000</td>
</tr>
<tr>
<td>Vectren YEE Program</td>
<td>Emergency heating unit (furnace or boiler) repair or replacement. Other weatherization and health and safety related services, including natural gas stove repair.</td>
<td>Vectren customers &lt; 300% of poverty -</td>
<td>VEDO Service territory</td>
<td>Community Action Partnership of the Greater Dayton Area</td>
<td>Vectren</td>
<td>$1.1 million</td>
</tr>
<tr>
<td>Community Connections Program</td>
<td>Baseboard electricity services; wiring replacements and upgrades; roof repairs and replacements; electric, heating and cooling system repairs and replacements; and weatherization for electrically heated or cooled homes.</td>
<td>&lt;150% of poverty line or families of military personnel called to active duty 2,384 units</td>
<td>CEI/Ohio Edison/ Toledo Edison Service territory</td>
<td>Ohio Partners for Affordable Energy</td>
<td>First Energy</td>
<td>$2.7 million</td>
</tr>
<tr>
<td>Northeast Ohio Natural Gas</td>
<td>Services: Attic, wall foundation, duct, pipe and water heater insulation, air leakage sealing, replacement of defective space and water heating systems and gas stoves, other health and safety measures – all on an “if needed” basis. Gas customers &lt;150% poverty 6 units</td>
<td>Service Territory</td>
<td>Ohio Partners for Affordable Energy</td>
<td>Northeast Ohio Natural Gas (NONGS)</td>
<td>-</td>
<td>$18,200</td>
</tr>
</tbody>
</table>

### Affordable Housing Preservation & Development and Operating Costs for Multifamily Housing

<table>
<thead>
<tr>
<th>U.S. Department of Housing and Urban Development (HUD): Section 202 Supportive Housing for Persons with Disabilities</th>
<th>HUD provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provides rent subsidies for the projects to help make them affordable.</th>
<th>Very low-income adults with disabilities -</th>
<th>National</th>
<th>HU</th>
<th>HU</th>
<th>FY 2006: $121.3 million nationwide</th>
<th>Also addresses the Accessible Housing and Permanent Supportive Housing needs. Opportunity Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD: Supportive Housing for the Elderly (Section 202)</td>
<td>HUD provides capital advances to finance the construction, rehabilitation or acquisition of or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.</td>
<td>Very low-income elderly persons Program funds for a fiscal year are allocated according to factors established by the Department</td>
<td>National</td>
<td>HU</td>
<td>HU</td>
<td>FY 2006: $511.9 million nationwide</td>
<td>Also addresses the Permanent Supportive Housing needs; Opportunity Resource</td>
</tr>
<tr>
<td>HUD: Section 8 Housing Choice Voucher Program (HCVP)</td>
<td>The Section 8 Program was developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects.</td>
<td>Very low-income families 90,875 Housing Choice Vouchers</td>
<td>National</td>
<td>PHA</td>
<td>HU</td>
<td>FY 2007: $15.920 million</td>
<td>Also addresses the Very Low-Income Housing Assistance and Permanent Supportive Housing needs. Opportunity Resource</td>
</tr>
<tr>
<td>Program</td>
<td>Residents of public housing projects</td>
<td>Grants are awarded competitively and encourage a flexible, community-wide approach to the improvement and preservation of affordable housing</td>
<td>HUD</td>
<td>ODD</td>
<td>Federal CDBG/ HOME, Ohio Housing Trust Fund</td>
<td>FY 1993-2006: $6,249,120,971</td>
<td>Also addresses the Accessible Housing needs. This program serves multiple purposes and only a small percentage of these funds go toward accessibility.</td>
</tr>
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</tr>
<tr>
<td>Community Housing Improvement Program</td>
<td>Low- and moderate-income persons</td>
<td>Statewide</td>
<td>ODD</td>
<td>Federal HOME, Ohio Housing Trust Fund</td>
<td>Approximately $25 million</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td>Housing Opportunities for Persons With AIDS Program</td>
<td>Persons with AIDS or HIV-related diseases</td>
<td>Statewide</td>
<td>ODD</td>
<td>Federal CDBG/ HOME, Ohio Housing Trust Fund</td>
<td>HUD</td>
<td>HUD</td>
<td>FY 2007: $26 million (rent supplement/Section 236 contract amendments)</td>
</tr>
<tr>
<td>HUD Office of Affordable Housing Preservation (OAHPP): Mark-to-Market Program</td>
<td>Low-income households</td>
<td>National</td>
<td>HUD</td>
<td>HUD</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage Insurance for Rental and Cooperative Housing: Section 221(d)(3)</td>
<td>Moderate-income families, elderly, and the handicapped. FY 2007: 104 projects with 1,219 units</td>
<td>National</td>
<td>HUD</td>
<td>FHA</td>
<td>FY 2007: $26 million (rent supplement/Section 236 contract amendments)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>HUD Rental Housing Assistance Program (Section 236)</td>
<td>Low- and moderate-income households</td>
<td>National</td>
<td>HUD</td>
<td>HUD</td>
<td>HUD</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td>HUD: Mark-to-Market Program</td>
<td>Affordable housing stakeholders As of 2008: 120,000 units in 1,500 multifamily projects</td>
<td>National</td>
<td>HUD</td>
<td>HUD</td>
<td>Federal CDBG</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td>Community Development Program</td>
<td>Low- and moderate-income persons and/or blighted areas FY2008: 80 non-entitlement counties and 116 non-entitlement communities</td>
<td>National</td>
<td>HUD</td>
<td>Federal CDBG</td>
<td>HUD</td>
<td>Federal CDBG</td>
<td>HUD</td>
</tr>
<tr>
<td>Low-Income Housing Tax Credit Program</td>
<td>Low-income Chicanos 72,000 affordable rental housing units since 1978</td>
<td>National</td>
<td>OHFA</td>
<td>Federal Government</td>
<td>HUD</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td>Housing Development Loan Program</td>
<td>Low- to moderate-income Chicanos</td>
<td>Statewide</td>
<td>OHFA</td>
<td>Department of Commerce, unclaimed funds</td>
<td>Approximately $40 million</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td>Housing Development Gap Financing (HDF) for Non-Tax Credit Developments</td>
<td>Very low- to moderate-income persons and households</td>
<td>Statewide</td>
<td>OHFA</td>
<td>OHFA (portion of HDFP funding, not used in credit)</td>
<td>Approximately $40 million</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td><strong>USDA Rural Development: Housing Preservation Grants (HPG)</strong></td>
<td>Provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing. The objective of the HPG program is to repair or rehabilitate individual housing, rental properties, or co-op owned and/or occupied by very low- and low-income rural persons.</td>
<td>Very low- and low-income rural persons</td>
<td>50 units repaired</td>
<td>Population limit of towns served is 20,000</td>
<td>USDA Rural Development</td>
<td>Directly funded by the Government</td>
<td>$300,000</td>
</tr>
<tr>
<td><strong>USDA Rural Development: Rural Rental Housing for Families and Elderly, Direct Loans</strong></td>
<td>Rural Rental Housing Loans are direct, competitive mortgage loans made to provide affordable multifamily rental housing. This is primarily a direct mortgage program, but its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.</td>
<td>Very low-, low-, and moderate-income families; the elderly; and persons with disabilities.</td>
<td>50 Units</td>
<td>Rural areas and populations of 10,000 to 20,000 or less</td>
<td>USDA Rural Development</td>
<td>Directly funded by the Government</td>
<td>Approx. $30 Million for national competition</td>
</tr>
<tr>
<td><strong>USDA Rural Development: Rural Rental Housing for Families and Elderly, Guaranteed Loan</strong></td>
<td>The Rural Rental Housing Guaranteed Loan program for development of multifamily housing facilities in rural areas of the United States. Loan guarantees are provided for the construction/acquisition, or rehabilitation of rural multifamily housing.</td>
<td>Very low-, low-, or moderate-income households, elderly, handicapped or disabled persons</td>
<td>700 Units</td>
<td>Rural areas and populations of 10,000 to 20,000 or less</td>
<td>USDA Rural Development</td>
<td>Guar. Of Bank Loan</td>
<td>National Funding Ohio uses about $14 Million annually</td>
</tr>
<tr>
<td><strong>USDA Rural Development: Rental Assistance (RA) Program</strong></td>
<td>Provides an additional source of support for households with incomes too low to pay the Housing and Community Facilities Program (HCFP) subsidized (basic) rent from their own resources. HCFP pays the owner of a multifamily housing complex the difference between the tenant’s contribution (30 percent of adjusted income) and the monthly rental rate.</td>
<td>Persons with very low and low incomes, the elderly and persons with disabilities</td>
<td>Approximately 9,000 units in Ohio</td>
<td>Rural areas and populations of 10,000 to 20,000 or less</td>
<td>USDA Rural Development</td>
<td>Funding provided as needed to renew the approximate 9,000 units available in Section 515 properties</td>
<td>-</td>
</tr>
</tbody>
</table>

### Accessible Housing

| **Passport Medicaid Waiver Program** | Minor Home Modification Services. | Those age 60 and above who are financially eligible for Medicaid | - | - | - | General Revenue Fund and Federal reimbursements | SFY 2007 - $2,032,476 (1721 clients, $1,181 average per client) SFY 2006-$2,559,516 (827 clients, $3,001 average per client) | - |
| **Older Americans Act/State Community Services** | State and federal funds from the Ohio Department of Aging are used by Area Agencies on Aging (AAA) for required (55%) match for the Housing Trust Fund. Housing Assistance Grant program (See Ohio Department of Development). | Those 60 and above | - | - | - | State and Federal Funds | Since 1997, the ODOH has provided $12 million for emergency home repairs/handicapped accessibility modifications to 960 Ohio’s seniors/ $5,000+ critical emergency home repairs (55%) and handicapped accessibility modifications (35%) to senior homeowners at or below 50% of AMI were funded | - |
| **Housing Assistance Grant Program** | The Housing Assistance Grant Program provides grants to eligible applicants for emergency home repair/handicapped accessibility and homeowner counseling/down payment assistance for projects that meet the housing needs of low-income families and individuals. | Low-income families and individuals | - | - | - | Ohio Housing Trust Fund | Approximately $6 million | The program serves multiple purposes and only a small percentage of these funds go toward accessibility |
| **Discretionary Grant Program** | The Discretionary Grant Program provides funding for "target of opportunity" community development, housing, emergency shelter and special projects and activities that do not fit within the structure of existing programs and to provide supplemental resources to resolve immediate and unforeseen needs. | - | - | - | Federal CDBG/HOME, Ohio Housing Trust Fund | Approximately $2 million | This program serves multiple purposes and only a small percentage of these funds go toward accessibility |
| **Family Support Services (FSS)** | The Family Support Service (FSS) program ensures the availability of supports to help people live as they choose; promotes their health, safety and wellness; and, helps and supports the families of these individuals in reaching these goals. The support provided with FSS funds enhances the quality of life for the entire family unit, and includes: respite care, adaptive equipment, home modifications to accommodate the family member with a disability, special diets, and other services/items that are individualized to meet the needs of the family. | Families caring for persons with mental retardation or other developmental disabilities | - | - | - | ODMRCO | - | Funding is provided to each County Board of MRDD. This program serves multiple purposes and only a small percentage of these funds go toward accessibility |
| **Supported Living** | Supported Living is a way to assist individuals with MRDD to live as independently as possible in their own communities. | MRDD persons | - | - | - | Public Funds | - | - |
| Capital Housing | Assists local County Boards of MRDD in purchasing housing for individuals receiving Supported Living services, or Supported Living services funded through Homarc and Community-Based waivers. The goal of the program is to provide housing options in their own communities that allow people with disabilities to be as fully integrated and independent as possible. | Individuals with disabilities | - | - | ODMRDD (state capital assistance (bond) funds) | Through an established formula based on available funds. This program serves multiple purposes and only a small percentage of these funds go toward accessibility. | Typically, County Boards of MRDD establish non-profit housing corporations to receive the funds and match them with other funding sources. Existing homes in the community are then purchased with these dollars for individuals with developmental disabilities, often with their active involvement. |
| Multifamily Bond Program | The Multifamily Bond Program is essentially a low-interest construction/permanent loan program. As of 2007, all new construction is required to be Viable. | Low- and moderate-income residents | - | - | - | OHTFA | Information Pending | This program serves multiple purposes and only a small percentage of these funds go toward accessibility. |
| Home modifications | Assists with entry and exit ramps, and rails. | Disabled Ohiolans | - | - | - | - | No specific money is set aside for ramps, but funds can be used for that purpose. | Job training, placement and retention. Homemaker/Program trains clients to be self-sufficient |

### Rural and Appalachian Regions

| USDA Rural Development: Single Family Home Ownership Loans | Provides financing to families and individuals to buy, build, improve, or rehabilitate homes as the applicant's permanent residence. | Low-income individuals or households | 350 Homeowners | Rural areas and populations of 10,000 to 20,000 or less | USDA Rural Development | Directly funded by the Government | $34 Million | |
| USDA Rural Development: Single Family Home Ownership Loan Guarantees | Provides funding to build, repair, renovate, or relocate a home, or to purchase and prepare sites, including water and sewage facilities. | Low-income individuals or households | 2200 Homeowners | Rural areas and populations of 10,000 to 20,000 or less | USDA Rural Development | Guar. Of Bank Loan | $205 Million | |
| USDA Rural Development: Single Family Home Repair Loans and Grants | These loans are available to very low-income rural residents who own an occupancy a dwelling in need of repairs. Funds are available to improve or modernize a home, or to remove health and safety hazards. | Very low-income homeowners. Grants are only available to homeowners who are 62 years old or older | 370 homes repaired | Rural areas and populations of 10,000 to 20,000 or less | USDA Rural Development | Directly funded by the Government | $1.75 Million | |
| USDA Rural Development: Farm Labor Housing Loan and Grant | The farm Labor Housing Loan and Grant program provides capital financing for the development of housing for domestic farm laborers. Loans and grants are provided to buy, build, improve, or repair housing for farm laborers, including persons whose income is earned in aquaculture (fish and oyster farms) and those engaged in on-farm processing. | Domestic farm laborers | Very Little use in Ohio | Any location with a demonstrated need | USDA Rural Development | Directly funded by the Government | National Funding of about $20 Million | |
| USDA Rural Development: Rural Housing Site Loans | This program provides Government funding for a public or private non-profit organization to buy and develop building sites, including the construction of access roads, streets, and utilities. Sites developed under this program may be sold to individual households, non-profit organizations, public agencies, and cooperatives who provide financial assistance for housing to low- and moderate-income families. | Low- and moderate-income families | Very Little use in Ohio | Population limit of towns served is 20,000 | USDA Rural Development | Directly funded by the Government | National Funding as needed. Approx. $5 Million nationally | |
| USDA Rural Development: Mutual Self Help Assistance Grants | Program is used primarily to help very low- and low-income households construct their own homes. The program is targeted to families who are unable to buy, clean, safe housing through conventional methods. Families participating in a mutual self-help project perform approximately 65 percent of the construction labor on each other’s homes under qualified supervision. | Very low- and low-income households | 2 Grantees | Rural areas and populations of 10,000 to 20,000 or less | USDA Rural Development | Directly funded by the Government | National Funding of $39 Million | |
| Low- and Moderate-Income Housing Trust Fund | Corporation for Ohio Appalachian Development (COAD) is providing down payment assistance and home buyer counseling services for eligible and qualified families and home repair/handicapped accessibility modifications to families in our serving counties served by the COAD member community action agencies. | Low-income residents | - | Appalachian Ohio | COAD, USDA Rural Development | OHTF | - | - |
| Project HOMEReach | COAD provides training and technical assistance in affordable housing development to its member community action agencies and other non-profit organizations. Housing industry specialists provide on-site services for specific low-income housing projects sponsored by member Community Action Agencies and other community-based nonprofit organizations. | Low-income housing projects | - | - | COAD | - | - | - |
### Housing Assistance Council (HAC): Rural Seed Money Loan
HAC operates several loan funds that provide vital seed money to rural housing developers. HAC funds help these organizations and individuals take the steps necessary to improve housing and living standards. Loans are available for pre-development, site acquisition, site development, construction, self-help housing, and preservation.
- **Rural, low- and very low-income households**: 11 loans in Ohio
- **Rural areas in character with populations of less than 25,000**: HAC
- **HAC: Pass through grant from HUD**: -

### Rural Local Initiatives Support Corporation (Rural LISC)
Rural LISC provides financial support, as well as training and technical assistance, to resident-led rural community development corporations to foster affordable homeownership. Ohio CDC Partners and WSO Community Action Commission, Inc and Adams/Brown Counties Economic Opportunities Inc.
- **37 States (including Ohio)**: -
- **Rural communities nationally**: -

### Appalachian Regional Commission (ARC)
ARC partners with other organizations to support construction or rehabilitation of housing.
- **Low- and moderate-income Appalachians**: FY 2007: 23 projects (includes non-housing projects)
- **Appalachian areas**: ARC
- **Appropriated funds from Congress**: -

### U.S. Housing and Urban Development (HUD): Rural Housing and Economic Development (RHED)
The RHED Program provides capacity building at the state and local level for rural housing and economic development and to support innovative housing and economic development activities in rural areas.
- **Rural communities**: FY 2006: 103 grants awarded
- **Rural communities nationally**: I HUD

### Housing Assistance Grant Program
The Housing Assistance Grant Grant Program provides grants to eligible applicants for emergency home repair/handicapped accessibility and homeowner counseling/downpayment assistance for projects that meet the housing needs of low-income families and individuals.
- **Low-income individuals and families**: FY 2006: $5 million
- **Statewide**: Ohio Department of Development
- **Ohio Housing Trust Fund**: Approximately $5 million

### Homeless Assistance Grant Program
The Homeless Assistance Grant Program provides grants to eligible applicants for homeless prevention/housing placement, emergency shelter, transitional housing, direct housing and permanent supportive housing activities that meet the housing needs of homeless and low-income families and individuals.
- **Homeless and low-income families and individuals**: -
- **Statewide**: Ohio Department of Development
- **Federal ESG, Ohio Housing Trust Fund**: Approximately $21.4 million

### New Horizons Fair Housing Assistance Program
The New Horizons Fair Housing Assistance Program provides funds to local governments, or consortia of local governments, to affirmatively further fair housing in addition to those activities funded through the standard fair housing program.
- **N/A**: -
- **Statewide**: Ohio Department of Development
- **Federal CDBG**: Approximately $80,000

### Ohio Department of Aging
Home maintenance, repair and modification services help low-income older Ohioans preserve existing property values and make structural modifications or repairs necessary to help them live safely. Does not have any housing programs per se but matches Housing Trust Funds that are distributed to counties and are used for a variety of purposes (some include home repairs and modifications at the discretion of the county).
- **Low-income older Ohioans**: -
- **Statewide**: ODA: Work is provided by licensed contractors and others
- **A combination of public and private funding and local resources**: -

### Permanent Supportive Housing

<table>
<thead>
<tr>
<th>Capital Sources</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Capital for Housing</strong></td>
<td>CDMH receives community capital funds (bond funds) which can be used for capital costs related to housing. CDMH partners with boards, who in accordance with their local plans, can use these funds to purchase, renovate and/or construct housing.</td>
</tr>
</tbody>
</table>

| **Persons with mental illnesses & their families** | - | Ohio | CDMH | State Resource |
| **Ohio Department of Mental Health (CDMH) Community Capital Funds** | - | - | - | - |
| **Ohio Housing Trust Fund** | - | - | - | - |
| **Ohio Department of Development** | - | - | - | - |
| **ODMh** | - | - | - | - |
| **2009: $8 mil ($3.5 mil earmarked for Disadvantaged Areas)** | - | - | - | - |

| **Construction Deposit** | Results in interest rate write down on construction loan, holds a certificate of deposit with the lender. |
| **Persons with mental illnesses & their families** | - | - | Ohio | OHFA | State Resource |
| **Ohio** | - | - | - | - |
| **ODMh** | - | - | - | - |
| **OHFA** | - | - | - | - |
| **$2 million max; Terms: 24 months** | - | - | - | - |

| **Equity Bridge Loan** | If project gets a construction loan, and this loan must combine as 1 loan can have up to 15 years. |
| **Persons with mental illnesses & their families** | - | - | Ohio | OHFA | State Resource |
| **Ohio** | - | - | - | - |
| **ODMh** | - | - | - | - |
| **OHFA** | - | - | - | - |
| **$1 million maximum per loan; Terms: up to 10 years** | - | - | - | - |

| **Seed Loan** | 6 month minimum and 12 month maximum spend down: Predevelopment |
| **Persons with mental illnesses & their families** | - | - | Ohio | OHFA | State Resource |
| **Ohio** | - | - | - | - |
| **ODMh** | - | - | - | - |
| **OHFA** | - | - | - | - |
| **Ohio Housing Trust Fund** | - | - | - | - |
| **$75,000 max; Terms: 2 years** | - | - | - | - |

| **Local Housing Trust Funds/Lender Funds** | Acquisition, construction, bridge lending |
| **Persons with mental illnesses & their families** | - | - | Columbus/Franklin County; Montgomery County | Local boards | State Resource |
| **Columbus/Franklin County; Montgomery County** | - | - | - | - |
| **Local boards** | - | - | - | - |
| **Franklin County Housing Trust Corporation** | - | - | - | - |
| **$1.7 mil available annually (try to increase pool)** | - | - | - | - |

<p>| <strong>Local Pre-development Funds</strong> | Use to purchase property to ensure site control during predevelopment used for costs directly related to the planning of a project. |
| <strong>Persons with mental illnesses &amp; their families</strong> | - | - | Cincinnati Hamilton County &amp; Others | Local boards | Opportunity Resource |
| <strong>Cincinnati Hamilton County</strong> | - | - | - | - |
| <strong>Local boards</strong> | - | - | - | - |
| <strong>Cincinnati Development Fund</strong> | - | - | - | - |
| <strong>Opportunity Resource</strong> | - | - | - | - |</p>
<table>
<thead>
<tr>
<th>Prededvelopment Forgivable Loan</th>
<th>Funds tax credit application for PSH projects</th>
<th>Low Income</th>
<th>-</th>
<th>Cuyahoga County</th>
<th>Enterprise Community Partners</th>
<th>Enterprise</th>
<th>Average loans $25,000</th>
<th>Opportunity Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prededvelopment Loan</td>
<td>No minimums based on strategic importance and availability of funds. Security required when available.</td>
<td>Homeless, Chronic Homeless</td>
<td>-</td>
<td>Ohio</td>
<td>Corporation for Supportive Housing (CSH)</td>
<td>CSH</td>
<td>-</td>
<td>At least 25 percent of the project must be supportive housing; Opportunity Resource</td>
</tr>
<tr>
<td>Pre-development Program</td>
<td>Use for costs directly related to the planning of a project. Must be a Finance Fund member.</td>
<td>Can be used for housing or economic development projects that target households at 80% or below AMI</td>
<td>-</td>
<td>Ohio</td>
<td>Community Development Finance Fund (CDF)</td>
<td>CDF</td>
<td>$12,000 maximum</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Pre-development Program Section 8 Program</td>
<td>Use for costs directly related to the planning of a project. Must be a Finance Fund member.</td>
<td>Funds to be used exclusively for activities related to Section 8 properties</td>
<td>-</td>
<td>Ohio</td>
<td>Community Development Finance Fund (CDF)</td>
<td>CDF</td>
<td>$20,000 maximum</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Project Initiation Loan</td>
<td>Sized just large enough to move the project from feasibility stage to the “real” stage.</td>
<td>Homeless, Chronic Homeless</td>
<td>-</td>
<td>Ohio</td>
<td>Corporation for Supportive Housing (CSH)</td>
<td>CSH</td>
<td>-</td>
<td>At least 25 percent of the project must be supportive housing; Opportunity Resource</td>
</tr>
<tr>
<td>Prededvelopment Loan</td>
<td>Used for pre-development and feasibility related activities on supportive housing projects. 5% interest rate at time of CHFA report.</td>
<td>Low Income</td>
<td>-</td>
<td>Nine County area of Cleveland</td>
<td>Cornerstone Housing Fund</td>
<td>Enterprise</td>
<td>Loans normally less than $250,000</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Recoverable Loan Program</td>
<td>Used for pre-development and feasibility related activities on housing and commercial/retail projects.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Community Development Finance Fund (CDF)</td>
<td>CDF</td>
<td>$30,000 maximum</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Zero-Interest Fund</td>
<td>Projects that assist in the development of housing or which create or retain jobs.</td>
<td>-</td>
<td>-</td>
<td>Ohio</td>
<td>Federal Home Loan Bank of Cincinnati (FHLMC)</td>
<td>FHLMC</td>
<td>$10,000 per property. Technical due for 24 months or closing of construction or permanent loan</td>
<td>Opportunity Resource</td>
</tr>
</tbody>
</table>

