

## **2009 NCSHA Award Nomination – Ohio Housing Finance Agency**

### **Rental Housing – Preservation and Rehabilitation**

#### **Ohio Preservation Compact – Preserving Multifamily Properties Through Rehabilitation**

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A considerable number of affordable rental housing units in Ohio, which offer rental assistance and restricted rent, are at-risk of becoming lost to households who need them most. The chronic uncertainty of the funding levels for tenant-based rental subsidies only heightens the need to preserve as many project-based subsidized units as possible.

There is clearly a need for income restricted rental units and housing developments across the state. With the average wage of \$11.76 per hour for a tenant who is renting and a minimum wage of approximately \$7.00 per hour, a person would have to work between 44-75 hours a week in order to be able to afford the average rent of \$547 per month in Ohio (*National Low Income Housing Coalition*).

A large scale effort of preserving affordable housing across the state began with the creation of the Ohio Preservation Compact. The Compact brought together three organizations that have achieved many successes in affordable housing preservation and is comprised of the Ohio Housing Finance Agency (OHFA), the Coalition on Homelessness and Housing in Ohio (COHHIO) and the Ohio Capital Finance Corporation (OCFC) and its parent, the Ohio Capital Corporation for Housing (OCCH).

The Compact set a goal to institute activities resulting in the preservation of at least 14,000 units statewide over the next 10 years including:

- Implementing a scalable and sustainable \$25M Preservation Loan Fund with financial products that assist in the preservation of Ohio affordable housing;
- Creating and managing an online database/clearinghouse for owners of affordable rental housing and potential owners, providing detailed information on at-risk affordable housing developments in Ohio;
- Determining which Ohio affordable housing properties are most at-risk of losing rental assistance or rental/occupancy restrictions based on income;
- Developing strategies to mitigate specific threats to projects at risk;
- Identifying, structuring and closing preservation transactions in Ohio;
- Providing technical assistance to potential owners and managers of at-risk housing; and
- Conducting a collaborative policy effort to engage tenants, owners, community organizations, government officials and financial institutions in affordable housing preservation efforts, including the convening of a statewide Housing Preservation Summit for all stakeholders.

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Locating necessary funding to design and implement the database was crucial to moving the plan forward. The Compact submitted a proposal to the John D. and Catherine T. MacArthur Foundation, which through their “Window of Opportunity” program seeks to support efforts to preserve affordable rental housing. The MacArthur Foundation defines this action as:

“Affordable rental housing is preserved when an owner acts to keep rents affordable for low- and moderate-income households while ensuring that the property stays in good physical and financial condition for an extended period.”

Funding amounts between \$1 million and \$5 million were awarded by the MacArthur Foundation to 12 states and cities in February 2009. The Compact was highly successful as it was one of only two recipients who received the top funding amount.

Since the issue of aging affordable rental housing is prevalent in many states, the database and other activities planned by the Compact could easily be altered to fit the efforts of any affordable housing group. Pooling the knowledgeable experts from the three partners has greatly reduced the amount of time and resources that any one group would have had to expend on their own and has made the whole program more cost and time effective.

Several layers of target audiences are connected to this project, including property owners and managers, low- to moderate-income families and government officials. Through participation in Governor Ted Strickland’s Interagency Council on Homelessness and Affordable Housing, the Compact will raise awareness of key issues while facilitating discussions that will redefine the roles of private and public entities in the preservation of affordable housing.

Numerous milestones were outlined in the implementation plan and connected to specific action that needed to be accomplished. To date the following initiatives have been completed on time:

Time Period	Milestone	Action
Q1 2009	<ul style="list-style-type: none"><li>• Close on MacArthur Foundation PRI and Grant</li><li>• Close on CDFI Fund FA grant</li></ul>	<ul style="list-style-type: none"><li>• Close on MacArthur Foundation PRI and Grant</li><li>• Close on CDFI Fund FA grant</li></ul>
Q2 2009	<ul style="list-style-type: none"><li>• Private offering for the Preservation Loan Fund</li><li>• Solicit investor commitments</li></ul>	<ul style="list-style-type: none"><li>• Produce Offering</li><li>• Revise Offering based upon investor feedback</li></ul>

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The benefits of this initiative outweigh the costs associated with its execution, as it is impossible to place a price on providing quality affordable rental housing for the families who need it most. Much of the cost that has been incurred for the implementation of the database and the initial funding of the Preservation Loan Fund was provided for by the MacArthur Foundation's generous award.