



BUILD ON OHIO'S HOUSING SUCCESS *The Housing Trust Fund*

Housing is by far the most expensive item in the family budget and is simply out of reach for many Ohioans. Most states have housing trust fund programs to make housing more affordable for their residents, but the Ohio Housing Trust Fund has one of the best track records in the U.S. Over the past 27 years, it has helped nearly one million Ohioans with a wide range of needs, while injecting billions of dollars into the local economy.

Now is the time to build on the success of the Ohio Housing Trust Fund by expanding its reach to more Ohioans. The DeWine Administration has an opportunity to increase access to a safe, decent home for the most vulnerable Ohioans – homeless children and youth, women at risk of infant mortality, people with disabilities, and seniors who want to remain in their own homes.

Housing Trust Fund Background

The Ohio Housing Trust Fund is a flexible state funding source that supports affordable housing and homeless assistance initiatives throughout Ohio's 88 counties. The OHTF funds a wide range of activities including: housing development, emergency home repair, accessibility modifications, emergency homeless services and supportive housing.



The General Assembly established the Trust Fund in 1991 after Ohio voters approved a constitutional amendment designating housing as a public purpose. Initially funded through general revenue, the legislature and governor established three study committees over the years to identify a dedicated source of funding. Finally in 2003, policymakers agreed to create a new Ohio Housing Trust Fund fee that mirrors the county recordation fee. Fee revenue

flowing into the OHTF typically generated upwards of \$50 million annually, although revenue has declined considerably since the recession hit Ohio a decade ago.

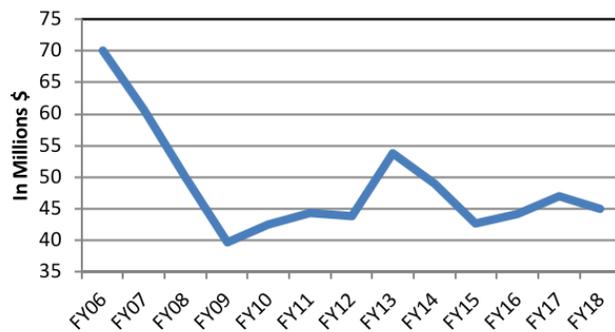
A broad range of entities can request OHTF funding through a competitive application process, including private housing developers and local government, but the majority of funding flows to local nonprofit agencies. The three primary program areas are: homeless services; affordable housing development; and home repair and accessibility

modifications for seniors and Ohioans with disabilities. OHTF allocations are based on recommendations by a seven-member advisory committee representing various public and private entities.

State statute targets Trust Fund resources toward Ohio’s neediest populations, with specific requirements for low-income Ohioans. State law also requires at least half of all OHTF funding be awarded to rural areas. In fiscal year 2018, 58% of the funds were awarded to non-urban counties.

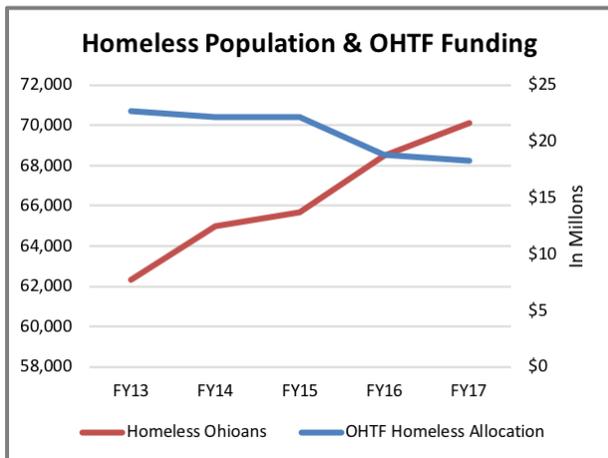
Housing Trust Fund Fee revenue fluctuates from year-to-year based on the housing market. Revenues tend to decrease along with market downturns at the same time that need for housing assistance increases. While Ohio’s real estate market has generally recovered from the recession, fee revenue flowing into the Trust Fund from the recordation of real property and mortgage transactions lags far behind. This will likely continue because financial institutions have adopted techniques to minimize their exposure to county recordation and OHTF fees, which are based on a per-page structure.

Ohio Housing Trust Fund Annual Collections



Diminishing Returns

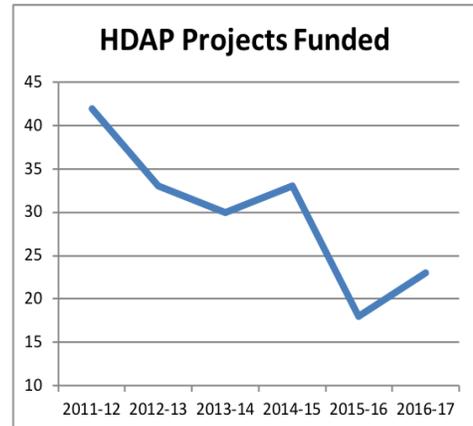
Annual OHTF fee collections decreased from a high of \$73 million in fiscal year 2005 to \$45 million in FY 2018. As OHTF fee revenue has declined in recent years, so has the number of vulnerable Ohioans who benefit from OHTF-funded services in the three main program areas:



Homeless Services: Reduced OHTF funding has created a growing gap between the number of people who need homeless services and the number of people receiving it. The number of people accessing Ohio’s homeless system increased 12% between FY 2013 and FY 2017. During that same time period, however, OHTF allocations for homeless agencies decreased by 19%. These opposing trendlines have increasingly strained the state’s homeless response system, leaving agencies throughout

unable to meet growing demand while more families struggle to find adequate shelter.

Affordable Housing: Similarly, reductions in Trust Fund allocations for affordable housing development and rehabilitation have diminished the number of projects completed in recent years. The Ohio Housing Finance Agency's Housing Development Assistance Program (HDAP), which is supported by the OHTF, funded 42 projects in the 2011-12 program year. In 2016-17 the HDAP program supported only 23 projects.



Home Repair: When it comes to home repair and modification programs, the impact of reduced OHTF funding is led to long waiting lists. Local agencies are struggling to maintain these services that are successful for keeping thousands of low-income seniors and people with disabilities in their own homes and out of more costly institutions.

Decreased OHTF, Increased Costs: The decrease in OHTF resources to fight homelessness and housing insecurity impacts other state-supported public assistance programs and services. For example, permanent supportive housing for adults who were chronically homeless and/or institutionalized has been shown to prevent far greater expenditures on Medicaid, hospitals, mental health facilities, child welfare, substance abuse services, courts and jails and other public systems.

The Trust Fund Works

Fortunately, investing in affordable housing and services not only strengthens families in crisis and alleviates strain on other social services, but it also has a positive impact on Ohio's economy. Each development dollar the Trust Fund invests leverages more than \$8 in private and federal matching funds and generates nearly \$12 in overall economic activity for the state, according to OHFA's analysis. Projects receiving \$42 million in OHTF funding in 2016 generated nearly \$590 million in economic activity and 4,358 jobs.

Build On The Trust

While the Trust Fund clearly works for Ohio's people and economy, it could do far more with additional resources. COHHIO recommends the DeWine Administration supplement existing revenue from the OHTF fee with \$20 million/year from the General Revenue Fund. When taking into account inflation, this GRF appropriation would restore the Trust Fund to the original \$50 million/year that the legislature established when the fee was created in 2003.

More importantly, a \$20 million/year GRF appropriation, combined with the existing fee revenue, will bolster Ohio's ability to respond to increasing family homelessness and forestall its impact on other social services, while creating jobs and bolstering communities throughout the Buckeye State.