### Operating Sources

<table>
<thead>
<tr>
<th>Community Services Block Grant</th>
<th>Direct grants to community action agencies.</th>
<th>Low Income</th>
<th>-</th>
<th>Ohio</th>
<th>ODDD</th>
<th>US DHHS</th>
<th>Varies by jurisdiction</th>
<th>State Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless Assistance Grant</td>
<td>Provides operating grants to eligible applicants for PSH operations that meet the housing needs of homeless families and individuals.</td>
<td>Homeless &amp; low/middle families &amp; individuals</td>
<td>-</td>
<td>Ohio</td>
<td>ODDD</td>
<td>Ohio Housing Trust Fund</td>
<td>-</td>
<td>State Resource</td>
</tr>
<tr>
<td>Returning Home (Permanent Supportive Housing)</td>
<td>The goal of the pilot is to prevent homelessness and reduce recidivism for this population.</td>
<td>Offerers who are identified as chronically homeless before incarceration or are likely to become homeless upon release due to psychiatric disabling conditions.</td>
<td>-</td>
<td>Ohio</td>
<td>CSH</td>
<td>Ohio Department of Rehabilitation &amp; Correction (ODRC)</td>
<td>-</td>
<td>State Resource</td>
</tr>
<tr>
<td>Shelter Plus Care (S+C)</td>
<td>Shelter Plus Care is a rental subsidy intended for homeless persons with chronic disabilities (typically mental illness, substance use or AIDS).</td>
<td>Homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases and their families.</td>
<td>-</td>
<td>Ohio</td>
<td>Balance of State CoC</td>
<td>HUD</td>
<td>Non-metropolitan communities</td>
<td>State Resource</td>
</tr>
<tr>
<td>Supportive Housing Program (S+P)</td>
<td>Program is one of three grant programs collectively known as the Continuum of Care Funding; the other two are the Shelter Plus Care (S+C) Program &amp; the Section 8 Moderate Rehabilitation Single Room Occupancy Program (MR).</td>
<td>Homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases and their families.</td>
<td>-</td>
<td>Ohio</td>
<td>Balance of State CoC</td>
<td>HUD</td>
<td>Non-metropolitan communities</td>
<td>State Resource</td>
</tr>
<tr>
<td>515 Rental construction program</td>
<td>Rent subsidy</td>
<td>Low Income</td>
<td>-</td>
<td>Ohio</td>
<td>Rural Development</td>
<td>US Dept. Of Agriculture</td>
<td>Rural communities only</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>HUD/VA Supportive Housing Program (VASH)</td>
<td>Partnership program between HUD and the VA to further the objectives of serving veterans who are homeless and mentally ill and those with substance abuse disorders by closely linking two interventions: Permanent affordable housing through the provision of housing subsidies from a special needs set-aside of HUD’s Housing Choice Voucher Program (Section 8); and Community-oriented outreach, clinical care &amp; case management services.</td>
<td>Homeless veterans with mental illness and/or those suffering from substance abuse disorders.</td>
<td>-</td>
<td>-</td>
<td>Local PHAs</td>
<td>HUD &amp; VA</td>
<td>Very small program</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Mixed-Use Dual-Plan</td>
<td>Used to match tax credit projects to provide rent subsidies to the disabled.</td>
<td>Low Income, disabled</td>
<td>-</td>
<td>Ohio</td>
<td>HUD</td>
<td>US HUD</td>
<td>-</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Shelter Plus Care (S+C)</td>
<td>Shelter Plus Care is a rental subsidy intended for homeless persons with chronic disabilities (typically mental illness, substance use or AIDS).</td>
<td>Homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases and their families.</td>
<td>-</td>
<td>Ohio</td>
<td>Local CoC’s</td>
<td>HUD</td>
<td>-</td>
<td>Opportunity Resource</td>
</tr>
<tr>
<td>Supportive Housing Program (SHP)</td>
<td>Program is one of three grant programs collectively known as the Continuum of Care Funding; the other two are the Shelter Plus Care (S+C) Program &amp; the Section 8 Moderate Rehabilitation Single Room Occupancy Program (SRP). Homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases and their families.</td>
<td>-</td>
<td>Ohio</td>
<td>Local CoC’s</td>
<td>HUD</td>
<td>-</td>
<td>Opportunity Resouce</td>
<td></td>
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<tr>
<td>---------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
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<td>---</td>
<td></td>
</tr>
<tr>
<td>Tenant-Based Subsidies &quot;Capitalized Reserves&quot;</td>
<td>A reserve fund can be capitalized as part of the development budget, to later subsidize tenants over a period of time. Less than 60% of area median income.</td>
<td>-</td>
<td>Ohio</td>
<td>OIF-A</td>
<td>Tax Credits, State and local government funds, at their discretion.</td>
<td>-</td>
<td>Untapped Resource</td>
<td></td>
</tr>
</tbody>
</table>

**Services Sources**

<table>
<thead>
<tr>
<th>Chaffee Funds</th>
<th>The goal is to assist youth aging out of foster care. 18 - 21 year Youth transition to adults.</th>
<th>-</th>
<th>Ohio</th>
<th>ODJFS/local public children's services</th>
<th>US DHHS</th>
<th>Limited use</th>
<th>State Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Mental Health Services Block Grant (CMHS)</td>
<td>To support and enhance capacity to provide comprehensive, community-based systems of care for adults with serious mental illnesses (SMI) and children with serious emotional disturbances (SED) through outreach, mental and other health care services, individualized supports, rehabilitation, employment, housing, and education. Adults with serious mental illnesses (SMI) and children with serious emotional disorders (SED).</td>
<td>-</td>
<td>Ohio</td>
<td>Local boards/OHMH</td>
<td>US DHHS/SAMSHA</td>
<td>Varies by jurisdiction.</td>
<td>State Resource</td>
</tr>
<tr>
<td>Medicaid</td>
<td>Fee for service payments to providers for medicare necessary services. Community Psychiatric Supportive Treatment (CPST) services are available for persons with serious mental illness who require rehabilitative mental health services. Additionally, Home Health services are available to persons with disabilities and some waiver services include assistance with daily living that may be needed by persons residing in PSH settings. Medicaid eligible individuals.</td>
<td>-</td>
<td>Ohio</td>
<td>ODJFS/OHMH</td>
<td>OHMH</td>
<td>Varies by jurisdiction.</td>
<td>State Resource</td>
</tr>
<tr>
<td>ODH Match Funding for Ohio Department of Development Homeless Assistance Grant (ODOH)</td>
<td>Offers match funding to local providers applying for ODOH for Direct housing, Permanent Supportive housing &amp; Transitional housing, through the Homeless Assistance Grant. Persons with severe mental illness (SMI)</td>
<td>-</td>
<td>Ohio</td>
<td>-</td>
<td>ODH/MH- General Revenue Fund (GRF)</td>
<td>Historically: $228,000 per year in GRF</td>
<td>State Resource</td>
</tr>
<tr>
<td>Returning Home (Permanent Supportive Housing)</td>
<td>The goal of the pilot is to prevent homelessness and reduce recidivism for this population. Offenders who are identified as chronically homeless before incarceration or are likely to become homeless upon release due to episodically disabling conditions.</td>
<td>-</td>
<td>Ohio</td>
<td>CCH</td>
<td>Ohio Department of Rehabilitation &amp; Correction (ODRC)</td>
<td>-</td>
<td>State Resource</td>
</tr>
<tr>
<td>Substance Abuse Prevention and Treatment Block Grant (SAPT)</td>
<td>The program supports substance abuse prevention and treatment programs for people at risk of abusing drugs and alcohol. (20% of funds allocated to states must be spent on substance abuse primary prevention services). Both state and regulations place special emphasis on provision of treatment and primary prevention services to injecting drug users, and to women who use substances and are pregnant or with dependent children.</td>
<td>-</td>
<td>Ohio</td>
<td>ODADAS/local boards</td>
<td>US DHHS/SAMSHA</td>
<td>Varies by jurisdiction.</td>
<td>State Resource</td>
</tr>
<tr>
<td>Supportive Housing Program (SHP)</td>
<td>Grants for supportive services. New grants cannot exceed 20% of total HUD grant. Homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases and their families.</td>
<td>-</td>
<td>Ohio</td>
<td>ODDO</td>
<td>HUD</td>
<td>Non-metropolitan communities</td>
<td>State Resource</td>
</tr>
<tr>
<td>TANF/ODF</td>
<td>Local county boards and/or State of Ohio can dedicate a portion of these federal funds to pay for services in supportive housing to low income families with dependent children. Families with dependent children</td>
<td>-</td>
<td>Ohio</td>
<td>ODJFS/local Job &amp; Family Services</td>
<td>US DHHS</td>
<td>Not used much recently if at all.</td>
<td>State Resource</td>
</tr>
<tr>
<td>Social Services Coordinators in Multi-Family Housing</td>
<td>Service Coordinator is responsible for ensuring that elderly residents, especially those who are frail or at risk, and those non-elderly residents with disabilities are linked to the specific supportive services they need to continue living independently in that development. Elderly or Disabled in HUD insured or assisted multi-family housing</td>
<td>-</td>
<td>Ohio</td>
<td>HUD</td>
<td>US Department of Housing and Urban Development</td>
<td>-</td>
<td>Untapped Resource</td>
</tr>
<tr>
<td>Resident Opportunities and Self-Sufficiency (ROSS)</td>
<td>A program for public housing residents with supportive services, resident empowerment and activities that lead to resident self-sufficiency. Families residing in public housing (PHA)</td>
<td>-</td>
<td>Ohio</td>
<td>ProAe or Nonprofit acting on behalf of the residents</td>
<td>US Department of Housing and Urban Development</td>
<td>-</td>
<td>Untapped Resource</td>
</tr>
</tbody>
</table>
Prioritization

The challenge of prioritization

At the outset, the function of the Plan was to prioritize the identified housing needs. In hindsight that approach was simply not practical for several reasons. First, the needs are so diverse that it would be impossible to distinguish between equally important housing needs to advance at the policy level. And secondly, it may be possible to distinguish the most impractical recommendations from the most practical recommendations; but policy makers would still be left with a large number of recommendations that are neither.

The importance of consensus and its relationship to advocacy also makes prioritization difficult. While a broad range of stakeholders can “get their shoulders behind” one recommendation or another, these same stakeholders are heavily invested in the issue for which they advocate. The risk of consensus to advocacy is that consensus can be used to limit advocacy. That is a risk that many of the advocates involved in this process (many of whom earn their income from advocacy) simply can not be asked to take.

The shear diversity of the housing needs identified makes prioritization difficult. There is not a common understanding of, and common responses to, one housing need as compared to another. Thus, there is not basis to compare one to another with enough commonality to make an informed decision about priorities.

The alternative to actual prioritization – the means to prioritize

As an alternative to the actual prioritization of the identified housing needs the Advisory Board developed a series of considerations that must be taken when any policy maker tries to prioritize resource allocation. It is the opinion of the Agency that balancing these factors will allow for effective consideration of everything necessary to decide what policies to advance.

This set of priorities also focuses on stakeholder advocacy and the important considerations for public policy.

In reaching consensus on the prioritization factors the Advisory Board focused on the following question:

What should policy makers evaluate when prioritizing the responses to the housing needs?

Policy makers should promote initiatives that...

- Are consistent with established State and/or Federal priorities and regulations (e.g. Governor, legislation).
- Reduce the household’s ratio of housing costs as compared to income.
- Reduce unmet needs in Resource Inventory and program delivery.
- Encourage inter-organizational cooperation.
- Provide housing that is physically suitable to both the person and place.
- Maximize the impact of appropriated or readily available funding.
- Have a positive sustainable impact on community revitalization and economic development.
- Are supported with evidence-based, outcome-driven and performance-measured practices.
- Identify and leverage under-utilized public and private resources.
Universal Housing Elements for Policy Makers to Consider

In addition, policy makers should consider health and safety, quality construction and energy efficiency to respond to housing needs effectively, along with other elements of housing (e.g. affordability, location and type). All of these elements are interrelated and important when addressing housing needs.

- Health and safety standards (in and around the residence) mitigate risks associated with lead paint and other environmental hazards.
- Quality construction standards with the use of “green” or low maintenance materials can help address overall design elements (e.g. minimum square footage and requirements for parking or garages).
- Energy efficiency standards reduce the amount of energy used; the cost of energy is rising, limiting these costs helps maintain the affordability of housing.

These factors are not, in and of themselves priorities, but rather aspects of housing that can be broadly defined as universal or over-arching and should thus be considered when setting housing policies. Including these standards in housing policies and programs is not an either-or proposition, but rather requires balancing the costs and benefits. Policy makers should strive to achieve the highest standards in housing while still responsibly using the scarce resources that are available.
Agency Recommendations

The Annual Plan contains approximately 69 recommendations from the eight SME Workgroups. The following are the OHFA recommendations for addressing the substance of the Plan. Additionally, the Agency draws from the Plan some global recommendations for addressing housing needs. These are the next steps for the Agency and its Recommendations.

Addressing Workgroup Recommendations

Analysis of Workgroup Recommendations

Using the prioritization criteria developed by the Advisory Board, OHFA will conduct a feasibility analysis of the Subject Matter Expert (SME) Workgroup Recommendations focusing initially on recommendations that align with Agency strategic goals. This analysis will involve collaboration with the Governor’s Office and other agencies and organizations. By May 1, 2009 the agency will prepare a report that contains the following information.

- The agency appropriate to lead implementation of the recommendation
- A determination whether the resources necessary to implement the recommendation exist or are available
- How, if appropriate, OHFA will incorporate the recommendations into its internal planning
- Identification of opportunities for establishing collaboration with other agencies
- Data and research necessary for implementation of the recommendation
- Where possible, program guidelines

The Agency will develop an interactive web-based tracking mechanism for the recommendations.

Creating a “Living” Document

The vulnerability of any planning document is that it is “shelved” and is not continually tracked. OHFA will create a “living” (i.e. technologically interactive) document by using existing internet-based technology (e.g. Wiki). The purpose will be to provide stakeholders with continuous feedback into the substance of the Plan, to refine statistical information, and to refine and track recommendations.

OHFA will review all Workgroup Reports to determine which may need additional information and re-convene Subject Matter Experts where necessary.

The Advisory Board will be routinely updated on plan changes and the Advisory Board will be re-convened as necessary to refine recommendations of the plan.

Broad Recommendation Affecting Affordable Housing Policy

Creating Collaboration between Funding Sources

The Governor’s Office and agencies responsible for funding housing programs must collaborate better to more successfully address housing challenges in the State of Ohio. OHFA will develop a Resource Consortium for the purpose of

- identifying various funding organizations
- developing more intuitive methods for accessing funds (e.g. common terminology and common application cycles)
- creating efficiencies in allocating and administering resources.

By April 2009 OHFA will determine who should be involved in the Consortium and whether
any existing organization (e.g. the Interagency Council on Homelessness and Affordable Housing) should provide a forum for convening the Resource Consortium.

By June 2009 OHFA will provide recommendations for collaboration and efficiency to include methods for measuring the effectiveness of these efforts.

Improving research and data analysis

Several SME Workgroups reported a lack of core data and a lack of data analysis. OHFA will explore the potential of an Affordable Housing Research Office within the Agency. Such an Office will exist through cooperation between various agencies (state and federal) and through partnerships with research organizations (e.g. Ohio State University John Glenn Institute). By April 1, 2009 OHFA will produce a report on the feasibility of such an effort. The report will include funding, staffing considerations, scope of service and, if feasible a timeline for implementation.

Resource Inventory

OHFA will improve the Resource Inventory developed in the Plan by more thoroughly developing the information contained therein. The information will also be organized pursuant to the need being addressed and will include contact and application information. The inventory will be modified to a web-based format.
APPENDIX

**Workgroup 1:** Affordable Homeownership & Counseling and Education Resources

**Workgroup 2:** Development and Operating Costs for Multifamily Housing

**Workgroup 2:** Affordable Housing Preservation

**Workgroup 3:** The Need for Accessible Housing in Ohio

**Workgroup 4:** Very Low-Income Housing Assistance

**Workgroup 5:** Preservation of Existing Special Needs Housing

**Workgroup 6:** Rural and Appalachian Regions

**Workgroup 7:** Vacant Housing

**Workgroup 8:** Permanent Supportive Housing

**Workgroup 8:** Appendix A

**Workgroup 8:** Appendix B
Workgroup #1: Affordable Homeownership & Counseling and Education Resources

Workgroup Members:
John Analiefo, Famicos Foundation
Jeff Brader, Concord Mortgage Group
Don Corley, WSOS Community Action
Tom Finneggan, First Merit Mortgage
Doug Harsany, ODOD
Kim Johnson, First Class Real Estate Services LLC

Tom Leach, HUD
Gretchen McKay, King Thompson
Vince Squillace, Ohio Home Builders Assoc
Lou Tisler, NHS of Greater Cleveland
Steve Torsell, Homes on the Hill

OHFA Staff: Cynthia Flaherty Dana Smith

Meeting History: July 23, 2008
August 5, 2008
August 26, 2008
September 19, 2008
October 2, 2008
Executive Summary

Housing Need Description and its Urgency to Ohio

- Affordable Homeownership: Homeownership can provide families with the benefits of stability and wealth building, but when homebuyers are unprepared for the financial and legal responsibilities of ownership, the opposite may result. In order to afford and retain homeownership, low and moderate income homeowners may need assistance with energy efficiency and resource conservation, property maintenance or rehabilitation, while other homeowners require modifications to remain in their home.

- Counseling and Education Resources: The ability to obtain and retain access to quality affordable housing depends, in part, on a household’s ability to manage their financial resources and to protect their rights with respect to their housing situation. Many families have benefited from a variety of services such as: foreclosure mitigation and prevention, pre-purchase and post-purchase counseling and education, homelessness prevention, fair housing advocacy, and legal assistance with landlord-tenant disputes.

Met Housing Needs:

- The Ohio Department of Development prepares an annual Consolidated Plan required by HUD for programs undertaken in conjunction with HUD funding. The HUD programs address the need for affordable homeownership and provides counseling and education resources. The “Resource Inventory” identifies HUD and other significant programs that address affordable homeownership and counseling and education resources in Ohio.

Unmet Housing Needs:

- Due to the volatile economic conditions and foreclosure crisis there is an increased need for affordable homeownership and counseling and education resources to retain the preferred housing choice, homeownership, in Ohio. The unmet housing needs are identified and include a discussion of the “gaps.”

Best Practices, Policies and Programs:

- The Ohio Department of Development’s Office of Community Housing & Partnerships (OCHP) has several programs that were identified as a best practice to retain affordable homeownership. The Community Housing Investment Program (CHIP) administered by OCHP partners with local small cities and counties to create and preserve affordable homeownership.

Recommendations for Annual Plan Advisory Board:

- Expand Individual Development Account (IDA) programs
- Increase Lease-Purchase programs
- OHFA should help connect consumers with financial literacy resources
- Establish homebuyer education requirement in OHFA First-Time Homebuyer program
- Increase the use of FHA’s 203(k) program for home purchase and rehabilitation
- Promote energy improvement loans, grants, and incentives
- Continue Save the Dream: Ohio’s Foreclosure Prevention Effort
Housing Need

Affordable Homeownership

Homeownership is very important and is the preferred housing choice for Ohioans. The State is comprised of 70 percent homeowners and 30 percent renters according to the U.S. Census Bureau’s 2006 American Community Survey. As shown in Table I, of the owner-occupied units 488,000 or 18.7 percent experience a cost burden as defined by the U.S. Department of Housing and Urban Development (pay more than 30 percent of their income for housing). Additionally in 2000 there were 327,000 owner households (42 percent) with housing costs requiring 30 percent or more of their income and 263,000 (33 percent) with housing costs in excess of 35 percent of households income.

The housing stock in Ohio is considerably older with majority of housing built in 1939 or earlier as seen in Table II. This table also estimates the units in need of some form of rehabilitation based on age. The methodology used provides a more accurate indication of the need for housing preservation because the older the housing unit, the more likely it is to have obsolete mechanical systems or have deficiencies resulting from deferred maintenance. Property maintenance or rehabilitation exacerbates household incomes that may already experience a cost burden.

Counseling and Education Resources

The ability to obtain and retain access to quality affordable housing depends, in part, on a household’s ability to manage their financial resources and to protect their rights with respect to their housing situation. As previously noted, the housing and foreclosure crisis is rampant across the nation. Ohio’s foreclosure crisis has worsened and will likely continue to do so before it improves. The current mortgage conditions for Ohio as of August 2008 are daunting (see Figure I). In 2007 alone, foreclosure filings increased 6.7 percent from the year before, according to the annual study issued by Policy Matters Ohio. Overall, there were 84,751 new foreclosure filings in 2007, up from 79,435 in 2006. Foreclosure filings grew by double-digit rates in 39 of Ohio’s 88 counties, and state-wide have more than quintupled since 1995.

Counseling and education resources are necessary to address the housing crisis. Ohio Governor Ted Strickland recognized the need for foreclosure prevention and created Save the Dream: Ohio’s Foreclosure Prevention Task Force to help keep Ohio families in their homes. Savethedream.ohio.gov provides information and highlights programs Ohioans can use to help save the dream of homeownership. Ohio has begun the process to address the need for counseling and education resources, however more needs to be done.

Importance to Ohio

Homeownership is very important and is the preferred housing choice for Ohioans. This preferred housing choice however is threatened with the volatile economic conditions and foreclosure crisis felt throughout the nation. As a result affordable homeownership opportunities and housing counseling is needed to afford and retain homeownership in Ohio.

Homeownership is understood to have numerous benefits to a community and its stakeholders as identified in Figure II. Homeownership can provide families with the benefits of stability and wealth building, but when homebuyers are unprepared for the financial and legal responsibilities of ownership, the opposite may result. In order to afford and retain homeownership, low and moderate income homeowners may need assistance with energy

1The estimate is derived from the sum of 50 percent of the units built before 1940, 33 percent of the units built during 1940-49 and 25 percent of the units built during 1950-59.
efficiency and resource conservation, property maintenance or rehabilitation, while other homeowners require modifications to remain in their home.

A household’s ability to manage their financial resources and to protect their rights with respect to their housing situation is critical for homeowners to continue homeownership. The Save the Dream effort is important and can benefit Ohio homeowners because task force members and housing stakeholders identified that if consumers seek help early then they have a much greater chance of avoiding foreclosure. As of September 2008, 74.75 percent of a total 4,250 Ohioans who access Save the Dream resources seek help early to prevent the foreclosure process. The demand for foreclosure prevention assistance exemplifies the importance and need for additional counseling and education resources. Many families have benefited from a variety of services such as: foreclosure mitigation and prevention, pre-purchase and post-purchase counseling and education, homelessness prevention, fair housing advocacy, and legal assistance with landlord-tenant disputes.

**Met Housing Needs (“Resource Inventory”)**

The “Resource Inventory” identifies HUD and other significant programs that address affordable homeownership and counseling and education resources in Ohio. The following met needs were consistently present in the Resource Inventory:

- There are a variety of Downpayment Assistance programs with varying income limits. The OHFA programs, however, are temporarily suspended due to market conditions.
- At the current time there are adequate resources for foreclosure mitigation counseling.

**Unmet Housing Needs**

Due to the volatile economic conditions and foreclosure crisis there is an increased need for affordable homeownership and counseling and education resources to retain the preferred housing choice, homeownership, in Ohio. The unmet housing needs that were identified are as follows:

- The demand for housing rehabilitation and repair assistance exceeds the available resources.
- Potential homeowners lack knowledge, savings and adequate credit requirements to complete the homeownership process.
- Homeowners who have experienced recent foreclosure or bankruptcy lack programs to help them re-establish their credit and save for a down payment.
- Energy conservation programs are limited to very low-income households which neglects other households whose energy costs makes up a significant percentage of their housing expenses.
Best Practices, Policies and Programs

Ohio Department of Development: Community Housing Investment Program (CHIP):

Homeownership:
General Information
The State of Ohio, through the Community Housing Improvement Program administered by the Office of Housing & Community Partnership and local small cities and counties, provides HOME funds to create affordable homeownership. Typically aimed at first time buyers of existing single-family homes, the Homeownership model provides for Downpayment Assistance coupled with rehabilitation loans. Buyers below 80 percent of median income borrow from private lenders (or from Rural Development’s 502 loan program) for a first mortgage, with CHIP funds provided as a “soft” second. Sub-grantees devise appropriate finance mechanisms, with a minimum of 15 percent recovered as deferred loans.

Housing Rehabilitation and Repair:
General Information
The State of Ohio, through the Community Housing Improvement Program administered by the Office of Housing & Community Partnership and local small cities and counties, provides HOME and CDBG funds to help preserve affordable homeownership. Owner-occupants may qualify to receive rehabilitation loans with which to address substandard conditions in major systems such as heating, roofing, foundations, electrical and plumbing, thereby eliminating threats to structural integrity and/or serious safety risks. Local sub-grantees design finance mechanisms that typically blend deferred and forgivable loans with no monthly payments and no interest. The Home Repair activity provides CDBG or Ohio Housing Trust Fund grants to owners to address one substandard or unsafe system.

Recommendations for Annual Plan Advisory Board

1. Individual Development Accounts
Individual Development Account (IDA) programs can help households who are not able to qualify for a mortgage due to weak credit history or limited income or changing underwriting standards, by encouraging savings for down payment while the household gains financial literacy and improves their credit. Ohio should expand Individual Development Account programs by supporting increases in federal funding, promoting the concept with employers and philanthropic organizations, and exploring the potential to expand matched savings resources through an Ohio State Income Tax or other public resources.

2. Lease Purchase Programs
Former homeowners who have experienced recent foreclosure or bankruptcy would benefit from short term lease purchase programs while they re-establish their credit and save for a down payment. Such programs would also keep people in homes that might otherwise become or remain vacant. A portion of rent paid would be applied to down payment provided the individual participates in a financial literacy plan and follows it in order to correct whatever credit issue they may have.

3. Financial Literacy
OHFA and other agencies administering housing programs should help connect consumers with financial literacy resources such as those offered by the Ohio Treasurer (Your Money Now), the FDIC (Money Smart), HUD and many other partners through links on its website.
4. Home Buyer Education in OHFA First Time Homebuyer Program

OHFA should require home buyers who use the OHFA Down Payment Assistance Grant (DAG) or second mortgage Down Payment Loan (DPL) to complete home buyer education through a HUD approved counseling agency, or through a combination of online education and telephone counseling. Because home buyers who use the DAG or DPL have little equity in the home at the time of purchase, it’s important for them to know the basics of homeownership, to complete a household budget and to know what steps to take if they have a financial setback.

5. Home Purchase and Rehabilitation

a) Continue programs that link Down Payment and Rehabilitation Assistance for low- and moderate-income households.

b) The FHA 203(k) program is a valuable resource for acquisition and rehabilitation of homes, especially for properties that are in bank’s real estate owned (REO) portfolios, or that are in municipal land banks. Using FHA plan consultants to assess the feasibility of rehabbing the properties, non-profits or municipal governments would obtain specifications and allowable costs of rehab. Then properties would be transferred to prospective homeowners who would be able to secure financing utilizing the FHA 203(k) rehab loan to cover the cost of acquisition and rehabilitation. Funds advanced up front by the municipalities or local governments would be able to be recovered upon transfer to the new owners prior to start of restoration.

c) State and local governments who receive Neighborhood Stabilization funding through the Housing and Economic Recovery Act of 2008 (HERA) should use funds to rehabilitate vacant homes for purchase by low- and moderate-income households, when this strategy is feasible in local markets.

6. Energy Improvement Loans, Grants, and Incentives

a) OHFA will continue to promote green and sustainable construction practices by for-profit and non-profit Ohio developers of affordable housing for homeowners. These practices, in both new construction and rehabilitation, can contribute to healthier indoor air quality, better quality of life, less environmental impact and reduced resource use. Examples include use of certified sustainable forest products, materials with recycled content, and paints, glues and sealants with reduced levels of volatile organic compounds. Sustainable practices should include an emphasis on energy efficient design and renewable energy technologies to produce long-term utility and affordability for homeowners.

b) For low and moderate income homeowners, energy makes up a significant percentage of their housing expense. The cost of energy efficiency improvements should be included in subsidized homeownership development projects funded through the Ohio Department of Development (CHIP) or Ohio Housing Finance Agency (HDGF).

c) OHFA should promote the use of Energy Efficient Mortgage (EEM) options through its First Time Homebuyer Program to allow home buyers to finance the cost of energy efficient improvements in their mortgage. HUD’s Energy Efficient Mortgages Program helps homebuyers or homeowners save money on utility bills by enabling them to finance the cost of adding energy-efficiency features to new or existing housing as part of their FHA-insured home purchase or refinancing mortgage. With EEMs, borrowers do not need to get a separate, costly loan for energy improvements when buying an existing home but they are required to obtain an energy assessment. OHFA should explore options for reducing the costs of the energy assessment which may be a barrier to greater use of EEMs.

7. Continuation of Save the Dream: Ohio’s Foreclosure Prevention Effort

The Save the Dream program, providing a toll-free hotline and website to refer borrowers to counseling agencies or legal assistance, should be continued. Save the Dream is a collaboration of the Ohio Attorney General, Ohio Department of Commerce, Ohio Department of Development, Ohio Housing Finance Agency, Ohio State Legal Services
Association and other partners. During the first six months of operation, the hotline received 11,000 calls which were subsequently referred. The benefits of the program extend beyond foreclosure help, as many of the counseling agencies are able to identify other areas in which the borrowers’ needs are not being met and work closely with other organizations to provide aid.

Tables and Figures

Owner Housing Costs as a Percentage of Household Income by Income Group (Pull-out box)

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Less than $10,000</th>
<th>$10,000 to $19,999</th>
<th>$20,000 to $34,999</th>
<th>$35,000 to $49,999</th>
<th>$50,000 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>106,820</td>
<td>226,134</td>
<td>443,090</td>
<td>463,072</td>
<td>1,374,007</td>
</tr>
<tr>
<td>Less than 20%</td>
<td>4,065</td>
<td>65,391</td>
<td>205,246</td>
<td>228,636</td>
<td>997,751</td>
</tr>
<tr>
<td>20 to 24%</td>
<td>4,489</td>
<td>33,887</td>
<td>46,218</td>
<td>80,921</td>
<td>205,097</td>
</tr>
<tr>
<td>25 to 29%</td>
<td>6,185</td>
<td>23,230</td>
<td>45,385</td>
<td>65,170</td>
<td>96,658</td>
</tr>
<tr>
<td>30 to 34%</td>
<td>6,182</td>
<td>16,792</td>
<td>40,896</td>
<td>39,142</td>
<td>39,934</td>
</tr>
<tr>
<td>30% or more</td>
<td>76,697</td>
<td>103,600</td>
<td>146,209</td>
<td>88,293</td>
<td>73,000</td>
</tr>
<tr>
<td>35% or more</td>
<td>70,515</td>
<td>86,808</td>
<td>105,313</td>
<td>49,151</td>
<td>33,066</td>
</tr>
<tr>
<td>Not computed</td>
<td>15,384</td>
<td>26</td>
<td>32</td>
<td>52</td>
<td>1,501</td>
</tr>
</tbody>
</table>


Mortgage Status by Selected Monthly Owner Costs as a Percentage of (Table I)

Household Income

<table>
<thead>
<tr>
<th>Housing Units W/Mortgage</th>
<th>Housing Units W/O Mortgage</th>
<th>Total Owner Units</th>
<th>% of Total</th>
<th>Housing Units W/Mortgage</th>
<th>Housing Units W/O Mortgage</th>
<th>Total Owner Units</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,811,744</td>
<td>801,379</td>
<td>2,613,123</td>
<td>100.0%</td>
<td>1,435,245</td>
<td>841,948</td>
<td>2,276,743</td>
</tr>
<tr>
<td>% of Total</td>
<td>69.3 %</td>
<td>30.7 %</td>
<td>1,501,089</td>
<td>57.4 %</td>
<td>784,321</td>
<td>667,745</td>
<td>1,452,066</td>
</tr>
<tr>
<td>Less than 20%</td>
<td>863,816</td>
<td>637,273</td>
<td>1,501,089</td>
<td>57.4 %</td>
<td>784,321</td>
<td>667,745</td>
<td>1,452,066</td>
</tr>
<tr>
<td>20 to 24%</td>
<td>319,129</td>
<td>51,483</td>
<td>370,612</td>
<td>14.2 %</td>
<td>256,828</td>
<td>56,321</td>
<td>313,149</td>
</tr>
<tr>
<td>25 to 29%</td>
<td>206,327</td>
<td>30,301</td>
<td>236,628</td>
<td>9.1 %</td>
<td>150,705</td>
<td>33,951</td>
<td>184,656</td>
</tr>
<tr>
<td>30 to 34%</td>
<td>124,032</td>
<td>18,914</td>
<td>142,946</td>
<td>5.5 %</td>
<td>79,681</td>
<td>20,563</td>
<td>100,244</td>
</tr>
<tr>
<td>35% or more</td>
<td>291,848</td>
<td>53,005</td>
<td>344,853</td>
<td>13.2 %</td>
<td>159,331</td>
<td>55,929</td>
<td>215,260</td>
</tr>
<tr>
<td>30% or more</td>
<td>415,880</td>
<td>71,919</td>
<td>487,799</td>
<td>18.7 %</td>
<td>239,012</td>
<td>76,492</td>
<td>315,504</td>
</tr>
</tbody>
</table>

Estimated Units in Need of Some Form of Rehabilitation (Table II)

**Owner Units**

<table>
<thead>
<tr>
<th>Built</th>
<th>Estimated in Need of Rehabilitation</th>
<th>to 2000</th>
<th>to 1989</th>
<th>to 1979</th>
<th>to 1969</th>
<th>to 1959</th>
<th>to 1949</th>
<th>or earlier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>453,415</td>
<td>281,709</td>
<td>447,647</td>
<td>424,434</td>
<td>527,146</td>
<td>260,902</td>
<td>677,261</td>
</tr>
<tr>
<td>1, det. or attached</td>
<td></td>
<td>392,159</td>
<td>233,137</td>
<td>385,150</td>
<td>397,158</td>
<td>517,404</td>
<td>253,518</td>
<td>640,686</td>
</tr>
<tr>
<td>2 to 4</td>
<td></td>
<td>6,290</td>
<td>4,349</td>
<td>6,407</td>
<td>3,906</td>
<td>4,956</td>
<td>5,466</td>
<td>31,637</td>
</tr>
<tr>
<td>5 to 19</td>
<td></td>
<td>5,993</td>
<td>5,345</td>
<td>5,492</td>
<td>2,562</td>
<td>1,012</td>
<td>423</td>
<td>1,187</td>
</tr>
<tr>
<td>20 to 49</td>
<td></td>
<td>514</td>
<td>899</td>
<td>1,084</td>
<td>832</td>
<td>267</td>
<td>138</td>
<td>261</td>
</tr>
<tr>
<td>50 or more</td>
<td></td>
<td>466</td>
<td>662</td>
<td>1,834</td>
<td>2,605</td>
<td>629</td>
<td>399</td>
<td>612</td>
</tr>
<tr>
<td>Mobile home</td>
<td></td>
<td>47,830</td>
<td>37,188</td>
<td>47,568</td>
<td>17,341</td>
<td>2,796</td>
<td>938</td>
<td>2,807</td>
</tr>
<tr>
<td>Boat, RV, Van, etc.</td>
<td></td>
<td>163</td>
<td>129</td>
<td>112</td>
<td>30</td>
<td>82</td>
<td>20</td>
<td>71</td>
</tr>
</tbody>
</table>


Estimated Impacts and Beneficiaries of Homeownership Education and Counseling (Figure II)

**Reduced loan delinquency**

- Borrowers avoid penalty fees, credit blemish, default costs and emotional stress
- Lenders avoid lost revenue
- Neighborhoods avoid vacant homes from foreclosure

Source: Hirad and Zorn (2001); Hartarska, Gonzalez-Vega and Dobos (2002); Staten, Elliehausen and Lundquist (2002)

**Improved financial health and increased knowledge**

- Borrowers are more creditworthy and have less stress

Source: Staten, Elliehausen and Lundquist (2002) Additional research needed

**Increased neighborhood satisfaction**

- Borrowers are happier
- Neighborhoods have invested residents

Research needed
More efficient transaction
  - Borrowers obtain mortgages or homes faster
  - Lenders experience reduced time per customer
  - Real estate industry professionals experience reduced time per customer

Source: Hartarska, Gonzalez-Vega and Dobos (2002) Additional research needed


Federal Reserve Bank of New York: Dynamic Maps of Nonprime Mortgage Conditions in the United States (August 2008) (Figure I)

<table>
<thead>
<tr>
<th>Ohio:</th>
<th>Subprime Loans</th>
<th>Alt-A Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans per 1,000 housing units:</td>
<td>23.5</td>
<td>6.2</td>
</tr>
<tr>
<td>In foreclosure per 1,000 housing units:</td>
<td>2.9</td>
<td>0.3</td>
</tr>
<tr>
<td>REOs per 1,000 housing units:</td>
<td>1.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Share ARMs:</td>
<td>53.4 percent</td>
<td>35.3 percent</td>
</tr>
<tr>
<td>Share Current:</td>
<td>56.5 percent</td>
<td>83.9 percent</td>
</tr>
<tr>
<td>Share 90 days delinquent:</td>
<td>9.9 percent</td>
<td>3.0 percent</td>
</tr>
<tr>
<td>Share in foreclosure:</td>
<td>12.4 percent</td>
<td>4.7 percent</td>
</tr>
<tr>
<td>Median combined LTV:</td>
<td>90.0 percent</td>
<td>90.0 percent</td>
</tr>
<tr>
<td>Share low FICO &amp; high LTV:</td>
<td>19.6 percent</td>
<td>1.8 percent</td>
</tr>
<tr>
<td>Share low or no documentation:</td>
<td>20.7 percent</td>
<td>51.7 percent</td>
</tr>
<tr>
<td>Share ARMS resetting in 12 months:</td>
<td>20.4 percent</td>
<td>7.6 percent</td>
</tr>
<tr>
<td>Share late payment last 12 months:</td>
<td>59.1 percent</td>
<td>23.9 percent</td>
</tr>
</tbody>
</table>

Source: FirstAmerican CoreLogic, LoanPerformance Data.
## Ohio County Foreclosure Filings (1995-2007) (Pull-out box)

<table>
<thead>
<tr>
<th>Year</th>
<th>Filings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>15,975</td>
</tr>
<tr>
<td>1996</td>
<td>18,818</td>
</tr>
<tr>
<td>1997</td>
<td>21,914</td>
</tr>
<tr>
<td>1998</td>
<td>25,862</td>
</tr>
<tr>
<td>1999</td>
<td>31,229</td>
</tr>
<tr>
<td>2000</td>
<td>35,377</td>
</tr>
<tr>
<td>2001</td>
<td>43,419</td>
</tr>
<tr>
<td>2002</td>
<td>55,274</td>
</tr>
<tr>
<td>2003</td>
<td>57,083</td>
</tr>
<tr>
<td>2004</td>
<td>59,038</td>
</tr>
<tr>
<td>2005</td>
<td>64,193</td>
</tr>
<tr>
<td>2006</td>
<td>79,435</td>
</tr>
<tr>
<td>2007</td>
<td>84,751</td>
</tr>
</tbody>
</table>


### Pull-out Boxes

1.) 2003 Fannie Mae National Housing Survey
   - Thirty-five percent of all renters have tried to become homeowners but have not succeeded, and affordability is the most common reason cited.
   - In addition, seekers’ savings rate is only about half that of the general public (7.6 percent of monthly income vs. 13.7 percent).
   - Over half (51 percent) of all seekers say the reason they did not to complete the process was that it was more expensive than they initially thought, or they had concerns about getting a low-cost mortgage given their credit history.
   - Only 13 percent of this group said they stopped the process because it was more difficult than they thought.

2.) Financial Literacy: Senate Bill 311
   - Recognizing the importance of financial literacy, SB 311 (the Ohio Core legislation) was passed in late December 2007. The Ohio Core will increase rigor in the high school curriculum and requires integration of economics and financial literacy within classes beginning 2010.
Workgroup #2:  
Development and Operating Costs for Multifamily Housing

Workgroup Members
Chair: Paul Henley, 5/3 CDC  
Members: Debbie Barry, Millenia Management; Scott Hunley, HUD; Hal Keller, OCCH; Michelle Norris, National Church Residences; Jay Scott, Ohio Housing Council; Steve Smith, Model Group; Spencer Wells, COHHIO; Andrew Whapham, LW Associates.  
OHFA Staff: Sylvia Ray and Brian Carnahan

Meeting History
Teleconference 8/7/08; meeting 8/12/08; meeting 9/12/08; teleconference 9/18/08; meeting 11/4/08

Executive Summary
Both operating and development costs can be driven only so low. To achieve lower operating costs, it often requires a larger upfront investment in building systems, materials, etc.

Housing Need
The need for affordable rental units continues as a pressing housing need. Many households in Ohio face a housing burden. These households either do not have access to appropriate housing or pay too much for the rental housing they occupy. This need is met by developing new affordable housing for families, seniors, and special needs populations.

Once an apartment community is developed, it begins incurring operating costs. Multifamily housing projects are experiencing increasing costs, including real estate taxes, utilities, and insurance. Because of stagnant or slow growing household incomes in much of Ohio, multifamily projects are unable to mitigate rising costs through rent increases. The inability to increase rents, even marginally, further restricts the capital available to maintain projects appropriately, which impacts the ability to provide an attractive product. Potential residents are not attracted to poorly maintained projects, so the cash flow of projects is further reduced because of unoccupied units, creating a downward cycle.

Development - Met and Unmet Housing Needs
Each year, approximately $50 million is invested by OHFA in the development and construction of new units of affordable housing. Approximately, $22 million is from tax credits and $27 million from gap financing sources such as HOME and the Ohio Housing Trust fund. Other funders such as HUD, Rural Development, and the Federal Home Loan Bank, invest significant resources in Ohio.

These new units only meet a modest percentage of the identified need. According to The Millennial Housing Commission (MHC), nationally “the gap between the available rental supply of units affordable to the poorest households and the demand for them stood at 1.8 million in 1999.” To make a substantial impact on the gap between extremely low-income households and the supply of affordable units available to them MHC determined that it would take annual production of more than 250,000 units for more than 20 years to close the gap. These national figures are reflective of the affordable housing gaps in Ohio as well.
Operating Costs – Met and Unmet Needs

Few programs exist to meet the housing costs needs of affordable housing. HUD subsidy programs such as Section 8 help to pay many of the operating costs of affordable apartment communities. Such subsidies are not available to all properties. More importantly, even those properties with a dedicated subsidy for operating costs find that the costs are rising faster than the subsidy payments, leaving a significant gap between what is collected through rents and subsidies and what must be paid to operate the property.

Apartment communities can obtain some property tax relief through abatements and other agreements. Unfortunately, such opportunities are not often available as local communities also face revenue pressures.

The cost of utilities, and the impact of rising costs, is not covered by any specific housing program. While programs and resources exist to increase the energy efficiency of apartment homes, such programs usually require an investment from the owner. Cash constrained properties find it difficult to raise the capital necessary to fund energy efficiency measures. Residents can find some relief from utility costs by applying for assistance from the Home Energy Assistance Program (HEAP).

Utility costs impact both the revenue and expenses of a property. As utility costs rise, the increase is reflected in a reduction in the net rent an owner receives as a result of the utility allowance most housing programs require. Other than encouraging the resident to reduce usage, the owner has few options to reduce the impact of rising utility allowances. The IRS has issued a revised utility allowance regulation that should ensure more accurate allowances. Prior to the issuance of the revised IRS regulation, OHFA issued an alternative utility allowance policy that allowed owners to calculate a more accurate allowance.

Property taxes remain an enduring unmet operating cost for affordable housing communities. Owing to the use of the income approach to property valuation, most tax credit properties, in particular, find they are over-valued for tax purposes. This results in higher payments of property taxes. This problem is often addressed locally through Boards of Tax Appeal. At present there is no policy, program, or state law that helps to address this issue.

Insurance costs also impact affordable housing communities. Costs for insurance are covered by property revenues. While the need is generally met, increasing costs have impacted many property budgets.

The cost to comply with multiple programs can increase a property’s costs. While there is not a specific program to reduce the costs confronted by properties.

Best Practices and Programs for Development and Operating Costs for Multifamily Housing

- Promote National Council of State Housing Agencies (NCSHA) role in identifying best practices.
- Many states such as Florida and New York use actual rents in setting property values or offer special exemptions for tax credit properties. These steps ensure affordable properties pay their fair share of property taxes.

Action Items

Development and operating costs are two unique, but intertwined problems. Projects that are well-built and energy efficient usually have lower operating costs, while poorly built and inefficient properties are more expensive to build. Therefore, there are some trade offs. Lowering operating costs requires more upfront capital.
Primary Recommendations

- Identify new resources for the development of affordable housing.
- Property tax assessment in Ohio should take into account the restrictions placed upon the properties. OHFA should provide data and information to responsible parties to ensure the unique aspects of affordable housing are properly understood.
- Expand the use of multifamily bonds. As a state-wide entity, OHFA can issue multifamily bonds for projects anywhere in Ohio. The Agency is also responsible for allocating 4 percent tax credits to federally subsidized projects. These two responsibilities place OHFA in a unique position to impact preservation projects. OHFA should review the costs associated with issuing bonds and make adjustments as appropriate to ensure OHFA is an attractive issuer of multifamily debt.
- Incentivize green building in all programs. Projects should be rewarded for forward thinking with additional resources or flexibility.
- OHFA should work closely with the Ohio Department of Development’s Office of Housing and Community Partnerships to create the most efficient and effective environmental review process. Determine whether environmental reviews conducted for one funder can be used by other funders.
- Focus on the efficiency of the multifamily offices by simplifying procedures, reducing processing times, and using technology whenever possible.
- Reestablish the OHFA Compliance Advisory Committee to ensure OHFA has adequate input from managers and developers regarding compliance and operating issues.

Secondary Recommendations

- Identify appropriate expense and income underwriting factors. Underwriting is the method by which the financial viability of a project is determined. Factors such as expected income and cost increases are critical to determining the long term performance of a project. These should be as accurate as possible to ensure only those projects that can be sustained are funded.
- Explore the viability of creating purchasing cooperatives for insurance and other services. Pools of purchasers can often secure discounts a lone purchaser cannot. While insurance is not the most important cost factor undermining properties, it is a significant operating cost. Therefore, any reduction in this cost benefits affordable housing properties.
- Limit or reduce OHFA fees where possible. OHFA should ensure its fees reflect the value added by OFHA. Steps that reduce the growth rate of its fees should be implemented by OHFA. This includes seeking new sources of revenue that support the Agencies operations while allowing it to pursue its mission.
- Use HOME or other gap financing programs to fund long-term project reserves.
- Projects are burdened by requirements to comply with multiple funders. Many of the funders are units of local government that administer an allocation of HOME Program funds as a Participating Jurisdiction (PJ). OHFA should explore creating a funding collaborative to encourage awards of gap financing from a single source, instead of multiple sources.
Workgroup #2: Affordable Housing Preservation

Workgroup Members
Chair: Paul Henley, 5/3 CDC
Members: Debbie Barry, Millenia Management; Scott Hunley, HUD; Hal Keller, OCCH; Michelle Norris, National Church Residences; Jay Scott, Ohio Housing Council; Steve Smith, Model Group; Spencer Wells, COHHIO; Andrew Whapham, LW Associates.

OHFA Staff: Sylvia Ray and Brian Carnahan

Meeting History
Teleconference 8/7/08; meeting 8/12/08; meeting 9/12/08; teleconference 9/18/08; meeting 11/4/08

Housing Need
Ohio has a large and aging portfolio of subsidized housing properties across the state. This housing was developed using the Department of Housing and Urban Development (HUD) and Rural Development resources, including project-based rental subsidies. An additional portfolio, largely developed using tax credits and other federal resources such as the HOME Program, is aging. These existing affordable rental properties are meeting many critical housing needs, including serving low and very low-income households, the elderly, and those with special needs. Many of these apartment communities were developed when standards and market expectations were much different. Therefore, many units lack the amenities, such as central air conditioning and multiple bath rooms, many of us now take for granted. Stagnant population growth and high construction costs for infrastructure and new rental units are other factors to consider in allocating resources between building new and preserving existing affordable housing.

Met Housing Needs
Affordable housing communities are currently being preserved using a number of programs. The tax credit program is an important funding source for preserving communities. Over the last decade, preservation has been addressed with set-asides and special provisions in the Qualified Allocation Plan (QAP). In 2008, 6 preservation projects, composed of 500 units, received a reservation of tax credits. Since 2001, 80 affordable housing projects have been preserved using tax credits. This has resulted in stable housing for the existing residents, opportunities for new residents, the retention of millions of dollars of rental assistance and protection of the investment made with federal, state, and private resources. Preservation projects funded with tax credits have also been financed with federal HOME funds and Ohio Housing Trust Fund dollars.

Many of the preservation projects financed with tax credits and gap financing from OHFA, have also been assisted by HUD’s “mark-to-market” programs, or USDA Rural Development. Ohio has been a leader in recognizing the need to preserve affordable rental housing. Various collaborative projects such as COHHIO led Ohio Preservation Advisory Group, indicate significant interest in preserving affordable housing. Preservation can be more cost effective and energy efficient than building new and is an important tool in creating new community assets.
**Unmet Housing Needs**

While Ohio has made significant progress in preserving affordable housing, the overall need is largely unmet owing to the size of the portfolio in Ohio. Ohio has a significant portfolio of affordable housing, including Section 8, Public Housing, Rural Development, and tax credit units. There are approximately 179,000 affordable housing units in 2,700 affordable housing communities in Ohio. Of these, nearly 88,000 units are in projects where the owner, over the next five years, will have the option to exit the program(s) that financed the construction of the project. Sufficient resources do not exist to rehabilitate, recapitalize, and preserve all of the units that may be available. Limited resources must also be allocated to meeting other housing needs.

The impact of expiring projects is significant. It is magnified by changing demographics. Ohio’s population is growing slowly. It is also growing older. These changes will require developers and funders of affordable housing to carefully consider where housing should be preserved and for which populations of potential. Current policies and programs partially address this need.

**Action Items**

An examination of the unmet needs suggests the following policy and programmatic initiatives could have a significant impact:

**Primary Recommendations**

- Expand the use of multifamily bonds. As a state-wide entity, OHFA can issue multifamily bonds for projects anywhere in Ohio. The Agency is also responsible for allocating 4 percent tax credits to federally subsidized projects. These two responsibilities place OHFA in a unique position to impact preservation projects. OHFA should review the costs associated with issuing bonds and make adjustments as appropriate to ensure OHFA is an attractive issuer of multifamily debt.

- End mandatory extended use. Reinstate the qualified contract process to ensure properties can transition to the highest and best use.

- Work with HUD and RD to create policies that will facilitate the preservation of projects. OHFA has very productive working relationships with the Ohio Rural Development and HUD staff members. OHFA should build on these relationships by encouraging additional collaboration. When possible, HUD and RD staff should be consulted regarding proposed preservation projects.

- Establish a grant and loan program to fund the purchase and rehabilitation of affordable housing. Few programs specifically target preservation projects.

- OHFA should target the new basis boost authority granted in H.R. 3221 to high cost areas and projects in general, but should allow flexibility in using the boost for preservation projects.

- OHFA should work closely with the Ohio Department of Development’s Office of Housing and Community Partnerships to create the most efficient environmental review process. Determine whether environmental reviews conducted for one funder can be used by other funders.

- Continue to support the Ohio Preservation Compact, which is seeking a grant from the John D. and Catherine T. MacArthur Foundation.
Secondary Recommendations

- Explore the possibility of OHFA providing credit enhancement.
- Publicize successful preservation projects to attract local interest and show the importance of the properties to the communities in which they are located.
- Public programs often do not pick “winners”. Revise policies to ensure only those projects that meet a specific need and can be adequately sustained for the long term are preserved. Target preservation resources to tax credit properties as well as federally subsidized properties.
- Maintain a database on innovative and successful preservation strategies.
- Advocate to allow owners to transfer project based Section 8 subsidy from one property to another based on the viability of the properties involved.
- Support exit tax relief.
Workgroup #3:
The Need for Accessible Housing in Ohio

Workgroup Members:
Steve Hansler, Workgroup Leader, Maximum Accessible Housing of Ohio
John Alfano, The Association of Ohio Philanthropic Homes, Housing and Services for the Aging
Mary Butler, Ohio Statewide Independent Living Council
Janet Hofmann, Ohio Department of Aging
Paul Jarvis, Ohio Developmental Disabilities Council
Kristen Klaus, Ohio Home Builders Association
Ed Kramer, The Housing Advocates, Inc.
Ash Lemons, The Ability Center of Greater Toledo
Aaron Pechota, The NRP Group
Paul Testa, Testa Companies

OHFA Staff:
Betsy Krieger
Deborah Leasure

Meeting History:
The workgroup met four times in person, with some participating through conference call:
August 7th and 21st, September 12, and October 3, 2009
We also corresponded through email as needed.
Executive Summary

Ohio’s supply of housing is not functional for people who have or will develop disabilities due to aging or other reasons. The ramifications of this inadequate supply affect not only thousands of Ohioans with disabilities and their families but also have major cost implications for government. Because housing stock does not change rapidly, there is an urgency to act now to address this need.

There are very few programs that directly address this issue. Most of the programs identified allow expenditures to make housing accessible but that is typically one of many uses and it is difficult to track how much is actually being spent on accessibility. Most of the programs that specifically address accessible housing have long waiting lists for service or admission. Also, many are limited to seniors.

It is generally agreed that accessibility is more easily achieved in new construction. Home modification programs play a vital role in allowing people to remain in their homes but the long-term answer is in new construction. Recently published research underscores this point. The study shows that over its lifespan, there is a 60 percent chance that a newly built house will have an occupant who needs accessibility modifications.

The other significant issue identified in the data collection was, in fact, the lack of data. There are not good records on the numbers and locations of accessible units. This can lead to underutilization of the limited resources available.

Best practices reviewed in other states and within Ohio show that many governments are taking the step of requiring additional levels of accessibility in some of their programs. There are also efforts to require that accessible rental units be listed and/or marketed as such.

The policy recommendations of the workgroup center around two primary areas:

- To continue efforts by OHFA and others to require accessibility in all new construction and to provide funding for home modifications
- To promote information about accessible housing through technological and non-traditional channels.

People with disabilities are the only population that can be excluded from housing simply because of the physical structure of the housing. Changing the physical structure of housing by making it accessible, adaptable, or visitable is the only way to address this issue in the long run.
Housing Need Description and its Importance to Ohio

Ohio’s supply of housing is not functional for people who have or will develop disabilities due to aging or other reasons. This simple statement reveals a unique problem – housing that people simply cannot use. Architecturally exclusionary housing continues to be the rule rather than the exception as most housing in Ohio is not subject to laws or regulations requiring any type of accessibility.

Ohio’s population is already one of the oldest in the country and as the baby boom generation ages, the ability of people to remain in their homes and in the community will depend on actions taken now. Younger people with disabilities also face severe limitations in their housing choices. Furthermore, the lack of accessible housing choices also affects the family members of people with disabilities so the need is not defined solely by the number of people with disabilities.

A study about accessible housing was released in the Summer, 2008 issue of the Journal of the American Planning Association (JAPA). This study indicates that over the course of the lifespan of a new house, there is a 25 percent chance it will have a resident who needs full accessibility; a 60 percent chance it will have a resident that needs an adaptable house; and a 93 percent chance that the home will require visitability features. Currently, there is a very small percentage of housing units with accessibility features at any level. So that all of Ohio’s households will have adequate housing choice, action is required to bring the housing stock in Ohio closer to meeting the percentages noted above.

Ohio taxpayers spend more than $5 million annually in state and federal Medicaid funds, state MRDD capital funds, and Ohio Housing Trust Funds to modify entrances and bathrooms in existing homes for people with disabilities. That figure does not include local government funds, local property tax levy services, charitable donations, or the cost to families.

The concluding paragraph of the JAPA report summarizes the urgency quite well:

“The needs of an aging population, combined with concerns about the civil rights of people with disabilities and the high cost of nursing home care, make the lack of accessible housing a critical issue for planners and policy makers... Given the slow pace at which changes in the housing stock occur, there is an urgency to act now. Increasing the supply of accessible housing will benefit not only currently disabled people, but also their families and friends, those who become disabled in the future, and society as a whole.”
**Met Housing Needs ("Resource Inventory")**

Below is a table of statewide agency initiatives addressing either the production of accessible housing units or the rehab of units to accommodate persons with mobility impairments. Our data indicates (see next section) that despite these programs, the need for accessible housing far exceeds that which already exists and that which is slated to be produced. In light of that, the more accurate title of this section should be Attempting to Meet the Needs.

<table>
<thead>
<tr>
<th>State Dept/Office</th>
<th>Program Service Name</th>
<th>Program Description</th>
<th>Population Served/ Target Population</th>
<th>Funding Sources</th>
<th>Funding Allocation</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Dept of Aging</td>
<td>Passport Medicaid Waiver Program</td>
<td>Minor Home Modification Services</td>
<td>Those age 60 and above who are financially eligible for Medicaid</td>
<td>General Revenue Fund and Federal reimbursements</td>
<td>SYF 2007- $2,032,476 (1721 clients, $1,181 average client) SYF 2006- $2,556,516 (827 clients, $3091 average per client)</td>
<td></td>
</tr>
<tr>
<td>Ohio Dept of Aging</td>
<td>Older Americans Act/State Community Services</td>
<td>State and federal funds from ODA are used by Area Agencies on Aging (AAA) for required (50 percent) match for the Housing Trust Fund Housing Assistance Grant program (see ODOD)</td>
<td>Those 60 and above</td>
<td>State and federal funds</td>
<td>Since 1997, the ODOD has provided $12 million for emergency home repairs/handicapped accessibility modifications to Ohio's AAA serving 64 of Ohio's counties, plus the $6 million to match. 5,000+ critical emergency home repairs (65 percent) and handicapped accessibility modification (35 percent) to senior homeowners at or below 35 percent of AMI were funded</td>
<td></td>
</tr>
<tr>
<td>Ohio Dept of Dev</td>
<td>Community Housing Improvement Program</td>
<td>The Community Housing Improvement Program (CHIP) provides grants to eligible communities interested in undertaking housing-related activities, including necessary infrastructure improvements.</td>
<td>Low- and moderate-income persons</td>
<td>Federal CDBG/ HOME, Ohio Housing Trust Fund</td>
<td>Approximately $25 million</td>
<td>This program serves multiple purposes and only a small percentage of these funds go toward accessibility</td>
</tr>
<tr>
<td>Ohio Dept of Dev</td>
<td>Housing Assistance Grant Program</td>
<td>The Housing Assistance Grant Program provides grants to eligible applicants for emergency home repair/handicapped accessibility and homebuyer counseling/down payment assistance for projects that meet the housing needs of low-income families and individuals.</td>
<td>Low-income families and individuals</td>
<td>Ohio Housing Trust Fund</td>
<td>Approximately $6 million</td>
<td>This program serves multiple purposes and only a small percentage of these funds go toward accessibility</td>
</tr>
<tr>
<td>Ohio Dept of Dev</td>
<td>Housing Opportunities for Persons with AIDS Program</td>
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<tr>
<td></td>
<td>The Housing Opportunities for Persons with AIDS Program provides eligible nonprofit organizations and units of local government with funds to devise long-term, comprehensive strategies for meeting the housing and supportive service needs for persons with AIDS of HIV-related diseases.</td>
<td></td>
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<tr>
<td></td>
<td>Persons with AIDS or HIV-related diseases</td>
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<tr>
<td></td>
<td>Federal HOPWA Program</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>$1.1 million</td>
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<td></td>
<td>This program serves multiple purposes and only a small percentage of these funds go toward accessibility</td>
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<table>
<thead>
<tr>
<th>Ohio Dept of Dev</th>
<th>Community Development Program</th>
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<tbody>
<tr>
<td></td>
<td>The Community Development Program provides funding to Ohio’s non-entitlement counties and cities for housing rehabilitation, economic development and public works improvements that meet federal and state objectives to benefit low-and moderate-income persons and/or eliminate blighted areas.</td>
</tr>
<tr>
<td></td>
<td>Low- and moderate-income persons and/or blighted areas</td>
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<tr>
<td></td>
<td>Federal CDBG</td>
</tr>
<tr>
<td></td>
<td>Approximately $20.4 million</td>
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<tr>
<td></td>
<td>This program serves multiple purposes and only a small percentage of these funds go toward accessibility</td>
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<thead>
<tr>
<th>Ohio Dept of Dev</th>
<th>Discretionary Grant Program</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>The Discretionary Grant Program provides funding for “target of opportunity” community development, housing, emergency shelter and special projects and activities that do not fit within the structure of existing programs to provide supplemental resources to resolve immediate and unforeseen needs.</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Federal CDBG/ HOME, Ohio Housing Trust Fund</td>
</tr>
<tr>
<td></td>
<td>Approximately $2 million</td>
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<tr>
<td></td>
<td>This program serves multiple purposes and only a small percentage of these funds go toward accessibility</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Ohio Dept of Mental Retardation and Dev Disabilities</th>
<th>Family Support Services (FSS)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>The Family Support Service (FSS) program ensures the availability of supports to help people live as they choose; promotes their health, safety and welfare; and, helps and supports the families of these individuals in reaching these goals. The support provided with FSS funds enhances the quality of life for the entire family unit, and includes: respite care, adaptive equipment, home modifications to accommodate the family member with a disability, special diets, and other services/items that are individualized to meet the needs of the family.</td>
</tr>
<tr>
<td></td>
<td>Families caring for persons with mental retardation or other developmental disabilities</td>
</tr>
<tr>
<td></td>
<td>ODMRDD</td>
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<tr>
<td></td>
<td>Information Pending</td>
</tr>
<tr>
<td></td>
<td>Funding is provided to each County Board of MRDD. This program serves multiple purposes and only a small percentage of these funds go toward accessibility</td>
</tr>
<tr>
<td><strong>Ohio Dept of Mental Retardation and Dev Disabilities</strong></td>
<td><strong>Supported Living</strong></td>
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</tr>
<tr>
<td><strong>Ohio Dept of Mental Retardation and Dev Disabilities</strong></td>
<td><strong>Capital Housing</strong></td>
</tr>
<tr>
<td><strong>Ohio Housing Finance Agency</strong></td>
<td><strong>Housing Credit Program</strong></td>
</tr>
<tr>
<td><strong>Ohio Housing Finance Agency</strong></td>
<td><strong>Housing Development Assistance Program (HDAP)</strong></td>
</tr>
<tr>
<td><strong>Ohio Housing Finance Agency</strong></td>
<td><strong>Housing Development Loan Program</strong></td>
</tr>
<tr>
<td><strong>Ohio Housing Finance Agency</strong></td>
<td><strong>Multifamily Bond Program</strong></td>
</tr>
<tr>
<td>Ohio Housing Finance Agency</td>
<td>Housing Development Gap Financing (HDGF) for Non-Tax Credit Developments</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Rehabilitation Services Commission</td>
<td>Home Modifications</td>
</tr>
</tbody>
</table>
Unmet Housing Needs

Data Overview

The elderly population of the United States is large and growing rapidly. Since disability rates increase with age, this will bring substantial increases in the number of disabled persons and have a significant impact on the nation’s housing needs.

In Ohio, over 17 percent of the population (close to 2 million people) is over 60 years old. This is projected to increase by 800,000 by 2020. Noting that disability increases with age, only 3 percent of the 60-69 year olds have a severe disability compared with 44 percent of those over 90 years old.¹

The Summer 2008 issue of the Journal of the American Planning Association included an article called "Aging and Disability: Implications for the Housing Industry and Housing Policy in the United States".²

It demonstrates the impact of population growth and aging on the projected number of households with at least one disabled resident and estimate the probability that a newly built single-family detached unit will have at least one disabled resident during its expected lifetime.²

The authors project that 21 percent of households will have at least one disabled resident in 2050 using the disability measure of physical limitation and 7 percent using the second disability measure of self-care limitation. They estimated that there was a 60 percent probability that a newly built single-family detached unit will house at least one disabled resident during its expected lifetime using the first measure, and a 25 percent probability using the second measure. When disabled visitors are accounted for, the probabilities rise to 91 percent and 53 percent, respectively. Given the desire of most people to live independently for as long as possible, these numbers reflect a large and growing need for housing units with features that make them accessible to disabled persons.³

Accessibility

The availability of accessible rental units is extremely limited. Public and private housing complexes that receive federal money are generally required to have five percent of their rental units accessible to people with mobility impairments and two percent of rental units accessible to individuals with hearing or vision impairments. Anecdotal information suggests that that requirement is not always met. Also, the availability of these units to people with disabilities has declined due to inconsistent enforcement of accessibility requirements and occupancy of accessible units by people who do not need the accessibility features. In addition a substantial majority of publicly and privately subsidized housing complexes limit admissions to the elderly.

Lack of information on Ohio’s Housing Stock

Insufficient data exists documenting the actual numbers of accessible housing units for people with disabilities residing in Ohio. However, assumptions can be made about unmet housing needs based on the number of people with mobility and sensory impairments.

¹Profiles and Projections of the 60+ Population of Ohio, Scripps Gerontology Center, Miami University
²The authors calculated disability rates using two alternative measures of disability and constructed projections of the number of households with at least one disabled resident. They developed and applied a technique for estimating the probability that a newly built single-family detached unit will house at least one disabled resident using data on the average lifespan of those units, the average length of residence for households occupying those units, and the projected proportion of households with at least one disabled resident.
While programs such as the Low Income Housing Tax Credit (LIHTC) program have worked to increase the number of accessible housing units, affordability continues to be a concern. Frequently, individuals with disabilities receive Supplemental Security Income as their only source of income. At $637 a month, or approximately 18 percent of the median income in Ohio, SSI recipients are priced out of most of the Low Income Housing Tax Credit apartments, most of which are targeted to those earning 50 to 60 percent of the median income.

In addition, there is little information about the location of accessible units available among existing housing stock. Many developers of affordable housing do not include information about accessibility in their property lists. For this reason, in some communities, accessible units remain vacant. This reinforces the misperception that all who need affordable and accessible housing units are being accommodated.

**Other Anecdotal Data**

In FY 2008, the Ohio Legal Rights Service (OLRS) assisted over 5,300 people with disabilities. At least half of those were people with intellectual, developmental, physical and other disabilities. Additionally the OLRS served 300 people with community integration issues, some of which were related to physical accessibility issues or denial of reasonable accommodation and modifications.⁴

According to the OLRS, there is an inadequate supply of safe, affordable and accessible housing for individuals with disabilities. Because of this, many are placed in nursing homes even though that level of care is often inappropriate. Others live with aging parents or in housing with physical barriers. Although they may have a roof over their heads, this does not mean that their housing needs are met.⁵

Nonprofit organizations and local government programs have waiting lists for their home modification services that enable people with disabilities to remain in their homes. The Ability Center of Greater Toledo has mailed out approximately 400 applications for home modifications since Jan. 1, 2008. There is currently a 12-16 month wait before they can effectively serve those who have requested assistance. This level of need is a reflection of minimal public relations efforts - they do not advertise on a regular basis.⁶

**Best Practices, Policies and Programs**

**Mass Access**

The Mass Accessible Housing Registry is a free program that helps people with disabilities find rental housing in Massachusetts, primarily accessible and barrier-free housing. The database tracks accessible and affordable apartments throughout the state, maintaining information about their availability. Massachusetts state law requires that owners and managers list all available, accessible units with Mass Access.

The program was started in 1995. Mass Access catalogs every accessible or adaptable unit in the state and tracks its availability. The system distributes current vacancy information to disability agencies and people with disabilities. On a daily basis, this information is sent statewide.

**Toledo, Ohio Visitability Ordinance**

The goal of this ordinance is to set and implement visitability-building standards for one, two and three family dwelling units, which have received a subsidy from a Governmental

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⁴N/A: Ohioans with Disabilities and the Consolidated Plan - Comments for Ohio’s Consolidated Plan for Fiscal Year 2009, Submitted by the Ohio Legal Rights Service
⁵See note 4 above
⁶Ash Lemons, Director, Housing Resource Center, The Ability Center of Greater Toledo
body, and will be built within the City of Toledo. Under this ordinance the construction of the dwelling must contain specific criteria in order to meet the newly established visitability requirements. All new one, two and three family dwelling units, which have received a subsidy to build from a Governmental body or agency, must comply with the requirements below in addition to the requirements provided in the adopted residential code:

(a) No step entrance: Provide at least one no step entrance. The required no step entrance shall be accessed via a visitable route. (b) Doors/Openings: All doors and openings shall have a minimum net clear width of 32”. (c) Hallways/Corridors: All hallways and corridors on the main floor shall be at least 36” in width. (d) Bathroom/Half Bath: Provide a bathroom or half bath on the main floor with clear floor space of 30” x 48”. (e) Bathroom/Half Bath Walls: All walls in the required bathroom/half bath shall have reinforcing/backing in the walls to allow for future installation of grab bars. (f) Wall Electrical Outlets: Wall electrical outlets on the main floor shall be mounted at least 15 inches above the finished floor. (g) Light Switches, Thermostats and other Controls: Light switches, thermostats and other control devices on the main floor shall be mounted no higher than 48” above finished floor.

This ordinance was passed September 20, 2005.

Visitability Ordinance - State of Texas
If a person is awarded state or federal funds by the Texas Department of Housing and Community Affairs to construct single family affordable housing for individuals and families of low and very low income, the affordable housing identified on the person’s funding application must be constructed so that it is visitable. This law took effect on September 1, 1999.

Universal Design Ordinance - City of San Antonio, Texas
If a person receives financial assistance from city, state or federal funds administered by the City of San Antonio for the construction of single family homes, duplexes or triplexes, that person shall construct the units in accordance with the tenets of visitability. This ordinance was passed on April 18, 2002.

International Code Council (ICC)/American National Standards Institute (ANSI) Code Language on Visitability
The ICC/ANSI A117.1 standard will soon include design criteria for visitability features that could be adopted by municipalities or via state/local ordinance for implementation across the country. The inclusion of visitability criteria in A117.1 is the culmination of the efforts of an International Code Council (ICC) working group (originally convened in 2006) charged with developing model code guidelines for housing not covered by the Fair Housing Act, i.e., for new one- to three- family dwellings, which would be suitable for adoption by local jurisdictions, whether a given jurisdiction intended to apply it to all new houses or within a narrower scope. The working group includes disability advocates as well as members from federal agencies like the US Access Board and HUD. The technical criteria for visitable (“Type C”) units are summarized below.8

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8The section on Visitability (Type C Units) will be included in Chapter 10 of the A117.1 standard, but Type C units will not be scoped in the International Building Code, meaning, they will not be required by the code. The intent of providing the Type C criteria in A117.1 was to provide a standardized set of guidelines that could be adopted by a jurisdiction, if they were pursuing Visitability initiatives on the local or state levels.8

Criteria for Type C or Visitable Units
At least one accessible entrance into the home from a public street or sidewalk, a dwelling unit driveway, or a garage. An accessible circulation path shall connect an entrance with a toilet room or bathroom, with one habitable space with an area 70 square feet minimum and with a food preparation area (if one is provided on the entrance level of the home). The toilet room/bathroom should have basic clearance at the water closet and reinforcements in the walls for the future installation of grab bars. Doors with sufficient clear width shall be provided throughout the entrance level of the home. Lighting controls and receptacle outlets shall be mounted within accessible reach ranges. Clearances between all opposing base cabinets, counter tops, appliances or walls within food preparation areas (if provided on the entrance level) shall be 40 inches minimum.
Ohio Housing Finance Agency Initiative

In 2007, the Ohio Housing Finance Agency required all newly constructed units funded with tax credits be visitable. According to the Qualified Allocation Plan, which is the document that spells out the rules for awarding the tax credits, visitability is defined as at least one “no step” entrance into the unit, which shall be accessed via an accessible route (driveway, sidewalk, garage floor, etc.). All interior doors and openings shall have a minimum net clear width of 32 inches and a bathroom or half bath on the main floor with clear floor space of 30 inches by 48 inches.

Pennsylvania Housing Finance Agency Initiative

The Pennsylvania Housing Finance Agency (pfha.org) provided funding for an initiative to promote Visitability throughout the Commonwealth of Pennsylvania. This initiative is aimed at promoting housing that is affordable and attractive and provides basic accessible to the house. The project does not attempt to promote regulation of this issue; in fact, one of its features is to demonstrate the concept of Visitability and its voluntary, non-regulatory potential. The intention is to promote Visitability as a design feature that can readily be adopted and marketed by builders. Six builders representing distinct geographical areas were carefully selected. Their selection insured that a broad range of construction materials and methods was represented. A wide range of builder experience with Visitability was also represented: some who were familiar and experienced with Visitability concepts, and some who had not yet seen the need for them or had not previously had the opportunity to be involved.

Builders were each responsible for constructing between one and five homes in accordance with Visitability requirements. Various styles, types and classes of single-family homes were constructed, from spec-built to full custom homes with prices ranging from $190,000 to $400,000 plus. The location of the homes also varied, from single scattered lots, suburban developments to neo-traditional urban developments. Each individual builder’s construction practices were reviewed and documented. These reviews focused on evaluating the areas of current construction impacted by Visitability requirements. The results were discussed with each builder to review the technical challenges and potential solutions. From builder feedback and the input of design professionals a series of design details was developed. The details were discussed with the builders and project staff both before and during construction to improve their effectiveness and practicality.

Actions for State Policy Makers to Address the Gaps

These recommendations flow from the data collected and the subject matter expertise of the workgroup participants. They are organized as five broad categories (in bold). The sub-recommendations are the strategies to implement the recommendations. The group consensus is that these sub-recommendations should not be separated from the broad categories in the final plan document.

Develop ways to identify existing accessible housing units and endeavor to fill those units with people who will benefit from the accessibility features.

- Recommend that a data depository be created by OHFA to consolidate all of the disparate public and private accessible housing data across the state.
- Require that all publicly funded accessible units be listed in statewide and local housing locator databases.
OHFA will continue to maintain a list of agencies/organizations that provide services to those in need of accessible housing. Applicants for OHFA funding must notify the appropriate agency at the time of application that accessible housing is being proposed, agree to accept referrals for potential residents, and agree to receive design suggestions for the property.

**Increase the number of affordable, accessible, adaptable and visitable units in Ohio.**

- OHFA will continue to require that all new construction funded by the agency will be visitable.
- OHFA will continue to require universal design features in all OHFA funded developments.
- Recommend that a group comprised of representatives from the building industry, state agencies for whom affordable housing is part of their mission and disability advocacy groups explore incentives to builders and developers that will encourage the development of units with accessibility features over and above those required by law.
- OHFA will support a consistent definition of visitability in order to simplify the process for those who build affordable housing in various localities across the state. This uniformity and direction will encourage builders to incorporate those elements into their projects that they choose to make visitable.
- OHFA shall audit their internal processes to insure proper tracking of developer compliance with agreed upon accessibility features. This includes review of documentation before construction as well as post construction reviews.

**Create dedicated funding streams to promote home modification programs that allow people who develop disabilities to remain in their homes.**

**Supply policy makers with data that compares the costs of building accessible features into affordable housing units at construction with the costs associated with retrofitting the units.**

- Recommend that a group comprised of representatives from the building industry, state agencies for whom affordable housing is part of their mission and disability advocacy groups who administer home modification projects be established to determine those costs.
- Collect and compile data on the costs of adding in accessibility features after construction.

**Develop educational and promotional initiatives about accessible housing to stimulate demand for features which will translate into more units built.**

- By virtue of OHFA’s leadership in championing visitability in its program, and in order to better educate OHFA’s stakeholders, OHFA, in conjunction with other agencies, shall promote educational initiatives to familiarize building professionals to the concepts of visitability and universal design (training events, conferences) This recommendation is specifically targeted to building professionals such as architects, builders, appraisers, building officials, planners, etc.
- Recommend that in conjunction with other agencies, OHFA create a PR campaign directed to consumers and real estate agents to highlight the benefits of accessible housing and to create the situation where consumers ask for houses that have accessible features.
Workgroup #4:
Very Low Income Housing Assistance

Workgroup Members:
Doug Klingensmith, OCCH
Tom Dobies, CMHA
Susan Weaver, CHN
Elizabeth Brown, HOME
Greg Kramer, ACIL
Heidi Crabtree, ODOD
Craig Kelan, COHHIO
Anthony Penn, CHN
Aaron Pechota, NRP
Brock Robertson, ODJFS

OHFA Staff:
Sean Thomas
Sally Mitchell

Meeting History:
August 14, 2008
August 26, 2008
September 17, 2008
October 28, 2008

Executive Summary

Housing Need Description and its Urgency to Ohio
Under HUD’s definition, a “very- low income” household is one with an income that is at or below 50 percent of an area’s median income (AMI). It is difficult to serve these households using only the housing tax credit program, which is currently the largest rental production program in the state. As a result, the demand for federal rent subsidies far exceeds the supply. The struggling economy and greater emphasis on de-institutionalization contribute to this growing need.

Met Housing Needs:
- Throughout Ohio there are various programs that are used to provide rental assistance to households at or below 50 percent of AMI (Area Median Income). These programs include HUD (Section 8 Project-based, Housing Choice Voucher, 811 Program, 202 Program, 236 Program), Rural Development rental assistance programs, Low Income Housing Tax Credit Program, Community Capital Assistance Program (The Ohio Department of Mental Retardation and Developmental Disabilities (MRDD)).

Unmet Housing Needs:
- To assist in the gathering of information Ribbon Demographic (Census Data), US Census Data, Out of Reach report (National Low Income Housing Coalition), Access to Housing Workgroup Disability data report, Public Housing Authority waiting list data was used. These reports will help determine the amount of households/individuals in the State of Ohio that would need rental assistance. This information will be compared to the data collected in the “Met Housing Need” section to give a clear picture of the gap in Ohio.
Best Practices, Policies and Programs:
The group provided data of policies in several states (Illinois, Indiana, Virginia, Texas, Arizona, Iowa) on how they address low income households in the Tax Credit program. This information will help gauge what is the best policy for Ohio to implement in order to address the low income households who are in need of affordable housing.

Housing Need
The Very Low Income Housing Assistance Workgroup was formed under the council of the OHFA Annual Advisory Board. The purpose of the group is to review the State of Ohio’s low income households (Households at or below 50 percent AMI) to ensure their housing needs are met. The group concluded that most of the households that fall at or below 50 percent AMI will more than likely need some form of rental assistance. Therefore, the group looked at all the rental housing programs in Ohio to verify the needs being met. In addition, it was important that we verify how many individuals/households in Ohio are at or below 50 percent of AMI. With this information we would be able to verify the unmet needs of all Ohioans that fall at or below 50 percent AMI and better address the gaps.

Importance to Ohio
The Ohio Housing Finance Agency aims to continue and increase its competitiveness as a state housing agency among its peers. The most important objective of the Annual Plan is to address adequate housing for all Ohioans. As seen in the Best Practices, Policies, and Programs section, several states have plans to address the housing needs of each respective state. OHFA is now positioned and ready to develop a plan that addresses the state’s very low income housing needs; a plan that it currently lacks.

Met Housing Needs (“Resource Inventory”)
The data listed below was gathered through various housing programs which include: US Department of Agriculture-Rural Development (USDA-RD), US Department of Housing and Urban Development (HUD), The Ohio Housing Finance Agency Low Income Housing Tax Credit Program, the Ribbons Demographic summary, Ohio Department of Mental Retardation and Developmental Disability, The Ohio Department of Mental Health. However, due to the substantial amount of data we were unable to verify 100 percent that some units could of possibly been counted twice. We ask that you keep this in mind, and this workgroup believes this data count is more accurate than any other data collected.

<table>
<thead>
<tr>
<th>Program</th>
<th>Count</th>
</tr>
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<tbody>
<tr>
<td>Project-Based Public Assisted Housing Units</td>
<td>179,513</td>
</tr>
<tr>
<td>Housing Choice Vouchers</td>
<td>90,875</td>
</tr>
<tr>
<td>MRDD (Capital Housing Program)</td>
<td>1,030 (1 to 4 persons in each home)</td>
</tr>
<tr>
<td>ODMH (Housing Assistance Program (HAP), State funded Voucher Program)</td>
<td>1,396 (1,785 addition individuals are waiting for assistance)</td>
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</tbody>
</table>

Note: When you combine all these units together you come to a total of 272,814 rental assisted units for the state of Ohio.
Unmet Housing Needs

Ohio Data

50 percent Area Median Gross Income (AMGI) in Ohio

In Ohio there are 791,429 households renting an apartment who fall under 50 percent AMGI. A one-person household has a pre-tax income of $20,650 per year. A five-person household has a pre-tax income of $31,850 per year. However, of all households in this range, over 319,019 households fall under the income level of a one-person size household income. In addition, 159,212 one-person households who are 55 years of age or older fall into this category. In combining these two subpopulations, the total is 478,231 out of 791,429. This is 60 percent of the total population that falls into this category.

In addition, a total of 779,059 households own their homes. A total of 237,745 are comprised of a one-person household, and 195,215 are one-person households who are 55 year of age or older. Combined that is a total 432,960 out of 779,059. This is a total of 55 percent of this subpopulation.

When dividing the one-person annual income over a 12-month period, the result is $1,721 per month. An Average cost to rent a one-bedroom unit in Ohio is $507 a month. A person at this income level should be able to support themselves without any rental assistance program. However, this does not negate the temporary assistance a person may need in emergencies. Most of the population in this AMGI do not have a “Rainy Day” savings account for emergencies and any temporary loss of income could cause these households to lose their homes.

35 percent Area Median Gross Income (AMGI) in Ohio

In Ohio there are 548,464 households renting an apartment who fall under 35 percent AMGI. A one-person household has a pre-tax income of $14,455 per year. A five-person household has an income of $22,295 per year. However, of all households in this range, over 227,830 households fall under the 1-person size household income. In addition, 114,632 one-person households who are 55 years of age or older fall into this category. In combining these two subpopulations the total is 342,462 out of 548,464. This is 62 percent of the total population that falls into this category.

In addition, a total of 435,118 households own their homes. A total of 148,999 are comprised of a one-person household and 121,517 are one-person households who are 55 years of age or older. Combined that is a total 270,516 out of 435,118. This is a total of 62 percent of this subpopulation.

When averaging the annual income over 12 months, the result is $1,204 per month. The average rent in Ohio remains the same at a cost of $507 a month. At this income level it is more then half of the monthly income for this household. It is recommend a person to set-aside 30 to 40 percent of their monthly income toward rent. At this income level it puts substantial pressure on the household to be able to afford this apartment, and many are forced to look for additional income to afford their home.

18 percent Area Median Gross Income (AMGI) in Ohio

In Ohio there are 271,161 households who renting an apartment who fall under 18 percent AMGI. A one-person household has a pre-tax income of $7,434 per year. A five-person household has a pre-tax income of $11,466 per year. However, of all households in this range, over 119,460 households fall under the one-person size household income. In
addition, 60,111 one-person households who are 55 years of age or older fall into this
category. In combining these two subpopulations the total is 179,571 out of 271,161. This is
66 percent of the total population that falls into this category.

In addition, a total of 156,450 households own their home. Within that, a total of 62,774
are comprised of a one-person household and 49,817 are one-person households who are
55 years of age or older. Combined that is a total 112,591 out of 156,450. This is a total of
71 percent of this subpopulation.

When averaging the annual income over 12 months, the result is $619 per month. The
average rent in Ohio remains the same at a cost of $507 per month.

This subpopulation is the group that is in crisis not being able to afford their home. At this
income level, the household has spent over 81 percent of their monthly income on rent
alone. This leaves no additional funds to afford food, utilities, phone, or other primary needs
to live sufficiently in a home. The majority of this population is then forced to look for public
assistance to help pay for these items. This group is the largest group that is in need of
rental assistance.

In Conclusion these statistics show that the subpopulation from 50 percent to 18 percent
are all in need of some assistance; however, those with extremely low incomes are the
households which are in severe need of rental assistance. Vouchers are designated for the
population that falls at or below 50 percent AMGI. In Ohio alone, we have roughly 270,388
rental assistance units to serve 1,370,627 households. This total does not meet the need in
Ohio. When combining all these households together, Ohio is only meeting 19 percent of this
subpopulation.

Additional data from the US Census Bureau August 2008 press release of: “Income,
Earnings, and Poverty Data from 2007 American Community Survey,” it provides in-depth
data of how many households in Ohio are living in poverty. The Poverty rate provides
a measure of the portion of people with family or individual income that is below the
established poverty thresholds. These thresholds are used to calculate those who are eligible
for “government assistance” (Including Housing Assistance). With this information we can
calculate that these people fall under the very low income population and are able to answer
how many people in the state of Ohio are in poverty. Currently the population for the state
of Ohio is over 11.1 million and the number of people in poverty for the state of Ohio is
over 1.4 million people. This is over 13 percent of the population. With this information we
can verify that the extremely low income population housing need is not being met. Many
Ohioans must either work two jobs or have dual incomes in order to live in a market rate
unit. Those individuals who are considered extremely low income usually are unable to
maintain a job, and must live in substandard housing.


Public Housing Authorities

Below is a snapshot list of how many households are on waiting lists in every county in Ohio
as of June 2008. With this fact, it is possible that some PHA’s could have re-opened and
closed their waiting list since that time. It is also important to point out that due to those
PHA’s that are closed, it does not allow us to verify an accurate number of households who
are in need of rental assistance.

When looking at these numbers, please remember that there are many families out there
that have not been given even the fair opportunity to apply for rental assistance.
<table>
<thead>
<tr>
<th>PHA Name</th>
<th>No. on HCV Waiting List</th>
<th>Open/Closed</th>
<th>Comment</th>
<th>PHA Name</th>
<th>No. on HCV Waiting List</th>
<th>Open/Closed</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
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<td>Open</td>
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<td>Logan</td>
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<td>WL just closed (5/08)</td>
<td>Lucas</td>
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<td></td>
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<td>Middletown</td>
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<td>Morrow</td>
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<td></td>
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<td>New Avenues</td>
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<td>Ash-25, Lake-100</td>
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</table>

**Total on Waiting List: 69,557**
Across Ohio, people with very low incomes “face a crisis in the availability of decent, safe, affordable housing,” because there is not enough units to meet the demand, particularly for people with low incomes who require subsidies to help pay for housing. Currently all Public Housing Authorities (PHA) maintain waiting lists for very low income households. The Columbus Metropolitan Housing Authority Housing (CMHA) Choice Voucher waiting list currently has over 12,000 people waiting to receive a Housing Choice Voucher. In addition, they have over 1,800 people who are on their Public Housing waiting list. Due to the substantial waiting list it will be impossible for CMHA to meet the needs of its consumers. This example is the trend across the entire state of Ohio. The need for housing assistance in Ohio is great and we do not have the federal assistance to provide the households with rental assistance.

Cost to Rent unaffordable to low income population

According to the Ribbon Demographic, the average cost to rent a one-bedroom apartment in Ohio costs $507 dollars and the studio/efficiency unit rent at $450 per month. Yet, a household at 30 percent Area Median Income could only afford $445 dollars a month for rent. At this time this household is unable to afford a studio or one-bedroom apartment on this income. The yearly income for a person at 30 percent AMI is $16,460. To afford a studio apartment, a person must have an annual income of $17,984. To afford a one-bedroom apartment, a person must have an annual income of $20,286.

The extremely low income population (people who fall at or below 18 percent AMI) who are the most vulnerable to losing their home without rental assistance. They receive government assistance (Social Security Income, Medicaid, food stamps, etc.) to assist them, yet even with all of these types of assistance, they are unable to live sufficiently on a small income. This forces them to look for rental assistance that is not available to them.

Best Practices, Policies and Programs (local, state, or national)

Illinois Housing Development Authority

- The Illinois Rental Housing Support program is the nation’s largest state rental assistance program. The RHS program will provide rent subsidies for an estimated 4,000 “rent burdened” households making ends meet on extremely low incomes.
- The program is designed to utilize Local Administering Agencies (LAAs) that will manage the program locally in their area. Potential LAAs will apply for funding, and will contract directly with landlords to provide units for the program. LAAs will also work with the landlords in providing outreach to potential tenants.
- These potential tenants wanting to rent the program units will need to apply with the landlord. The RHS Program is unit based, so the subsidy stays with the unit, not the tenant.

Pennsylvania Housing Finance Agency

- Within the PHFA Qualified Allocation, it includes a threshold of, “Affordability of Accessible Units”. In this threshold PHFA requires that accessible units in the development will be affordable to persons at or below 20 percent of the Area Median Income (AMI), adjusted for family size. The development must evidence a viable plan to charge rents at levels affordable to persons at or below 20 percent AMI throughout the compliance period. This extremely low rent structure must be supportable for at least the federally mandated accessible units and any other accessible units receiving extra ranking points.
In collaboration with the Department of Public Welfare (DPW) PHFA were able to recapture savings from the closing of ICF/MRs and allocate them to the PHFA. These reinvestment funds came from 10 counties (the only areas with a significant amount) and the PHFA is using them to administer a tenant-based rental assistance program (TBRA) that targets people relocating from institutional settings back into the community. As of February 2008, the two agencies are drafting a Memorandum of Understanding (MOU) defining the program details (and establishing an escrow account from which PHFA will receive payment). They anticipate that the funds ($750,000 in state only funds) will provide rental assistance to approximately 75 people this year, and hope to be able to double the funding next year. The TBRA is administered through the Philadelphia Public Housing Authority, which also administers the section 8 voucher program and promises that these 75 people will have a voucher within two years (the average wait time for section 8 vouchers in Pennsylvania is 18 to 24 months). A shortage of accessible units in the Philadelphia area has proven to be a major barrier. If the vouchers do NOT become available, the risk is taken by DPW, not the housing authority.

Pennsylvania is also looking at ways to reinvest state Medicaid savings from NF beds going offline to make housing tax credit units more affordable for people leaving institutions. Better coordination by DPW with Pennsylvania’s Department of Community and Economic Development has resulted in a contract with PHFA, to date subsidizing more than 500 units that are now affordable to tenants at 20 percent of the area median income.

Iowa Finance Authority

This rent subsidy program aids people who receive services under a federal Medicaid waiver program called home- and community-based service (HCBS) and who are at risk of nursing facility placement. The program provides a monthly rent assistance payment to these persons to help them live successfully in their own home and community, until they become eligible for any other local, state or federal rent assistance. For a person to be eligible for the HCBS Rent Subsidy program they must meet the following criteria:

- HCBS Recipient - The person must currently be an adult recipient of one of the home- and community-based service waiver program or a child (under 18 years of age) receiving residential-based supported community living services under the mental retardation HCBS waiver program.

- Demonstrated Need - The person must provide evidence that they are responsible for paying more than 30 percent of their income for rent and they have been determined ineligible, or have been placed on a waiting list, for U.S. Department of Housing and Urban Development (HUD) rental assistance or any other available rental subsidy programs. Persons receiving other rental assistance at the time of, or prior to the time of application to the HCBS Rent Subsidy program are not eligible. A person who declines a HUD Housing Choice Voucher or fails to respond to a notice from the public housing authority when a voucher becomes available is no longer eligible for the HCBS Rent Subsidy Program. The Housing Choice Voucher is also referred to as a Section 8 voucher.

- Risk of Nursing Facility Placement - The person must demonstrate both: 1) they have insufficient funds to pay for their community housing cost and that insufficient funds will cause them to enter a nursing facility; and 2) participation in an HCBS waiver will prevent them from entering a nursing facility and that access to the rent subsidy program is required so that they may live in a community living arrangement permitted under the waiver.
- **Responsible for Rent** - The person must be financially responsible for rent cost. In the case of children receiving residential-based supported community living services under the mental retardation home- and community-based services waiver program, they or their families must demonstrate this financial responsibility.

- **Qualified Rental Unit** – The person must live in a qualified rental unit. A qualified rental unit is an apartment, mobile home, or private room for which a signed written lease exists and which is governed by Iowa Code Chapter 562A Uniform Residential Landlord and Tenant Law. A qualified rental unit does not include a home owned by a family member.

- **Maximum monthly payment** shall be equal to the rent paid, not to exceed 100 percent of the eligible applicant’s county of residence Fair Market Rent (FMR) as determined by HUD, less 30 percent of the gross income of the eligible applicant. The FMR shall be that of a one-bedroom unit or a proportionate share of the rental cost in units containing more than one bedroom.

- **North Carolina Housing Finance Agency**

  - The Key Program is a rental assistance program created in collaboration with NCHFA and the North Carolina Department of Health and Human Services. The Housing Credit applications since 2004 must include an acceptable Targeting Plan that makes 10 percent of the units in the development available to extremely low-income persons with disabilities, including homeless persons with disabilities.

  - Since 2002, over 1200 units of quality, affordable rental housing have been funded for persons with disabilities in North Carolina through the Low Income Housing Tax Credit (Housing Credit) program.

- **Texas Department of Housing and Community Affairs**

  - The Texas Qualified Allocation Plan has deep income targeting for people with low incomes. An applicant may receive up to 22 points for committing to a combination of a list of possible options of income targeting.

    - Developers may receive 22 points for targeting "at least 40 percent of the total units in the development are set-aside with incomes at or below a combination of 50 percent and 30 percent of AMI, in addition to 5 percent of the total units are designated specifically for households at or below 30 percent AMI.

    - Developers may receive 18 points for targeting "at least 10 percent of the total units in the development that are set-aside to household’s incomes at or below 30 percent AMI.

- **Indiana Housing and Community Development Authority**

  - The Qualified Allocation Plan (QAP) has a point system if a project intends to charge a lower rent than the maximum allowable rent. The lowest Ami is set at 30 percent. And the maximum points you can get are for setting aside 25 percent of the projects units to people at or below 30 percent AMI. The system they use is flexible and allows for the developer several combinations to assist in making the project sustainable (See table).
### Area Median Income Rents

<table>
<thead>
<tr>
<th></th>
<th>30 percent</th>
<th>40 percent</th>
<th>50 percent</th>
<th>60 percent +</th>
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</thead>
<tbody>
<tr>
<td>55 percent or More</td>
<td>1 pt</td>
<td>2 pts</td>
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<td>6 pts</td>
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</tbody>
</table>

### Massachusetts Community & Economic Development Department - Rental Voucher Program

- The Massachusetts Rental Voucher Program (MRVP) provides assistance to low-income households to help pay rent. MRVP also provides incentives for housing developers to build units that are affordable to low-income households. According to the Massachusetts Office of Housing and Economic Development, the MRVP program currently leases 4,930 homes and is seeking to create an additional 2,000 housing units to be made available to low-income families, seniors and individuals with disabilities.

### Arizona Department of Housing/Arizona Housing Finance Agency

- The Qualified Allocation Plan (QAP) give additional points (Up to 20 points) if the developer agrees to set-aside units for populations at or below 40 percent AMI. A developer can receive 20 points if they designate 35 percent of the units in the project to populations at 40 percent AMI.

### Virginia Housing Development Authority

- The Qualified Allocation Plan (QAP) gives 60 points to the developer who chooses to reserve the greater of 5 units or 10 percent of the units for rental assistance to populations at or below 30 percent AMI.

### Tenant “Source of Income” Discrimination Legislation

- Thirteen states have legislation that prohibits discrimination against people because of the source of their income. Under these laws landlords cannot refuse an applicant because their income includes Social Security or other government benefits or because they have a Housing Choice Voucher to help pay the rent. In addition to the states, many cities have adopted such legislation including Los Angeles, New York, Philadelphia,
Seattle, St. Louis, and Washington, DC. These laws allow communities to become more diverse and allow people of low income the benefit of a successful community. In addition, it opens the rental market and increases the supply and quality of housing available to very low income tenants with rental assistance vouchers.

Ohio’s proposed Unified Long Term Care Budget

- Ohio has submitted a Cost-Effective Consumer-friendly Long-term Services and Support System to Governor Strickland. The Unified Budget workgroup consisted of over 300 individuals representing consumers, providers, advocates, state agencies, local entities, and interested stakeholders. Within the proposal, recommendations were given to propose a new budgeting process. Within this budget process it will allow for more flexibility in how we will be able to serve our consumers.

- With a single Unified Long Term Care Budget the ability to collaborate with other state agencies to serve our consumers become more attainable.

Recommendations for Annual Plan Advisory Board:

- Recommend the State of Ohio support the initiative of an Ohio Unified Long Term Care Budget/Money Follows the Person to open possible collaboration with other state agencies.

- Recommend the State of Ohio to use the National Housing Trust Fund to establish a sustainable rental assistance program within the Low Income Housing Tax Credit Program.

- Recommend that Ohio support the initiative of broader geographical dispersion of family’s with rental assistance vouchers.

- Recommend OHFA create a plan that allows 10 percent of a project to have an extremely low income targeting (Additional Income Targeting) to 18 percent AMI and plan for these lower rent units to be sustainable for the full compliance period of the project (Additional operating funds, flexibility of the developer to raise the rents in the other units etc).

- Recommend the State of Ohio to study a short-term subsidy program for Home Choice (formerly known as “Money Follows the Person”) participants.
Workgroup #5:
Preservation of Existing Special Needs Housing

Workgroup Members
Chair: Brenda Curtiss, Ohio SILC
Members: Greg Arcaro, Frontier Community Services; Barb Conover, Three Rivers Housing Corporation; Michael Corbett, Delaware County Board of Development Disabilities; Lew Ellis, Preferred Properties; Ryan Landi, Ohio Capital Corporation for Housing; Patrick Rafter, Creative Housing; Samantha Shuler, Community Housing Network; Jeanete Welsch, Ohio Department of Mental Health.

OHFA Staff: Arthur Krauer and Nancy Weilbacher

Housing Need
Ohio has an aging portfolio of housing for individuals and families with special needs. For the purpose of this report, special needs populations are defined as the elderly, individuals with severe and persistent mental illness, and those with developmental disabilities and/or mental retardation. This housing has been developed through a variety of sources, notably MR/DD and the Low Income Housing Tax Credits.

Three issues stand out as the core difficulties in serving the housing needs of this population. First, units traditionally need to be fully accessible and typically require extensive rehabilitation. Second, the special needs population typically requires significant supportive services for long-term stability. Lastly, and most importantly, these populations are typically very-low income and require continuing subsidy to maintain adequate housing.

Met Housing Needs
There are several areas of success in developing housing for those with special needs. MR/DD Boards have been purchasing property and using various funds including Medicaid waiver dollars to convert existing residential units for accessibility. These Boards have also provided subsidies for residents of low-income. Metropolitan Housing Authorities have also issued Section 8 vouchers to address the needs of very-low income residents. The tax credit program has also aggressively addressed the need for senior housing within the state. The program over the last ten years has developed 12,494 units of senior housing and is currently allocating over 50 percent of its resources annually to addressing the needs of senior residents. This development is also enhanced by properties developed through local MHAs, HUD and USDA RD.

Unmet Housing Needs
While special needs units are being created through a variety of tools, simply not enough units are being preserved to meet the demands of special needs Ohioans.

Action Items
An examination of the unmet needs suggests the following policy and programmatic initiatives could have a significant impact:
Primary Recommendations

- Create a permanent source of funds for operational subsidies to target lower incomes, specifically for households at or below 30 percent of area AMGI. Many individuals with special needs are either homeless or at-risk of homelessness due to severely low incomes. No subsidy exists to address this issue and bridge the gaps necessary to make low-income units (LIHTC specifically) affordable.

- Develop a coordinated plan for the collection and analysis of data relating to special needs populations. No single source for data collection and evaluation exists. Data that does exit works in a competitive framework between competing constituencies within the special needs community.

- Improve the budgetary requirements and evaluation procedures used to develop underwrite and approve of supportive service packages for LIHTC and other units developed through OHFA programs. Currently OHFA sets a minimum supportive service budget of $100 per unit on LIHTC projects with limited subjective review of the quality of supportive service packages. Increase scrutiny of and required financing for these services will increase the success of the units created through these programs.

- Increase the number of units developed through new programs. While the current economic often creates a need for economies of scale, many existing special needs units are scattered or in smaller unit projects. OHFA should encourage the development of products that work to address these needs on a smaller scale.
Workgroup #6:
Rural and Appalachian Regions

Workgroup Members:
- Barbara Conover, Three Rivers Housing
- Don Corley, WDOS CAC
- Fred Deel, Governor’s Office of Appalachia
- Joe Gage, Buckeye Hills AAA
- Patty Griffiths, Fayette Co. CAC
- Ralph Kline, Ironton-Lawrence CAO
- Jeff Woda, CRHDO
- Gerald Arnott, USDA Rural Development

OHFA Staff:
- Ed Wylie
- Dawn Larzelere

Meeting History:
- August 7, 2008
- September 4, 2008
- October 1, 2008

Executive Summary

Housing Need Description and its Urgency to Ohio:
- The ability of residents in rural and Appalachian Ohio to find quality affordable housing is constrained by numerous factors such as: a smaller and aging population, inconsistent and/or inappropriate regulatory restrictions, stagnant economic growth, job loss, substandard existing housing stock, lack of accessible sites (visitability, resources for aid to residents, transportation and other support services), infrastructure and capacity for development.

Met Housing Needs:
- The Ohio Department of Development prepares an annual Consolidated Plan required by HUD for programs undertaken in conjunction with HUD funding.
- The “Resource Inventory” identifies the various housing programs OHFA has to serve Ohioans.
- The “Resource Inventory” identifies other federal, state, and statewide programs available for housing in the rural and Appalachian regions of Ohio.
Unmet Housing Needs:

- Due to the unique development needs of rural and Appalachian Ohio as described in the “Housing Need Description,” there is a lack of affordable housing in these regions. The attached “Unmet Needs” will list those considered to be the most urgent.

Best Practices, Policies, and Programs:

These include programs offered by OHFA, ODOD, USDA Rural Development, the Housing Assistance Council, and the Federal Home Loan Bank. A more detailed description of these programs is listed in the “Best Practices, Policies & Programs” section.

Recommendations for OHFA’s Annual Plan Advisory Board:

- There needs to be priority emphasis on concentrated community development due to the high cost of infrastructure and development in rural areas.
- Preservation of housing units that provide a payment subsidy must be a priority since these cannot be replaced and the need is great.

Housing Need

While the focus of this SME workgroup is to address the housing needs of Ohio’s Rural and Appalachian regions it is important to recognize the diversity within these two areas.

For example, Appalachian Ohio is relatively easy to define and identify because of its geography. Appalachia is defined as a 200,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It encompasses all or part of 13 states, including Ohio. In Ohio, Appalachia encompasses 29 counties in the southern and eastern parts of the state. This portion of Ohio ranks as the poorest economic region in the state. Rural, on the other hand, is more difficult to identify and agree upon as there are literally hundreds of definitions. For the purposes of this workgroup however, we defined Rural Ohio as persons living in villages of less than 2,500 residents or in the open country, which is the definition used by the U.S. Census Bureau. Collectively these two areas account for nearly 25 percent of the state’s population.

The reasons why both areas lack access to affordable housing differ as much as their definitions. In Rural Ohio, there is a lack of existing public infrastructure upon which to build an economic base which could then support affordable housing. These areas also have a smaller and aging pollution that is spread out across multiple counties in some cases. The lack of access to basic support services hinders sustained affordable housing efforts as well. In Appalachian Ohio, the issues listed above are relevant as well as the added constraints of the lack of suitable terrain to build quality housing and inconsistent rules and regulations, particularly in the area of water and sewer access.

Also for so long these areas have not received adequate rehabilitation dollars resulting in a large amount of existing substandard housing stock. Unfortunately much of this housing stock is in such a state of disrepair it cannot be rehabilitated without a major financial commitment and in some cases even that infusion of cash would not be enough.

Lastly, the state of the economy has impacted these areas to a point where it will take decades to rebuild. Rural and Appalachian Ohio often rely on one large employer to provide its economic base, and if that employer leaves it can decimate the area. Not only does it impact those employed by that employer but also the suppliers, restaurants, and retail establishments. In more urban areas, there are often several major employers so while one leaving provides challenges, other employers remain to help second tier employers as well as other related businesses.
Recognizing these unique economic challenges, in July 2007, the Ohio Department of Development identified 25 distressed Ohio counties that are priority investment areas and are eligible for priority financing for some economic development programs. Of the 25 counties identified, 22 are located in the Ohio Appalachian region.

**Importance to Ohio**

The rural population of Ohio accounts for over 22 percent of the state’s total population according to 2000 Census data. Of the more than 2.5 million rural residents, many are located in the 29 designated Appalachian counties, which have a population around 1.5 million. Ohio is the seventh most populated state but ranks fifth in the number of rural residents. While data indicates a migration over time into and out of rural areas, the rural population in Ohio continues to be significant. Living in a rural area is a lifestyle choice for some and a necessity for others. With the percent of homeownership higher in rural areas (85.1 percent vs. 65.6 percent for urban areas), it points to a more stable family. This is also noted in the percent of households that are married, which exceeds 65 percent in rural areas as compared to just over 44 percent in the urban areas of Ohio. In order to raise a family in the rural area or care for older family members, many are forced to commute further to work and services. Over 41 percent of the rural residents work outside of the county of their residence as compared to 25 percent in urban areas.

Living in the rural area is becoming more difficult as the cost of transportation increases, percentage of persons in poverty rises, and unemployment rates climb. As the shift in the Ohio economy has gone from industrial to information technology the rural area has suffered. The percentage of residents with higher education is higher in the urban areas. Of the five highest unemployment counties, four are located in the Appalachian region of Ohio. For Ohio residents living in the large urban cities, the unemployment rate is lower and jobs are in close proximity eliminating the need for a long commute.

**Unmet Housing Needs**

There is a lack of safe and decent housing in rural and Appalachian areas that is affordable. The reasons are numerous but some are listed below:

- The existing housing stock in rural areas is deteriorating and in desperate need of rehabilitation; however, there is a lack of funding to keep this housing at a quality standard. Although many rental units are deteriorating they remain filled as there are no other options. These units are in danger of becoming a “housing of last resort” whereby only residents that can’t meet guidelines for better quality rental units rent. This “housing of last resort” perpetuates NIMBY-type issues.

- To build in rural and Appalachian areas, additional development costs are incurred, which ultimately are passed on to the renters. Additional development subsidies are needed on the front end or additional rental subsidies are needed on the back end to better reflect these costs.

- Many rural residents cannot meet the underwriting criteria for homeownership opportunities. They may have a good rental history but their incomes and/or credit histories do not allow them to meet the tightening standards. Even if applicants have minor medical collections or mistakes on their credit report, the lender may not be lenient due to newer and stricter standards.

- Suitable building sites are more difficult to find in many rural areas due to topography issues and the need to extend basic infrastructure (i.e. cost of sewer, etc.).
The cost of construction often exceeds the appraised value for single family homes.

In some areas the income limits used by HUD statistics are influenced by MSA’s that have major population areas in another state (i.e. Lawrence County) or influence of adjacent metropolitan areas within the state.

HUD’s published income limits are stagnant in most rural areas. The census data is updated between the decennial censuses for larger populated areas but not as readily updated in rural areas. Therefore, there are clients who should be eligible for programs that are being left out.

Financial education at a younger age in the Ohio schools is necessary. In rural and Appalachian areas, we are seeing more young people destroy their credit. We have also seen an increase in parents using their children’s information to access credit and damage children’s credit before they are of age.

Some rural counties are affected by a large city with a good but limited employment base. One example is Athens which has Ohio University. Rents are higher based on the demand by college students; however the rents are too high for permanent residents in the area to afford.

The job opportunities in rural areas are few so when a major employer leaves the area residents do not have other choices for employment. In addition, with rising gas prices, it is more difficult for the rural resident who may have to travel many miles to work.

In the rural areas there is a large uncounted homeless population. Many of these are youth who have left the home and move from house to house.

There is a lack of support for CHDOs in rural areas. In many cases there is only one non-profit developer in a county or several surrounding counties. If they are not supported, there is no one to take over the work they are doing, and it may take many years for someone else to build the capacity. This differs in the urban areas where there are often several nonprofit developers in one city. We recommend an annual set-aside of operating funds for rural CHDOs with special consideration for areas of distress (i.e. poverty, high foreclosures, vacancies, etc.).

Services for special needs, case management, and supportive services are limited in the rural communities. There are cases where a limited number of permanent supportive housing units are needed but not an entire complex. An allowance for a mixed development with some permanent supportive housing units is needed.

There is a concern that many federal programs are shifting funding from a direct loan program with subsidy to a guaranteed loan program. Although this may be less costly to the federal budget, it does not serve the same clientele.

Foreclosures and vacant homes continue to be a problem in all areas of Ohio and many other states. Although urban areas are typically noticed more due to concentration, the rural areas of the state are also suffering with large increase in foreclosures (some counties with a 50 percent + increase over the past year) and vacant homes due to foreclosures.
Met Housing Needs

- The Low Income Housing Tax Credit program, administered by the Ohio Housing Finance Agency, works fairly well but doesn’t meet the full needs of affordable housing in rural areas. Additional subsidy is needed.

- The USDA Rural Development Section 502 Direct program provides a deep subsidy for rural homebuyers but the funds are limited and due to budget costs they may be reduced. The OHFA First-Time Homebuyer Program, RD Section 502 Guaranteed program, and the FHA program provide homeownership loans to many rural Ohioans, but many cannot meet the tightened underwriting standards nor can they afford the interest cost. An additional subsidy is needed.

- Financing offered by ODOD and OHFA for development, home improvements, down payment assistance, and counseling has been very helpful in the rural areas. As with other programs, additional funds are always needed.

Best Practices, Policies and Programs

- Use of the LIHTC program to preserve affordable units in the rural areas. Unfortunately very few are being helped with this program. The lowest income population in the rural areas cannot be serviced without tenant subsidy.

- The Housing Assistance Council provides Self Help Opportunity Program funds and other development funds (money from HUD) for infrastructure at a low interest rate.

- The Self-Help program with USDA Rural Development helps those with limited funding to afford a home but these funds are also limited.

- The Federal Home Loan Bank offers a down payment assistance program (Welcome Home) to member institutions to provide up to $7,500 in down payment assistance. Unfortunately this helps with the down payment but not to make the ongoing payment affordable.

- The Federal Home Loan Bank also offers the Affordable Housing Program, which can provide grants, low interest loans, and interest rate buydowns to help with development.

- The Community Development Finance Fund can also be used to buy down the interest rate.

- Combining the use of Housing Trust Funds and the Rural Development Section 504 program loan/grant funds works very well. These funds can also be used for accessibility which may help keep the resident in their home which is less costly than assisted living.

- The Community Housing Improvement Program (CHIP), offered by the Ohio Department of Development (ODOD) has been an excellent resource for housing related activity in the rural areas.

- The Housing Assistance Grant Program offered through ODOD with Ohio Housing Trust Funds has also been helpful in rural areas to assist with home repair, accessibility, counseling, down payment assistance, etc.

- The Housing Development Gap Financing for non-tax credit developments offered by the OHFA provides financing for affordable housing in the rural areas. This program has worked well in most areas.
Recommendations for Annual Plan Advisory Board

- With such limited resources available, state programs should give priority to communities that have infrastructure in place. It is less costly to adapt/reuse or tear down and rebuild where you have existing infrastructure.

- OHFA’s Qualified Allocation Plan should give priority to the Section 515 funds from Rural Development. There are limited Section 515 funds and they need the leverage of tax credits to be most successful.

- More priority and funding needs to be given to preservation of rental units in the rural area. The single family homes may not be feasible to save but apartment complexes, especially those with tenant subsidy need to be preserved as they cannot be replaced.

- Down payment assistance grants take care of the equity requirement on the front end for home purchase but not the long term affordability. For those who are ready for homeownership, interest rate assistance is needed as a bridge.

- Development of individual septic systems in the rural areas can be very costly. The cost for required systems in some counties makes home development cost prohibitive. There needs to be requirements from the state level for local health departments to have consistency in the development of individual sewer systems. If consistency is not obtained, OHFA should be flexible in administering programs to account for the added costs.

- Community Housing Development Organization (CHDO) funding offered through OHFA must be maintained at past levels or increased. There is a current lack of support for CHDOs in the rural areas. In many cases there is only one non-profit developer in a county or several surrounding counties. If they are not supported, there is no one to take over the work they are doing, and it may take many years for someone else to build the capacity if it ever happens. This differs in the urban areas where there are often several nonprofit developers in one city. We recommend an annual set-aside of operating funds for rural CHDOs with special consideration for areas of distress (i.e. poverty, high foreclosures, vacancies, etc.). We also recommend incentives for participating jurisdictions (PJ) to assist CHDOs in their own jurisdiction. It is not appropriate for the PJ’s to use all their HOME funds for other purposes, and then rely upon the state to provide funding for the local CHDO.

- The state needs to look closely at the additional funding that it is receiving from the Housing and Economic Recovery Act (HR 3221) and prioritize funding for struggling rural and Appalachian areas.

- Although we think OHFA should continue to promote green and sustainable construction practices, it can be more difficult to fully comply in rural areas. The impact of reduced energy costs is a great benefit to the rural population where incomes are already low. We recommend special consideration be given to allow rural properties to comply to the extent possible and still receive consideration for additional points or preference given to green buildings.

- With the tightening of the credit market, it is becoming more difficult to develop affordable rental housing in the rural areas. Due to the tight cash flow they are less attractive to tax credit investors. Through the Housing and Economic Recovery Act (HR 3221), Ohio now has the ability to use a 30 percent boost for tax credit projects. We recommend consideration be given to allow this boost in rural areas that are difficult to develop, especially in the current market conditions.
Workgroup #7: Vacant Housing

Workgroup members: Don Lenz (Greater Cincinnati Redevelopment Partnership, Inc.), Joel Owens (Community Building Partnership of Stark County), Amy Riegel (City of Dayton), Frank Ford (Neighborhood Progress, Inc.), Doug Harsany (OHCP), Marvin Hayes (Governor’s Office), Dana Kozak (US Bank), Sharon Francis (MiraCIt Development Corp.), Patricia Barnes (Ohio CDC Association), Karen Banyai and Matt Wootton (OHFA).

Meeting history: 8/1, 8/13, 9/4, 9/22, 10/2, 10/9, 10/30

Housing Need Description and its Urgency to Ohio

A 2007 study of vacant properties in eight Ohio cities by ReBuild Ohio and Community Research Partners identified more than 15,000 vacant and abandoned buildings. Most of these properties were residential since few cities have systems for tracking numbers of vacant commercial and industrial properties. The study defined a “vacant property” as “...a chronically vacant and uninhabitable property for which the owner is taking no active steps to return the property to the market.” (p. iii, $60 Million and Counting: The cost of vacant and abandoned properties to eight Ohio cities).

Data from the US Post Office (http://www.huduser.org/DATASETS/usps.html) shows a statewide total of 212,419 vacant residential properties in Ohio as of September 30, 2008 using a definition of houses where mail has not been collected for three months.

The ReBuild Ohio study points to a number of factors for the vacant property crisis, including job and population losses, an older housing stock, foreclosures and subprime lending, and property tax delinquencies in Ohio. Foreclosures in particular are widely seen as a major driver of the large numbers of vacant homes in Ohio. Allan Mallach, in a report titled, Tackling the Mortgage Crisis: 10 Action Steps for State Government, reports that by the end of 2007, nearly one of eight mortgages of all types in Indiana, Michigan and Ohio was either in foreclosure or past due and one in 28 mortgages and nearly one in every five subprime ARM mortgages in those states was already in foreclosure. This crisis has disproportionately affected predominantly minority neighborhoods where the majority of mortgage loans were subprime loans (Allan Mallach, Tackling the Mortgage Crisis).

The cost of vacant homes to Ohio’s cities is a major burden. In 2007, ReBuild Ohio reported $64 million in costs to eight local governments from demolition and boarding, grass cutting and trash pickup, fire and police runs, tax losses, and additional code enforcement.

The impact on neighborhoods, particularly in weak market cities, is devastating. According to Allan Mallach, “where foreclosures lead to abandonment, neighborhoods can quickly destabilize. The large volume of homes cannot be absorbed and are more often abandoned or purchased by a speculator as opposed to a homebuyer.” Properties are left with what Kermit Lind, a professor at Cleveland State University, calls “toxic titles” or titles that take a great deal of time and legal expertise to clear. Mallach asserts that abandoned properties are crime and fire hazards and cites a study in Philadelphia which found that a single abandoned house on a block can reduce property values by 15 percent. The ReBuild Ohio study also found that in some neighborhoods where property flipping and negative real estate practices are prevalent, the reverse can be true. Properties close to abandoned homes may actually be higher in value, as properties are turned over frequently by speculators for more than their fair market value.

Local governments, both large and small, are struggling to track vacant properties. Some, like Cleveland’s NEOCANDO project at Case Western, have model systems capable of tracking and even preventing foreclosures and vacancies, while others do not have the
capacity to quantify vacant properties. Neighborhood-level organizations, various units of local government, and real estate resources such as mortgage servicers and financial institutions can contribute to the creation of good data systems by working as a team (ReBuild Ohio report 2007).

ReBuild Ohio reports that cities need assistance “to implement good tracking systems.” Such systems should have, at a minimum, the following:

- A regular citywide inspection “sweep” and inventory
- A cross-agency electronic data system capable of producing reports
- A uniform system of assigning property identifies that link with county auditor data
- Assignment of costs to city activities related to properties
- Regular updates of the status of properties being tracked and longitudinal data.

Consistent data is needed across cities. Cities use a variety of definitions and measurements for vacant, abandoned and nuisance properties and some have not defined key terms in use, creating a challenge for local and state policy makers, according to Roberta Garber, Executive Director of Community Research Partners, the research institution that conducted the study for ReBuild Ohio. Ms. Garber says there is a need for a more in-depth needs assessment of local government data systems that could form the basis of a plan to provide assistance to local governments. Issues in gathering data range from inadequate numbers of skilled personnel, lack of systems, absence of teamwork or sharing of data sets among elected officials and government offices, and lack of appropriate software and hardware.

According to Ms. Garber, municipalities gather most of their data during code enforcement activities, usually during “sweeps”. Some are examining utility shut off and reconnection data, including Cleveland, Dayton and Toledo, and attempting to compare the data with county level data, such as tax liens. Municipalities have such basic problems as knowing whether addresses still exist – what’s vacant and what is still standing. There’s a need for a better understanding of best practices with data collection and analysis. “Talk about the nuts and bolts of record keeping,” advises Ms. Garber. And while there’s need for better statewide data on vacant housing, Ms. Garber recommends starting with improvements to local data collection systems.

Other related needs are to prevent the eviction of tenants due to foreclosure and develop a quick means to move vacant, tax delinquent property to local land banks and collaborations so that properties can be quickly conveyed to responsible owners. Additional areas for exploration include identifying ways to encourage creditors to pursue alternatives to foreclosure and establishing increased creditor responsibility to maintain vacant properties. (Allan Mallach, Tackling the Foreclosure Crisis: Ten Action Steps for State Government).

**Met Housing Needs**

The Neighborhood Stabilization Program (NSP): The State of Ohio and 22 counties or cities will receive additional financial resources from US Department of Housing and Urban Development to address the issues associated with vacant housing. This infusion of $258 million for the State and designated entitlement cities will allow cities and the State to undertake the following eligible activities as defined by HUD:

**Residential Development:**

- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft seconds, loan loss reserves and share equity loans for low-and moderate income homebuyers;
• Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and property;
• Establish land banks for homes that have been foreclosed upon;
• Demolish blighted structures; and
• Redevelop demolished or vacant properties (including new construction).

Land Banks/Demolition
• Establish land banks for homes that have been foreclosed upon; and
• Demolish blighted structures

Affordable Rental Housing Initiative
• Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes or property; and
• Redevelop demolished or vacant properties.

The Ohio Department of Development recently published for public comment the Draft FY 2008 Ohio Consolidated Plan Amendment: Action Plan for the Neighborhood Stabilization Program (NSP). In this document, ODOD announced plans to allocate $116,859,223 of NSP funds by April 1, 2009. Of these funds, ODOD will allocate 10 percent towards administration with 60 percent of those funds allocated to award recipients. Another 25 percent ($29,214,900) will be allocated as a rental reserve through an Affordable Rental Housing Initiative (ARHI). The ARHI will encourage the redevelopment of demolished, foreclosed or vacant structures into affordable rental housing serving households with incomes at or below 50 percent of area median income and provide additional resources to both the Ohio NSP direct award recipients, where vacant rental properties are abundant, as well as in rural communities through a nonprofit organization.

Key features of note include a requirement of a minimum discount of 15 percent for each residential property purchased with NSP funds and the finance mechanism for any direct assistance to homebuyers will be in the form of zero percent interest loans, which may be deferred and forgiven over time.

ODOD will mitigate the loss of low- and moderate-income housing units demolished, rehabilitated or converted with Ohio NSP funds by requiring housing units to be vacant at least 90 days prior to the purchase of a unit for demolition, rehabilitation or conversion. In addition, Ohio NSP award recipients may only acquire property through voluntary acquisition.

ODOD will address eligible applicants with the balance of funds by compiling a list of Ohio’s counties, 35 entitlement cities and those Ohio cities eligible to receive Ohio Small Cities CDBG funds, including direct NSP recipients, and rank jurisdictions in order of need based on an established formula described in ODOD’s proposed amendment to the Consolidated Plan. This formula uses FACL foreclosure data, 2000 Census, subprime loans and rates, defaults and rates, delinquencies and rates and USPS vacancy rates.

Based on the ranking resulting from application of the formula, ODOD will determine if and how much in additional funds should be allocated to direct NSP recipients. After subtracting the amount allocated to direct NSP recipients, ODOD will award the balance to Ohio’s other eligible jurisdictions. The Ohio NSP funds, except those awarded for ARHI, will be awarded to eligible program applicants through an application process to assist persons/families with incomes at or below 120 percent of the area median income. Full applications will be
distribution on or about January 15, 2009 with applications due on or about February 27,
2009. Funds will be allocated by April 1, 2009, the projected start date for the program. The
projected end date is March 30, 2013.

The NSP funds will supplement current initiatives underway in cities and non-metro areas
throughout the State of Ohio that in many cases are under-funded and generally under-
resourced.

Foreclosure Prevention: The State of Ohio has taken steps to increase resources available to
prevent future foreclosures within cities. The Ohio Foreclosure Prevention Task Force, Final
Report published September 10, 2007 presented seven recommendations to decrease the
number of future foreclosure fillings. The recommendations included:

- Encourage borrowers to get help early
- Expand Housing Counseling and Intervention Services
- Work with Lenders and Servicers to Maximize Alternatives to Foreclosure
- Provide Options for Homeowners to Refinance or Restructure Their Mortgages
- Improve Ohio’s Foreclosure Process
- Strengthen Protections for Homeowners
- Help Communities Recover from the Aftermath of Foreclosures

We encourage the State of Ohio to continue to actively work towards achieving each
recommendation and providing local jurisdictions with Best Practices for implementation. We
applaud the implementation of programs such as “Save the Dream” that directly respond to
the need for foreclosure prevention.

Energy and Mobilization: The issue of vacant housing has spurred the interest of numerous
groups, organizations, lawmakers, jurisdictions and the media. Great efforts are taking
place by ReBuild Ohio, Greater Ohio, cities, counties, CDCs and CHDOs, and the Ohio
General Assembly. The State of Ohio should garner this energy to create comprehensive
strategies to addressing vacant property.

**Resource Inventory:**

Programs that address vacant housing needs:

1) Neighborhood Stabilization Program: As described above, Ohio will receive $258 million
for selected entitlement and the State of Ohio Program. Funds are distributed by the US
Department of Housing and Urban Development as part of a short term stimulus package
approved by Congress and the President.

This resource will give a major boost to efforts to demolish, renovate and rebuild devastated
communities throughout the state. Funding must be committed within 18 months and spent
within three years.

2) The Ohio Housing Finance Agency provides financing for rehabilitation of vacant housing
through the Housing Credit Program, Housing Development Assistance Program and
Housing Development Gap Financing. While vacant homes comprise a minority of the funded
projects, OHFA has increased incentives over the last few years to encourage projects
focusing on rehabilitation of existing apartments and homes.

3) The Ohio Community Development Finance Fund has a $1 million loan pool for acquisition
and holding costs (LANDLOC) from the Ohio Housing Trust Fund. Nonprofit CDCs and CHDOs
can apply for funding at this time.
4) Several cities in Ohio currently have land banks, including Cleveland and Columbus. However, these land banks have not historically accepted structures into their land banks, but instead have focused on vacant land.

5) City revenues: Cities are currently using local tax dollars to board and demolish homes, maintain grass cutting, monitor code violations and respond to crime and emergency calls that result from activity in and around vacant housing. These funds, as documented by ReBuild Ohio, are inadequate to this task given the high number of vacant homes resulting from foreclosures, population loss, job losses and obsolescence.

6) Local vacant housing collaborations: These exist in Cleveland, Cincinnati, Toledo as other cities in Ohio. They generally involve a diverse group of stakeholders and have the backing of both city and county. OHFA is currently providing support for a major collaboration in Cleveland.

**Unmet needs:**

**Demolition and Rehabilitation:** While cities within weak markets find an overabundance of housing supply, including affordable housing, other stronger market cities risk eliminating high demand affordable housing units due to the cost discrepancies between rehabilitation and demolition. The average demolition cost for a single unit residential structure in the state of Ohio is $15,000. However, if a city is attempting to maintain affordable housing through rehabilitation, the cost can be prohibitively high due to environmental remediation, costs of labor, materials and transportation, and securing the property against theft and vandalism. In particular, there are no state level resources for lead hazard abatement and control.

**Data Collection:** As described above in the Housing Need section, many cities are currently tracking vacant property data for local use and are facing many challenges. The data has many shortfalls including fragmentation, inconsistencies, lack of complete data and sporadic availability of data. The cities lack resources to collect comprehensive and current data. Due to the wide range of collection techniques, definitions and level of data, it is difficult, if not impossible, to combine current data sources to create a statewide inventory of vacant property. The recent formula calculations for NSP funds demonstrate that even national data sources are not able to paint an accurate picture of the level of need in Ohio cities.

Analytical resources for data are also lacking in many cities. The data that jurisdictions are able to collect may be valuable for reporting raw numbers for funding or other programmatic requirements but the information is not analyzed for the development of targeting or to correlate the impacts of programming.

**Renter Protection Policies:** Foreclosure statutes provide little protection for renters of property that is in the process of, or has been foreclosed upon. Under the current policies, renters, who have abided by the lease and are on-time with rent, can find themselves evicted from their home with little notice. A statewide renter’s bill of rights should be developed to ensure fair treatment and stability of the tenants.

**Toxic Titles:** Many foreclosed properties are not easily transferrable due to various practices over time that muddled ownership. Toxic titles are increasing due to the common practice of banks “walking away” from properties that have little to no value. The practice of securitization has also created a system where the ownership is blurred between the bank that initiated the loan and the entity that currently holds the paper.
Action is needed at the State level to allow legislative and judicial remedies to this obstacle which complicates redevelopment and code enforcement. Improving the tools and resources available to jurisdictions to produce clear titles to properties will expedite the reclamation of vacant properties.

**Creating sound long-term policies:** The foreclosure crisis has affected all jurisdictions within the State of Ohio regardless of size, demographics, or location. Each jurisdiction is responding to the current conditions within their communities, with many jurisdictions and regions creating policies to mitigate future housing crisis. The State of Ohio must work with the various entities to develop sound, comprehensive, long-term policies that address the needs of affordable housing for homeowners and renters. The policies must evolve from the current crisis to prevent similar situations. State actions and policies should find a way to be comprehensive in the approach without undermining local jurisdictions.

**Best practices and policies:**

**Best Practice Components of Successful Models that Address Vacant Housing**

The Ohio Vacant Properties Initiative Report, a review of best practice models of comprehensive vacant properties approaches in Ohio and the nation, identified the following essential components of successful efforts:

- **Addresses Market Recovery:** National and statewide best practice efforts with the most success have purposely set market recovery as the key goal. Each best practice model attempts to address one or more of the following market recovery attributes: build local demand; promote positive image, communicate predictability and confidence to current and potential residents; make physical improvements to housing and infrastructure; reconnect social networks and relationships; and help neighborhoods be competitive.

- **Includes Comprehensive and Collaborative Planning:** These plans are usually neighborhood-specific and include engagement of many stakeholders, particularly residents in their development. Many have utilized neighborhood typology to help match the best strategies to the neighborhood’s condition. All include a balance of “people” and “place” activities and strategies that help market the neighborhood’s assets. Most of the plans assess overall market conditions and tracks outcome measures that track demand not just supply. And the plans include more than just housing, with additional focus on infrastructure, parks and greening, and community organizing.

- **Offers a full complement of Comprehensive Redevelopment Strategies:** Best Practice models offer many strategies to address their communities including enforcement, demolition, deconstruction, alternate land uses and greening activities, new construction, rehabilitation, homeownership, rental, and increasingly foreclosure prevention and mitigation services. These strategies are offered to the entire range of household incomes and focus on the stability of the entire community not just problem vacant properties. Several of the best practice models have focused on addressing the difficulties involved in acquisition of vacant properties; county wide land banking is a key emerging trend.

- **Develop systems and policies that hold government agencies accountable for sharing and integrating data sets:** Baltimore and Providence, in particular, are considered models in this area.
A Look at Ohio’s Efforts

Ohio Best Practice - Cleveland Strategic Investment Initiative

Since 2004, Cleveland has been utilizing the existing capacity of its CDC-driven Cleveland community development system and in particular the work being done in six neighborhoods to promote comprehensive redevelopment plans, including significant effects to address vacant in an integrated approach, with its Strategic Investment Initiative (SII). This SII approach is focused on six neighborhoods - Slavic Village, Buckeye, Fairfax, Glenville, Tremont and Detroit Shoreway – which are currently engaged in comprehensive, market-based neighborhood initiatives that will result in nearly $950 million in new investment over the next ten years.

Foreclosures - The Front End of Abandonment

Recently, the SII partnership has been developing a “front end” to their comprehensive approach that addresses the pipeline of foreclosures confronting these neighborhoods. Essentially, a foreclosure prevention and mitigation partnership has been formed and is being integrated into the already successful SII approach. This “front end” component addresses prevention, the impact of vacant and abandoned properties, and the need to return those houses that are salvageable to home ownership. The overall goals within the six targeted neighborhoods remain the same: to restore market confidence, eliminate blight, and preserve existing property values. This new “front end” partnership, aimed at foreclosure prevention and mitigation, will enable a significant number of homeowners who are currently faced with the loss of their homes to retain their property and if necessary re-establish their credit.

In addition to adding a significant foreclosure partnership to the already successful SII model, Cleveland has also proposed a significant “ramping up” of SII’s current vacant property efforts. A new funding initiative for SII, entitled “Reclaiming Foreclosed Properties: A Comprehensive Approach to the Foreclosure Crisis in Six Cleveland Neighborhoods”, proposes to invest close to $18 million by touching a total of 750 homes and will respond on three levels to the problem:

- Mitigation: keep 300 families who are currently at risk of losing their homes from being foreclosed upon;
- Demolition: demolish 300 currently vacant blighted structures that are not suitable for rehab; and
- Redevelopment: redevelop 150 currently vacant structures for homeownership, either through immediate sale or a short-term lease-purchase/rental arrangement, targeting buyers between 60 and 120 percent AMI.

A key to these efforts is the comprehensive planning and the multi-faceted strategies contained within, utilizing resources from both public and private sources, and including a broad partnership of organizations and institutions. In Cleveland, the local CDC in each of these neighborhoods is playing a lead role in directing the effort.

Other Ohio Cities

Cleveland has emerged as a national model while Columbus has many elements of the type of initiative suggested here. Dayton and Toledo benefit from the excellent assessment work of the National Vacant Property Campaign (NVPC) and are poised to develop their redevelopment action plans. Cincinnati has an exciting initiative that aims to address the myriad of acquisition challenges that any coordinated approach must address.

Case Western University’s NEOCANDO system is a model city-wide system that provides foreclosure, vacant property and water shut off information and is widely regarded as
a “user-friendly” data system, with public access available on the internet. Its data on foreclosure filings and mortgages from subprime lenders is being used by nonprofit agencies to proactively engage borrowers with subprime loans that are not yet in foreclosure in order to prevent further abandonment. Once a property has been lost to foreclosure, data on bank owned properties and utility shut-offs is being used to focus property reclamation and redevelopment strategies.

The ability of a large university to provide large-scale computing capacity on an ongoing basis and to make information accessible in a variety of formats is critical to the task of compiling large amounts of data from a variety of public sources. Public information on land, its uses and the state of title, is not available from a single public source. Getting and managing that information is a critical function of NEOCANDO and a great benefit to an array of public and private entities whose work and coordination depend on it.

**Recommendations:**

1) **Support land bank legislative and policy reforms that would include the following elements.**

- Land bank legislative and policy reforms are needed to modernize Ohio’s existing land bank statute, address the large and unprecedented volume of vacant homes on the market, prevent destructive speculation and property flipping, and create an efficient and cost-effective process for disposition of the properties. Key features that should be part of land bank legislation reform include the following:
  - The land bank entity should be an independent public authority governed by elected officials appointed to the Board of Directors or included in state law as a part of the Board of Directors when the entity is formed. The Board of Directors should have one or more representatives from each major unit of local government in the land bank territory.
  - The land bank authority is predicated on the county taxing authority and a functioning intergovernmental partnership between the county and/or counties and jurisdictions within the county/county.
  - The legal land bank entity should be a public authority comprised of a county and cities within the county or multiple counties.
  - The authority should have broad discretion in setting disposition criteria with property conveyance resting with the authority except that in forming the authority, local governments could specify priority use of property such as housing, green space, or economic development, etc; but final authority on disposition should rest with the authority.
  - The land bank authority should have the power and discretion for a broad range of acquisition methods such as:
    - direct transfer of property from units of local government;
    - buying properties at foreclosure (tax foreclosure or other foreclosure);
    - purchasing property on the open market;
    - receiving donated properties, etc.
  - As a public authority the land bank would own property free of taxes.

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1Proposed legislation with these elements is pending in the State Legislature (HB 602 and SB 353).
The land bank authority should have independent borrowing capacity such as tax exempt bonds or other financing mechanisms but limited to borrowing capacity based on the security assets of the land bank authority.

Housing codes and nuisance abatement procedures for units of local government should allow for government expenditures on behalf of vacant or abandoned property to become a first priority lien on the property. This will enable the land bank to exert more control on properties.

A possibility for funding the land bank authority is to allow the authority to receive 50 percent of the property tax for five years on any property that is placed back on the tax duplicate.

Land bank reform was recommended by the Ohio Foreclosure Prevention Task Force in 2007. Legislation to amend the state’s land bank statute was introduced in the General Assembly in 2008.

2) Assist land banks and vacant housing collaborations in acquiring foreclosed, REO, and other vacant properties for renovation into affordable housing and demolition.

A major issue for all Ohio cities in the OVPI report was the difficulty in both land assembly for immediate projects as well as longer term land banking of vacant properties, especially of larger scale, where current housing and neighborhood demand is presently lacking... The OVPI recommends OHFA provide direct support for both land assembly and land banking activities where tied to comprehensive plans and strategic neighborhood strengthening activities.

3) Streamline the state’s nuisance abatement receivership law and expand its use as a tool to address vacant and abandoned housing.

Receivership as a nuisance abatement strategy has been in Ohio law for 24 years but has had only moderate usage in cities outside of Cleveland due to the cumbersome nature of the process and lack of education among attorneys, local governments and nonprofit housing organizations. In addition, the absence of housing or environmental courts in many cities has made abatement of nuisance properties more challenging. Modernization of the statute is needed to allow for efficient receipt of clear title by the receiver in cases where the owner has not abated the nuisance. State legislation was introduced in the Ohio House in 2008 to address this issue. Streamlining of receivership as a nuisance abatement tool was recommended by the Ohio Foreclosure Prevention Task Force in 2007.

4) Assist the state’s urban areas and rural counties with high incidence of foreclosures with improvements to their data collection system, data analysis and strategy development.

With the exception of a few of Ohio’s largest cities and counties, many municipalities lack the data collection, organization and coordination strategies necessary to develop a targeted response to the growing numbers of vacant properties in their communities. In a time of intense economic challenges, scarce resources must be allocated as efficiently as possible to maximize return on public investment.

OHFA should provide funding, training and technical assistance to municipalities and counties to help them develop or improve their data collection systems and strategies to address vacant properties and neighborhood revitalization. First steps could be A) a needs assessment of the state’s first and second tier municipalities and counties to determine what’s needed and the associated cost; and B) providing or facilitating workshops for local governments on basic data collection methods, definitions and team approaches with other government offices to share data.
5) **Incentivize the formation of broad coalitions and collaborations to address vacant housing.**

Provide seed funding and/or other incentives as an incentive for the formation of urban collaborations and development of community-based, data-driven strategies that support neighborhood stabilization and market recovery. The Ohio Vacant Properties Initiative (OVPI) final report recommends that OHFA invest in initiatives that take advantage of and work in partnership with county wide or regional information systems, especially University partnerships. The work of the National Vacant Properties Campaign in Ohio cities (including Toledo, Cleveland, Dayton, and now Youngstown) show the importance of having a clear information system that quantifies and tracks both vacant housing structures as well as its effects on crime, tax revenues, and neighborhood instability. In turn this information aids the development of coalitions and their comprehensive plans from a broad range of stakeholders; and allows for the development of strategies based upon data and the involvement of a variety of stakeholders beyond traditional housing and social service organizations. A diverse coalition of stakeholders could be a powerful tool in developing comprehensive vacant property strategies. Such stakeholders might include local government, Community Development Corporations (CDCs) and Community Housing Development Organizations (CHDOs), neighborhood and civic associations, hospitals, schools, universities and other major anchor institutions, large and small businesses and corporations, realtors, homebuilders, financial institutions, police, city planners, social service agencies, engineers (to address infrastructure issues), university extension services (to address reuse of vacant land) and environmental specialists.

6) **Provide consistent funding streams for rehab and demolition of vacant housing.**

**Low- to Moderate-Income Housing Trust Fund**

We recommend the State of Ohio remove the cap on the Housing Trust Fund which limits the amount used for housing to $50 million. This will allow efforts started by federal, State, and local resources to continue into the future. In addition, it recommended that the Ohio Revised Code be modified to allow up to 5 percent of the Housing Trust Fund to be used for demolition only of vacant and blighted structures. Land that becomes vacant as a result of Housing Trust Fund dollars must remain vacant or be used in a manner that benefits LMI households for a period of at least five years (e.g., parks in a LMI neighborhood; community/recreational buildings in a LMI neighborhood; safety services that benefit a LMI neighborhood).

7) **Take quick action to slow the rate and impact of foreclosures and prevent homes from becoming vacant.**

The State needs to look at how to slow the rate of foreclosures, one of the major causes of vacant housing. Both state and local agencies are investing in foreclosure prevention counseling, some of which now have success rates as high as 50 percent. Unfortunately, while success is high, the number of foreclosure defendants entering the counseling system is low.
The State should consider temporary emergency legislation (3 to 24 months) that mandates a stay of proceedings on occupied property and a court-ordered referral to one of the funded counseling programs. By doing this, state and local court systems would be taking maximum advantage of state and local foreclosure prevention programs.

One strategy to prevent vacant housing and more people from becoming displaced due to foreclosure is to provide more protections to tenants. Renters face serious consequences as a result of a foreclosure, including immediate eviction, displacement and high transition costs, including new security deposits, increased new rent, moving and storage costs, and property costs.

A recent Policy Matters Ohio report entitled “Collateral Damage: Renters in the Foreclosure Crisis,” shows the impact the foreclosure crisis has on renters in Cuyahoga County and elsewhere in the state. The study found that nearly 4,000 foreclosure filings were rental properties and foreclosures of rental units have increased at a higher rate than owner-occupied properties.

According to COHHIO, renters need protections that would allow them to stay in their units for a period of time following the foreclosure of their unit, making it easier for them to relocate or enter into new arrangements with the new owner. Tenants also need at least 30 days written notice before a sheriff sale and the ability to continue their tenancy upon sale to a new owner. Legislation has been introduced in the House and Senate to provide greater protections to tenants in the event of foreclosure actions.

8) Continue with efforts to address Foreclosure Prevention in an effort to minimize the increase of vacant housing.

Recommend the State of Ohio restart the Foreclosure Prevention Task Force in order to evaluate the progress of recommendations made; evaluate new possibilities in light of changes to legislation, changes to market, efforts undertaken by local governments, and to address unforeseen issues that arise throughout these market conditions. While vacant housing has always been a factor in the market, it has never been to the degree currently being seen. These conditions will not be mitigated over a short period, and conditions will change with the market. Therefore, the Task Force should remain as long as this condition continues to place a significant burden on Ohio.
Workgroup #8: Permanent Supportive Housing

Workgroup Name
Permanent Supportive Housing

Workgroup Members and their Organization

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Bambi Baughn</td>
<td>Fayette County Community Action</td>
</tr>
<tr>
<td>Natalie Harris</td>
<td>Ohio Valley Housing Opportunities</td>
</tr>
<tr>
<td>Blaine Brockman</td>
<td>Ohio Housing Finance Agency</td>
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<tr>
<td>Sally Luken</td>
<td>Corporation for Supportive Housing</td>
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<tr>
<td>Darlene Dalton</td>
<td>Ohio Department of Jobs &amp; Family Services</td>
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<tr>
<td>Barbara Poppe</td>
<td>Community Shelter Board</td>
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<tr>
<td>Suzanne Dulaney</td>
<td>Ohio Association of County Behavioral Health Authorities</td>
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<tr>
<td>Rick Tully</td>
<td>Ohio Department of Mental Health</td>
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<tr>
<td>Kate Monter-Durban</td>
<td>Cleveland Housing Network</td>
</tr>
<tr>
<td>Jeannette Welsh</td>
<td>Ohio Department of Mental Health</td>
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<tr>
<td>Alicia Handwerk</td>
<td>Ohio Department of Rehabilitation and Correction</td>
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<tr>
<td>Hugh Wirtz</td>
<td>The Ohio Council of Behavioral Health Providers</td>
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</table>

Additional assistance was provided by Douglas Argue, Coalition on Homelessness and Affordable Housing in Ohio and Bob Johnson, Ohio Department of Development.

Meeting History
Initially, this workgroup was delayed in assembling due to coordination with the Interagency Council on Homelessness and Affordable Housing. Meetings started a couple of weeks after other workgroups began meeting. The meeting dates are as follows. All meetings were teleconference calls unless indicated.

August 8, September 9, September 12, September 19, September 26, October 1 (in person meeting at OHFA), November 18

Executive Summary
Supportive housing -- permanent housing with flexible, voluntary health and social services -- has been shown to be an effective, cost-saving, and humane approach to ending the crisis of long-term homelessness and lack of real health care for the most vulnerable and frequently undervalued members of our society. Supportive housing benefits homeless adults, children, and families that face complications, including health issues, HIV/AIDS, chemical dependency, mental illness, severe poverty, or histories of abuse, institutionalization or incarceration, that prevent them from securing and maintaining stable housing.

It costs essentially the same amount of money to house someone in stable, supportive housing as it does to keep that person homeless and cycling through the revolving door of high-cost crisis care and emergency housing. In Columbus for example, the average cost of
a permanent supportive housing unit is $33 a day or $12,093 per year. This is much lower than the comparable cost for institutional care such as state prison which is over $25,000 a year.

In Ohio, the number of available units of permanent supportive housing, estimated to between 8,000-8,500 units, is inadequate for the number of persons needing it. Persons identified as best served by permanent supportive housing include

1) Homeless Persons;
2) Persons with severe mental illness;
3) Persons with chronic alcohol and drug addiction disorders;
4) Youth aging out of foster care; and
5) Offenders exiting Ohio Department of Rehabilitation and Correction’s institution

It is estimated that nearly 20,000 Ohioans within these five populations are in need of permanent supportive housing. Methodologies exist to calculate a production goal for new units to serve identified populations, but these rely upon local and state data consistently acquired and commonly tabulated. A research based calculation converting the number of people into a production goal of permanent housing units has been done in several local communities in the state. The state lacks an equivalent conversion.

The creation and operation of permanent supportive housing requires funding for three distinct and necessary components: 1) Capital to acquire property, rehabilitate existing units, and/or to construct new units; 2) Operating subsidies to offset the rents which are usually beyond the ability of most tenants to pay (generally tenants in PSH are at or below 30 percent of AMI) or to cover the cost of having security and support at the front door of an apartment building; and 3) Service funding which pays for the staff which assists the tenants in accessing and utilizing community based services such as treatment.

Nonprofit providers of PSH are at times cobbling together 10-25 different funding sources to make these “deals” work and to operate their projects successfully. Added to the challenges in making these deals work, is the fact that historically capital is readily available, but the needed operating subsidies and or the service funding is inadequate. Across the state, providers and local communities (referred to as Continuums of Care) have relied upon federal and local resources, yet due to a low statewide production pipeline some of these funds are still underutilized. Furthermore, for this particular housing need in Ohio, the state government plays little to no part in financially assisting on-going operations and service provision.

Research and data collected around PSH provides policy makers with irrefutable evidence that PSH is a very strategic investment with an excellent rate of return. Ohio and its citizens are paying dearly for a lack of investment in PSH – through avoidable trips to emergency rooms, involvement with the criminal justice system at the state and local level, demands upon shelters and behavioral health crisis services, and other emergency services. There is also the human cost associated with the expensive option of status quo.

Therefore, the permanent supportive housing workgroup reached consensus around seven (7) recommendations to address the need in Ohio for increased production and sustainability of PSH.

1. Better coordinate existing state resources with Federal Home Loan Bank (FHLB) to capture more FHLB money in Ohio for PSH development.
2. Facilitate an easier, coordinated process for access to multiple state resources that fosters partnership with local organizations for PSH development and operations.
3. Assist local Continuums of Care that have underutilized federal HUD McKinney Vento funds available for PSH.

4. Develop performance measures and common standards for quality PSH and adopt them across multiple state agencies that invest in PSH.

5. Develop a business plan across the state agencies whose constituents are identified in this report needing supportive housing. The business plan should include a multi-year approach to developing units to meet the need; common terminology and definitions; local/state collaboration; methods for complimentary use of resources; consistent methods for data collection across multiple systems; method for reporting out results; identify an easier coordinated process for accessing state resources.

6. Preserve existing state resources targeting PSH in the current biennium and keep the door open for future investment.

7. Create a new state funded PSH Gap Program to provide funding for services and operations.

**Housing Need Description and its Urgency to Ohio**

The need addressed by this workgroup has been defined as follows.

**“Permanent Supportive Housing Production”**

Supportive housing is nationally recognized as a model for reducing homelessness and for targeted populations; it is a better investment of public dollars than crisis and institutional care. Supportive housing experts opine that a significant increase in the number of units in Ohio is necessary to have a meaningful chance of ending homelessness and improving outcomes for people. Currently, there is no clear means for creating the number of units needed, providing services to the tenants of those units, and insuring units have adequate subsidy for long-term viability.

**Urgency to Ohio**

Homelessness is an ongoing problem in the State of Ohio. This is especially true where conditions that contribute to homelessness are being addressed by systems that are not designed to support the needs of people experiencing homelessness (e.g. emergency rooms, correctional facilities, etc.) National studies state that keeping a person homeless costs essentially the same as housing them in permanent supportive housing. Locally, the average cost of a permanent supportive housing unit is $33 a day or $12,093 per year. This is much lower than the comparable cost for institutional care such as state prison which is over $25,000 a year.¹

Additionally, people experiencing homeless are in income strata (i.e. extremely low income) insufficiently addressed by most housing resources. In purely economic terms, the efficiency of addressing homelessness by the means detailed in this report is compelling.

The human and societal urgency of efficiently addressing homelessness cannot be understated. People experiencing homelessness are among the most vulnerable people in our society. And if our society is judged by how it treats the least of its citizens, those experiencing homelessness are among the most deserving of attention.

¹Community Shelter Board, Rebuilding Lives: New Strategies for a New Era (2008) page 43,
Identification of the Met Housing Need

Background

“Those who favor independent housing believe that housing should be viewed “as a place to live, not a place to be treated” (Ohio Department of Mental Health 1988). Two basic principles underlie this perspective. First, the need for housing remains constant over a person’s lifetime, while the need for services varies. Second, only by disentangling housing from services will it be possible to create a system in which services are designed to support the person in housing instead of developing housing programs to facilitate treatment or services (Ohio Department of Mental Health 1988).”

Permanent supportive housing (PSH) had its beginnings in Ohio in the late 1980’s due to the combined efforts of the Ohio Department of Mental Health, local mental health boards and their nonprofit housing developers. Their efforts were in response to the rising need for community based housing and services, due in part to the deinstitutionalization of persons with mental illness and the lack of appropriate housing options for consumers of mental health services.

In the 1980’s, due to a national economic downturn and a large loss of affordable rental housing (primarily single room occupancy units), the country saw an explosion of homelessness. Among those individuals and families who were homeless, was an alarming find – people with disabling conditions such as mental illness were far more likely to be homeless for long periods of time - months and even years. In response, the federal government enacted the McKinney-Vento Homeless Assistance Act of 1986. This legislation provided new dollars, which furthered the development of transitional and permanent housing with services for homeless people, targeting those with disabling conditions, including mental illness.

Creation of PSH in Ohio

In Ohio, it is difficult to determine the exact number of permanent supportive housing units created since the late 1980’s as a result of ODMH, local mental health Board and federal McKinney investment. It is estimated that as of 2007 Ohio has at a minimum 8,000 to 8,500 units of permanent supportive housing scattered throughout the state, with a concentration in urban counties.

The nonprofit housing developers and permanent supportive housing providers have historically been challenged in developing these units. The creation and operation of permanent supportive housing requires funding for three distinct and necessary components: 1) Capital to acquire property, rehabilitate existing units, and/or to construct new units; 2) Operating subsidies to offset the rents which are usually beyond the ability of most tenants to pay (generally tenants in PSH are at or below 30 percent of AMI) or to cover the cost of having security and support at the front door of an apartment building; and 3) Service funding which pays for the staff which assists the tenants in accessing and utilizing community based services such as treatment.


3In 1963, the Community Mental Health Centers (CMHC) Act was passed and policymakers viewed this legislation as driving deinstitutionalization by shifting treatment for people with severe mental illness (SMI) from state mental hospitals to “least restrictive environments” within the communities. Initially, this Act was not directly responsible for homelessness due to the higher functionality patients in the early releases. When further laws were changed, including the Lanterman-Petris-Short Act of 1967, which restricted involuntary hospitalizations, and the country experienced an economic downturn and a reduction in affordable housing, the demand for housing with support services for the mentally ill increased.

4Corporation for Supportive Housing, Ohio Permanent Supportive Housing Inventory (2008) available Internet: http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42128nodeID=87
Program and Resource Inventory

Nonprofit providers are at times cobbling together 10-25 different funding sources to make these “deals” work and to operate their projects successfully.

An Inventory of Programs (Appendix A) details the existing State resources used for these three needed funding sources. In addition, this Inventory also lists those resources available through federal or local sources that can be leveraged for PSH development. In must be noted that currently in the state of Ohio, nonprofit supportive housing providers are getting little to no financial support for the funding of operating or support services provided in PSH.5

Identification of the Unmet Housing Need Based on the Resource Inventory

Permanent supportive housing is affordable housing that offers an array of comprehensive services that can be beneficial to both homeless individuals with a disabling condition, as well as other vulnerable populations. PSH helps keep these individuals stably housed.

The work group identified the following populations as those best served by permanent supportive housing6

1) Homeless Persons;
2) Persons with severe mental illness;
3) Persons with chronic alcohol and drug addiction disorders;
4) Youth aging out of foster care; and
5) Offenders exiting Ohio Department of Rehabilitation and Correction’s institutions.

PSH Targeting Homeless Persons Underestimates the Population in Need

Table 1 contains information from Ohio’s nine 2007 Continuum of Care (CoC) applications which are submitted to the U.S. Department of Housing and Urban Development (HUD) annually. The CoC application is the chief means by which communities can access the federal McKinney funds for homeless individuals’ housing and service needs.

This chart states that Ohio needs 6,583 unit of permanent supportive housing to provide housing to over 9,000 people. This unit need is calculated using annual “point-in-time” counts, which are held across the state of Ohio and used to estimate the number of sheltered and unsheltered homeless persons on one given day. These numbers represent only a one day “snapshot” in time. The annual demand is far greater than collected in these single day counts. While HUD has published various materials to enhance the accuracy and reliability of these counts there are varying levels of sophistication locally in counting homeless persons. There is general agreement that due to this variation, these numbers under-represent persons who are homeless. Providing additional support to the concerns about under representation is the fact that the hardest population of homeless persons to account for is those who are unsheltered (i.e., those living in parks, vacant buildings, under bridges, etc.).

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6Need estimates for these populations were supplied by
Ohio's nine 2007 Continuum of Care applications
Ohio Department of Mental Health
Ohio Department of Alcohol and Drug Addiction Services
Ohio Department of Job and Family Services
Ohio Department of Rehabilitation and Correction.
One indication that the CoC point-in-time counts do not fully represent the need for PSH in Ohio is that local community unit goals for PSH far surpass the HUD numbers. For example, Table 1 establishes that the need for PSH in Columbus, Ohio, for homeless persons is 474 units. These estimates are in line with the methodology that HUD requires for its CoC application but does not align with Columbus and Franklin County’s Rebuilding Lives plan, which calls for 1,550 units. Columbus, like other communities, conducted a much more extensive study to determine the needed number of PSH units for homeless persons. Columbus’ study calls for 1,000 units more than called for in the CoC chart. The difference between the HUD number and the number estimated by the community is brought about by the fact that single point-in-time data produces different results than annual numbers or numbers across multi-years. Annualized data, and comparisons of numbers over multiple years, shows greater need.

**PSH Targeting other Vulnerable Populations**

Table 2 approaches the statewide “unmet need” for permanent supportive housing in a different way than HUD’s CoC. State agencies, local communities and providers of services recognize that certain populations that have disabling conditions or lack skills and community supports to stay stably housed can also benefit from permanent supportive housing.

The populations identified were “counted” using various methods as determined by the state agencies providing the data. On an annual basis 10,426 people were identified through these means to need supportive housing. If the additional population of homeless persons counted on one night is added than 19,727 people in Ohio need PSH.

The numbers of people needing PSH is not directly equitable to the number of units of permanent supportive housing. In addition, day counts are not equitable to annualized numbers of persons. The Corporation for Supportive Housing (CSH) recognizing the challenges in converting persons to units has published a manual to help communities estimate the need for permanent supportive housing. The CSH Ohio office has offered its assistance to the State of Ohio in completing this exercise. Other consultants, such as the University of Pennsylvania and the Urban Institute, have provided this service to communities as well.

In light of the various methodologies utilized by state departments in collecting this information, like the CoC point-in-time data, these estimates very likely also under-represent the need for permanent supportive housing throughout the state.

**Table 1**

<table>
<thead>
<tr>
<th>Units for families with children</th>
<th>Akron Summit</th>
<th>Balance of State</th>
<th>Canton Stark</th>
<th>Cincinnati Hamilton</th>
<th>Cleveland Cuyahoga</th>
<th>Columbus Franklin</th>
<th>Dayton Montgomery</th>
<th>Toledo Lucas</th>
<th>Youngstown Mahoning</th>
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<td>355</td>
<td>51</td>
<td>50</td>
<td>372</td>
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<td>22</td>
<td>12</td>
<td>106</td>
<td>1,087</td>
<td>3,805</td>
</tr>
</tbody>
</table>

*Units 157 for individuals*  

| Total                           | 192          | 777              | 116          | 350                 | 3870                 | 474               | 620              | 128          | 56                  | 6,583       | 9,301        |

7Corporation for Supportive Housing, Estimating the Need: Projecting from Point-in-Time to Annual Estimates of the Number of Homeless People in a Community and Using this Information to Plan for Permanent Supportive Housing, Available by Internet: http://www.csh.org/index.cfm?fuseaction=document.showDocumentByID&DocumentID=773&C:\CFusionMX7\verity\Data\dummy.txt
Table 2

<table>
<thead>
<tr>
<th>Populations</th>
<th>Source of Information</th>
<th>Persons who may need PSH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons who experience homelessness</td>
<td>9 Continuum of Care 2007 applications- Point in Time number only</td>
<td>9,301</td>
</tr>
<tr>
<td>Persons with mental illness</td>
<td>ODMH (about 80 percent of those having an unmet housing need per ODMH’s Recovery Boards 47/50 responding to survey)</td>
<td>3,387</td>
</tr>
<tr>
<td>Persons with alcohol &amp; drug abuse</td>
<td>ODADAS (data on those clients identifying themselves as homeless upon admission; 2007 MACSIS)</td>
<td>5,139</td>
</tr>
<tr>
<td>Youth aging out of foster care</td>
<td>ODJFS (emancipated youth annual average from SACQIS )</td>
<td>1,300</td>
</tr>
<tr>
<td>Offenders exiting ODRC institutions</td>
<td>ODRC ( annually persons under supervision who did not have a housing placement upon release )</td>
<td>600</td>
</tr>
<tr>
<td>Youth (18-21 years) exiting DYS institutions</td>
<td>There is anecdotal information that some Youth exiting Department of Youth Services institutions could benefit from PSH. Data was not forthcoming from DYS in time for this report to be included.</td>
<td></td>
</tr>
<tr>
<td><strong>Total Unmet Needs</strong></td>
<td></td>
<td><strong>19,727</strong></td>
</tr>
</tbody>
</table>

**Geographic Differentiation of Programming**

There are a number of geographic implications at play when estimating the need for PSH throughout the state. Regarding the need for PSH for homeless people, urban areas with higher numbers/percentages of “literally homeless” individuals, tend to need more units. And, while rural areas do often have lower numbers/percentages of “literally” homeless individuals, they tend to have a large number of individuals who make up the “hidden homeless”.  

One reason for this phenomenon is that rural areas often have fewer resources than their urban counterparts. For instance, unlike urban areas, rural areas often do not have a continuum of housing for homeless people to move through (i.e. shelters – transitional housing, permanent supportive housing/permanent housing). Communities without homeless shelters often produce a “hidden homeless” impact by forcing those people who might have gone into the shelter to double-up with friends and family, often going from place to place, but not ever becoming “literally” homeless.

Developing supportive housing, as noted on page four requires multiple funding sources. Developers can often maximize resources by building to scale (projects that have 30 or more units). Utilizing tax credits is a prime example. In Ohio urban areas, where a concentration of the population needing PSH reside, PSH projects developed over the last five years using tax credits have averaged 65 units per project. Rural communities face the difficulty in creating projects of scale due to lack of density; yet new PSH is needed to address the populations that do reside there.

**Gaps in Programming**

Capital financing for PSH is generally available as evidenced by the Inventory of Programs in Appendix A. There are clearly fewer resources available for operations and services. A recent proposal prepared by several community leaders and PSH providers identified operations and service funding as the largest gap in financing PSH. According to this proposal:

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“Financing PSH is complicated. Housing and service providers must layer funds from many sources...Operating and services funding typically is the hardest money to secure. It must be available on an annual basis and many funders have restrictions on how the money can be used, including who can be served, the types of projects that can be developed and the types of activities that can be funded. Urban, suburban and rural communities all face this challenge.

Plans to end homelessness are gaining momentum at the federal, state and local level. There is a pipeline of PSH projects in communities around Ohio that will meet the needs of more than 1,000 long-term homeless individuals and families over the next three years. Rural and urban communities across Ohio have worked with local housing authorities, mental health boards and Continuums of Care to secure funding for supportive housing operations and services. Despite this progress, there is a significant shortfall of operating and services subsidy that will limit the continued development of PSH and keep homeless people in shelters and places not meant for human habitation for too long.9

Waiting lists demonstrate additional gaps in funding. For example,” housing data for (mental health) consumers showed increased demand and less access. For supported housing the number of consumers waiting increased from 2,372 to 3,387 and the number waiting more than a year increased from 17 percent to 21 percent between 2004 and 2008.”10

**Best Practices Policies and Programs Relevant to PSH**

**CSH Building Blocks**

The Corporation for Supportive Housing (CSH) has been working to provide advocacy, leadership and financial resources for the creation of permanent, supportive housing for seventeen years. Their expertise and research of supportive housing have led them to the identification of six building blocks11 that have been present in successful permanent, supportive housing nationwide. The six key indicators that should be present to develop an adequate supply of successful permanent, supportive housing are:

**Leadership**

Highly placed or influential policy leaders must be educated and motivated to advance the cause of permanent supportive housing in local and state government and with the media and public at large. These influential policy leaders may include elected officials, senior staff at key agencies, philanthropic and business leaders or leaders in the non-profit and advocacy sectors. Their influence will usually lead to a better understanding of the need and value of permanent, supportive housing and lead to coordinated efforts of local and state leadership in addressing the problem.

Example: In Ohio, the Homeless Solutions Board of Dayton/Montgomery County was developed as a result of the leadership of the County Administrator, the City Manager and local elected officials investing in a committed ten year plan to end homelessness. The plan has begun implementation for 750 units of PSH.

**Collaborative Planning**

Permanent, supportive housing production and management is most successful when planning bodies are formed on a local and/or statewide basis to design and move production goals and shift between big visions and fine details.

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9Permanent Supportive Housing Gap Program, as presented to the Governor’s Interagency Council on Homelessness and Affordable Housing, September 25, 2008.
10Ohio Department of Mental Health, 2009 Community Plan Report System Performance Indicators
Examples: A national model for successful collaborative planning is the Columbus/ Franklin County Rebuilding Lives Funder Collaborative which brings together multiple community leaders and funders to create production goals and outcomes and collectively fund supportive housing initiatives. This collaborative makes working together a normal practice of business and keeps supportive housing a community funding priority.

Likewise, Cleveland’s Housing First initiative is establishing a Funding Collaborative and Leadership Board to leverage public and private sources, streamline costs, centralize data collection, and effectively measure outcomes. Specifically, the Collaborative brings together foundation, corporate, nonprofit, city and county leadership and financial support, creating an effective “match” to the 55 percent of public funding raised by Housing First The Collaborative is a key element in meeting Housing First’s goal of creating 1,000 units of supportive housing by 2014.

Financial Leverage

In order to address the need for additional permanent, supportive housing, formerly untapped resources and funding must be brought to the table. Where possible, savings in the reduction of emergency housing, medical and crime costs should be reinvested into the creation of permanent, supportive housing. New revenue streams should also be created and used to leverage additional input from funders at the local, state and national levels.

Examples: A successful example of financial leverage is the Ohio Department of Rehabilitation and Corrections “Returning Home-Ohio” Program which provides funding for permanent, supportive housing for persons with disabilities exiting state prisons. The cost of housing this population in the community is much cheaper than a return to a state prison bed.

In 2007, Ohio Department of Rehabilitation and Correction (ODRC) Director Terry Collins allocated state funding to develop and implement Permanent Supportive Housing for offenders with disabling conditions such as mental illness, development disabilities, medical conditions, severe addictions or who are aged or have custody of minor children. ODRC partnered with the Corporation for Supportive Housing (CSH) to plan and implement the program. In addition to ODRC and CSH, the Ohio Department of Mental Health joined the collaboration with Transformation State Incentive Grant (TSIG) funds. ODRC also allocated federal VOITIS funding to the project. The Urban Institute is under contract with CSH to evaluate the impact of the project.

Many states have found that the creation of rental subsidies lead to greater permanent housing production and more successful programs. These programs also give tenants the power to make their own choices about where they choose to live. Examples include Illinois and North Carolina who are using an assessment on gross revenue at hospitals and state funding respectively to create new rental assistance opportunities.

Provider Infrastructure

In order to serve the income levels necessary to address the needs of disabled homeless persons, a strong infrastructure of permanent, supportive housing developers and managers is imperative. These agencies must have on-going, sustainable funding and training on new resources in order to maintain their strength and continue to prioritize permanent, supportive housing.

Example: The Corporation for Supportive Housing has been a leader in Ohio in creating developer capacity and interest through their Supportive Housing Institute, “Opening New Doors.” This eleven session training has prepared nineteen new community teams to successfully develop new permanent, supportive housing and led to an increase in community projects to serve disabled homeless persons statewide.
Credible Data
Changing systems to serve people in permanent, supportive housing versus emergency settings requires the collection and dissemination of credible data to show that supportive housing achieves better results, solves problems more consistently and costs no more than current practices.

Example: A prime example is Stark County’s use of a single individual within their community to show the cost of doing nothing (Appendix B & C). This community tracked the cost of serving one high user within their system through emergency rooms, jail, shelters and other emergency services. This example was able to focus on the cost-effectiveness of permanent, supportive housing as well as the better outcomes of housing stability and employment.

Columbus and Franklin County’s “Rebuilding Lives Updated Strategy, 2008” using credible data and research documented the reduction in shelter use and the increase in tenant income due to permanent supportive housing. In addition, seventy percent of PSH tenants successfully retained housing for five years.\textsuperscript{12}

Networks of Allies
Success in permanent, supportive housing also requires the creation of networks that reach across dimensions of money, cause, power, vision and issue. This includes coalitions of housing and service agencies, courts, mental health systems and other mainstream systems.

Example: This has been established in many Continuum of Care groups across Ohio and is being established statewide in Ohio through the Governor’s Interagency Council on Homelessness and Affordable Housing. Reaching across the table to make systems work for people is much easier when various state agencies and providers are meeting and talking regularly.

Permanent Supportive Housing Emerging Practices
As permanent, supportive housing production increases, many development and management practices have emerged as successful across various supportive housing projects and communities. These include:

Focusing on Tenant Education
Over time, most service agencies have focused first on the recovery needs of persons with disabilities. Housing success, however, is usually much more closely related to tenant education. Maintaining housing is first about paying your rent, caring for your apartment and getting along with your neighbors and not every new tenant understands the importance and "how to" of these important tenant roles. For this reason, Community Housing Network in Columbus provides training on the requirements of the lease on the day of occupancy as well as 24 hours later to insure that all of the responsibilities and repercussions are understood. They are also quick to hold case conferences if someone breaks any of these rules to try to maintain tenancy through tenant education and development of eviction prevention plans.

Separate Housing and Service Roles
Providing permanent, supportive housing means the delivery of a myriad of services in addition to housing. Many times, the roles of landlord and service provider contradict as it is the responsibility of the landlord to insure that the lease terms are met, while the service provider is focusing on the best outcome for the tenant. National Church Residences understands this dynamic and the fact that it creates conflict between the

\textsuperscript{12}Community Shelter Board, Rebuilding Live : New Strategies for a New Era (2008); page 44
roles, so they create a contract between housing management staff and case managers to insure that they understand their distinct roles. They also meet regularly to understand each others goals including budgets and outcome goals so they can come up with solutions that address the needs of both and serve the client first. Other agencies address this same issue by focusing on housing or services and working together to provide both through memorandums of agreement. Cleveland’s Housing First initiative has also invested significantly in this critical area by engaging the services of successful New York providers, resulting in an operations manual that addresses the healthy tension between operations and services.

**Jobs First**
All successful permanent, supportive housing projects including those in Columbus, Dayton and Portland, Oregon show an increase in housing stability and a decrease in reliance on emergency rooms, detox programs, jails and respite care. However, employment has been less successful in permanent supportive housing nationwide often due to the fact that many tenants receive disability assistance and are not expected to work. However, a new Jobs First program design is emerging and has been used very successfully by The Other Place and Goodwill in Dayton resulting in a 60 percent employment rate at their 100 unit project, River Commons. Jobs First is a service model that seeks to engage tenants in employment from the moment they sign up for housing. It requires a dedicated Employment Manager working with tenants to make referrals to jobs and help coach them through difficult situations.

**Actions State Policy Makers Should Take To Address The Gaps**

Based upon the research and experiences of the work group members, the following are actions recommended to address the gaps in developing more permanent supportive housing in Ohio:

1. **Better coordinate existing state resources with Federal Home Loan Bank (FHLB) to capture more FHLB money in Ohio for PSH development.**

   **Rationale:** The FHLB of Cincinnati has invested in PSH extensively in Ohio. Unfortunately, the percentage of their funds for special needs housing (of which PSH is one type) is disproportionately going to projects in two other states in their footprint. Based upon population census, Ohio represents 53 percent of FHLB of Cincinnati’s footprint but is only capturing approximately 36.5 percent of FHLB of Cincinnati resources.13

2. **Facilitate an easier, coordinated process for access to multiple state resources that fosters partnership with local organizations for PSH development and operations.**

   **Rationale:** Providers and local community leaders must apply to multiple state agencies to access limited PSH resources. These applications are commonly on differing application deadlines, requiring differing supporting materials. Monitoring and compliance follows suit with one PSH provider in Columbus reporting three separate monitoring visits by three agencies in one month to review the same project. ODOD and ODMH have a workable model for shared investment. This concept should be examined further for application and extension.

3. **Assist local Continuums of Care that have underutilized federal HUD McKinney Vento funds available for PSH.**

   **Rationale:** In 2007 alone, approximately $4 million of federal McKinney-Vento funds were left unapplied for and therefore lost to the state of Ohio due to local capacity and inadequate numbers of new PSH projects.

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13Corporation for Supportive Housing, Ohio office analysis completed on FHLB of Cincinnati’s 2005-2008 awards. Contact CSH at 614.228.6263.
4. Develop performance measures and common standards for quality PSH and adopt them across multiple state agencies that invest in PSH.

Rationale: Investors and technical assistance providers such as the Community Shelter Board, Enterprise Community Partners, and the Corporation for Supportive Housing have found that performance outcomes and quality of PSH varies from location to location. A coalition of local communities and PSH providers recommended recently that standards be adopted as part of a proposal to provide a new funding source for PSH.

5. Develop a business plan across the state agencies whose constituents are identified in this report needing supportive housing. The business plan should include a multi-year approach to developing units to meet the need; common terminology and definitions; local/state collaboration; methods for complimentary use of resources; consistent methods for data collection across multiple systems; method for reporting out results; identify an easier coordinated process for accessing state resources.14

Rationale: In Minnesota, a statewide business plan to develop PSH called for by the Governor, led to greater targeted investment in PSH development.15

6. Preserve existing state resources targeting PSH in the current biennium and keep the door open for future investment.

Rationale: Research and data collected around PSH provides policy makers with irrefutable evidence that PSH is a very strategic investment with an excellent rate of return. Ohio and its citizens are paying dearly for a lack of investment in PSH – through avoidable trips to emergency rooms, involvement with the criminal justice system at the state and local level, demands upon shelters and behavioral health crisis services, and other emergency services. There is also the human cost associated with the expensive option of status quo. Therefore, it is recommended that Ohio preserve state resources aimed at PSH and be open to considering new options for funding PSH in the future. For example, the Ohio Housing Trust Fund revenues used by OHFA and ODOD for PSH development, operations and services should continue at increasing levels to address increased costs.

7. Create a new PSH Gap Program to provide funding for services and operations.

Rationale: A new Bundled Supportive Housing Subsidy would fill the critical operations and essential service funding gaps of new and existing PSH projects. The PSH Gap Program would fill gaps specifically for on-site service coordination and operating PSH with a new ongoing source of revenue.

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14In order to make informed decisions, policy-makers must be aware of concerns among advocates about the best approaches to public policy. Insufficient funding for PSH creates a conflict about where resources are best directed. Tension arises between efforts dealing with homelessness on a local community level and efforts seeking to broadly direct resources at possible points of entry into homelessness.

Local communities are sometimes suspicious of non-community based programs that if ineffectively administered, direct PSH resources - including units - to helping people for whom PSH may not be appropriate. Local communities have a strong need for assistance in reducing the immediate burden on local resources to continuously shelter and provide emergency assistance to people that are homeless now. Organizations with a focus broader than a local community's plan make a case that resources should be directed towards populations at risk of homelessness (e.g. those exiting public institutions).

The tension between those focal points necessarily enters into the public policy debate over PSH. To be certain, the debate is not about the “right” thing to do for homeless people and (contrary to some belief) housing professionals understand that PSH is not the solution for ending all homelessness. The conflict is primarily about prioritizing limited funds.

<table>
<thead>
<tr>
<th>Name</th>
<th>Program Description</th>
<th>Population Served</th>
<th>Geographic Location</th>
<th>Responsible Parties</th>
<th>Funding Sources</th>
<th>Historical Funding directed to the program</th>
<th>State Source or Opportunity or Untapped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chaffee Funds</td>
<td>The goal is to assist youth aging out of foster care</td>
<td>18 - 21 year Youth transition to Adults</td>
<td>Ohio</td>
<td>ODJFS/local public childrens services</td>
<td>US DHHS</td>
<td>Limited uses</td>
<td>State</td>
</tr>
<tr>
<td>Community Mental Health Services Block Grant (CMHS)</td>
<td>To support and enhance capacity to provide comprehensive, community-based systems of care for adults with serious mental illnesses (SMI) and children with serious emotional disorders (SED) through outreach, mental and other health care services, individualized supports, rehabilitation, employment, housing, and education.</td>
<td>Adults with serious mental illnesses (SMI) and children with serious emotional disorders (SED)</td>
<td>Ohio</td>
<td>Local Boards/ODMH</td>
<td>US DHHS/SAMSHA</td>
<td>Varies by jurisdiction.</td>
<td>State</td>
</tr>
<tr>
<td>Medicaid</td>
<td>Fee for service payments to providers for medically necessary services. Community Psychiatric Supportive Treatment (CPST) services are available for persons with serious mental illness who require rehabilitative mental health services. Additionally, Home Health services are available to persons with disabilities, and some waiver services include assistance with Medicaid eligible individuals</td>
<td>Medicaid eligible individuals</td>
<td>Ohio</td>
<td>ODJFS/ODMH; ODMRDD Aging</td>
<td>US DHHS</td>
<td>Limitations on eligibility by diagnosis, type of service, and other factors as established in the Ohio Medicaid Plan which must conform to the federal Medicaid regulations and approvals. Services can be reimbursed only to accredited providers.</td>
<td>State</td>
</tr>
<tr>
<td>Program Name</td>
<td>Description</td>
<td>Eligibility</td>
<td>Source</td>
<td>Notes</td>
<td></td>
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<tr>
<td>ODMH Match Funding for Ohio Department of Development Homeless Assistance Grant (ODOD)</td>
<td>Offers match funding to local providers applying for ODOD for Direct housing, Permanent Supportive housing &amp; Transitional housing, through the Homeless Assistance Grant</td>
<td>Persons with severe mental illness (SMI)</td>
<td>Ohio</td>
<td>Historically: $225,000 per year in GRF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Returning Home (Permanent Supportive Housing)</td>
<td>The goal of the pilot is to prevent homelessness &amp; reduce recidivism for this population</td>
<td>Offenders who are identified as chronically homeless before incarceration or are likely to become homeless upon release due to episodically disabling conditions</td>
<td>Ohio</td>
<td>State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ryan White CARE Act Programs: Title I &amp; II</td>
<td>Provides funding to localities, states and other public or private non-profit entities to develop, organize, coordinate &amp; operate more effective &amp; cost-efficient systems for the delivery of essential health care and support services to medically underserved individuals and families affected by HIV disease.</td>
<td></td>
<td>Ohio</td>
<td>State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services Block Grant (SSBG)</td>
<td>To support a broad array of social services directed toward achieving economic self-support or self-sufficiency, preventing</td>
<td>Data show that most services provided were: Day care, home-based services, child protective services, special</td>
<td>Ohio</td>
<td>State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substance Abuse Prevention and Treatment Block Grant (SAPT)</td>
<td>The program supports substance abuse prevention and treatment programs for people at risk of or abusing drugs and alcohol. (20 percent of funds allocated to states must be spent on substance abuse primary prevention services).</td>
<td>Ohio</td>
<td>ODADAS/local boards</td>
<td>US DHHS/SAMSHA</td>
<td>Varies by jurisdiction.</td>
<td>State</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Supportive Housing Program (SHP)</td>
<td>Grants for supportive services. New grants cannot exceed 20 percent of total HUD grant.</td>
<td>Ohio</td>
<td>ODOD</td>
<td>HUD</td>
<td>Non-metropolitan communities</td>
<td>State</td>
<td></td>
</tr>
<tr>
<td>TANF/OWF</td>
<td>Local county boards and/or State of Ohio can dedicate a portion of these federal funds to pay for services in supportive housing to low income families with dependent children.</td>
<td>Ohio</td>
<td>ODJFS/Local Job &amp; Family Services</td>
<td>US DHHS</td>
<td>Not used much recently if at all.</td>
<td>State</td>
<td></td>
</tr>
<tr>
<td>City or County General Funds</td>
<td>Grants for special needs (e.g. homeless, human services, senior services, MRDD, ADAMH, etc.)</td>
<td>Varies by county</td>
<td>Most metropolitan counties and some smaller counties</td>
<td>Local government</td>
<td>Local council/commission approval</td>
<td>Varies by jurisdiction</td>
<td>Opportunity</td>
</tr>
<tr>
<td>Health Centers Community Health Centers/Federally Qualified Health Centers (CHCs/FQHCs) Health Care for the Homeless programs (HCH grantees) and Public Housing Primary Care Centers (PHPCs)</td>
<td>Some of the services in permanent supportive housing may be provided by a Health center. Some Health Centers are operated by organizations that also provide supportive housing. Others are linked to supportive housing sites and offer on or off-site services.</td>
<td>Homeless and/or formerly homeless individuals, depending on the kind of health center. HCH programs serve only homeless persons, or persons who have been housed for less than 12 months.</td>
<td>Ohio</td>
<td>Health Resources and Services Administration (HRSA)</td>
<td>Medicaid funds accessed according to the Health Center regulations</td>
<td>Opportunity</td>
<td></td>
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</tr>
<tr>
<td>Local Levies</td>
<td>Property tax levies dedicated to special needs (e.g., human services, senior services, MRDD, ADAMH, etc.)</td>
<td>Varies by county</td>
<td>Ohio</td>
<td>Local government</td>
<td>Local voter approval</td>
<td>Varies by jurisdiction.</td>
<td>Opportunity</td>
</tr>
<tr>
<td>Real Estate Transfer Fees</td>
<td>Local county commissions can annually appropriate share of fee collection for PSH</td>
<td>Franklin County</td>
<td>Local government</td>
<td>Local council/commission approval</td>
<td>Only one county</td>
<td>Opportunity</td>
<td></td>
</tr>
<tr>
<td>SAMHSA Competitive Grants</td>
<td>A competitive process for specific projects allocates project grants for services generally for fixed or known periods.</td>
<td>Ohio</td>
<td>SAMHSA</td>
<td>US DHHS/SAMSHA</td>
<td>Highly competitive and available only for demonstration projects.</td>
<td>Opportunity</td>
<td></td>
</tr>
<tr>
<td>Supportive Housing Program (SHP)</td>
<td>Grants for supportive services. New grants cannot exceed 20 percent of total HUD grant.</td>
<td>Homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases and their families.</td>
<td>Ohio</td>
<td>Local CoC's</td>
<td>HUD</td>
<td>8 metropolitan Continuum of Care</td>
<td>Opportunity</td>
</tr>
<tr>
<td>Title I: Grants to Eligible Metropolitan Areas or HIV Emergency Relief Project Grants (EMA's)</td>
<td>Title I establishes formula and competitive supplemental grants to fund community-</td>
<td>Individuals and families with HIV/AIDS</td>
<td>Ohio</td>
<td>HHS</td>
<td>US Department of Health &amp; Human Services</td>
<td>Varies by jurisdiction</td>
<td>Opportunity</td>
</tr>
</tbody>
</table>
| Title II: Grants to States or Territories or HIV Care Formula Grants | Title II establishes a formula to improve the quality, availability, and organization of their health care and support services for individuals and families with HIV/AIDS. | Individuals and families with HIV/AIDS | Ohio | HHS | US Department of Health & Human Services | Varies by jurisdiction. | Opportunity

| Social Services Coordinators in Multi-Family Housing | Service Coordinator is responsible for assuring that elderly residents, especially those who are frail or at risk, and those non-elderly residents with disabilities are linked to the specific supportive services they need to continue living independently in that development. | Elderly or Disabled in HUD insured or assisted multi-family housing | Ohio | HUD | US Department of Housing and Urban Development | Untapped

| Resident Opportunities and Self Sufficiency (ROSS) | A program for public housing residents with supportive services, resident empowerment and activities that lead to resident self-sufficiency. | Families residing in public housing (PHA) | Ohio | PHAs or Nonprofits acting on behalf of the residents | US Department of Housing and Urban Development | Untapped |
Stark County Cost Estimates, Per Day

Source: Local data gathered by Corporation for Supportive Housing, Ohio office with The Lewin Group 2007
“Bob” of Stark County, Ohio

Public and crisis intervention services prior to entering supportive housing 2
- Discharge from foster care with no place to go
- Use of the local Crisis Center 3 times for a total of 18 days
- Use of residential mental health services at Heartland Behavioral Health 3 times total of 45 days
- Use of County Mental Health System minimum of 5 times
- Use of residential alcohol and drug treatment services at Quest Recovery Services 3 times
- Use of relapse prevention services from Quest Recovery Services 2 times
- Incarcerated in Stark County Jail 3 times total of 4 months
- Incarcerated in state Prison 2 times total of 1.5 Years
- On probation/parole for total of 2.5 years
- Use of halfway facility 2 times
- Twice Bob’s girlfriend entered the area’s Domestic Violence Shelter
- Estimated use of emergency room at Mercy Medical Center 10-15 trips
- A 5-day stay at the medical hospital
- The cost of police and court intervention
- Use of emergency shelter 3 times

Public services after entering supportive housing 2
- Rental subsidy and security deposit for his apartment at Gateway, a supportive housing project
- On site support services at Gateway from Community Services of Stark County
- Support services including bus passes, life skills, money management from Pyramid Services
- Employment services such as job skills, computer training from Pyramid Services
- Use of outpatient mental health services at County Mental Health System
- Use of case management support from County Mental Health System
- Use of outpatient alcohol and drug treatment from Quest Recovery Services
- Food stamps and medical card
- Physiological evaluation, employment training from Goodwill through the Bureau of Vocational Rehabilitation