

**2010 NCSHA Award Nomination—Ohio Housing Finance Agency
Special Achievement**

Office of Affordable Housing Research: Addressing Ohio's Housing Needs

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To position the Ohio Housing Finance Agency (OHFA) as a statewide and national housing data resource, it was imperative to create an in-house research office dedicated to analyzing affordable housing data to better inform financial, programmatic, strategic and legislative policies. OHFA recognized that while the Agency had access to a wide range of relevant data from internal and external sources, using it to shape policies necessary to address Ohio's housing needs was a challenge. To overcome this challenge, OHFA created an innovative and collaborative Office of Affordable Housing Research (OAHR) to dramatically increase the Agency's ability to both implement and evaluate housing programs.

Establishing the Framework

In May 2009, OHFA entered into an agreement with the John Glenn School of Public Affairs at The Ohio State University (OSU) to collaborate on specific research initiatives after working with Dr. Stephanie Moulton, assistant professor of Public Affairs at OSU, on a previous multi-state research project that included Ohio. This previous analysis highlighted lender participation in the Mortgage Revenue Bond (MRB) program, income and credit needs of borrowers, mortgage sustainability and how MRB programs increase the affordability of homeownership in certain lending environments. Upon completion of this research, OHFA and OSU engaged in more detailed discussions about other Agency programs and the opportunity to expand this partnership.

As the relationship between OSU and OHFA developed, the Agency was simultaneously realizing the goal to open an internal office of research that would partner with multiple state and national research organizations. OHFA would build an internal research capacity that would facilitate the formation and implementation of affordable housing policy and initiatives throughout the state.

Building Recognition

On December 7, 2009, the Office of Affordable Housing Research (OAHR) launched operations led by Dr. Holly Beard (see Exhibit A). The creation of this office fulfilled a goal within OHFA's Annual Plan to help the Agency implement innovative strategies supported by scientific evidence. OAHR would help formulate future annual plans, helping to identify and address affordable housing issues throughout Ohio. By collecting data from other state agencies and local governments, OAHR would establish a collaborative network that plays a critical role in program and policy development for OHFA and the state of Ohio.

The first research report produced as a result of the partnership between OAHR and OSU examined affordable homeownership programs and the mobility patterns of low- to moderate-income ethnic minority homebuyers (see Exhibit B), illustrating how home purchases utilizing OHFA's First-Time Homebuyer program clustered around metropolitan areas such as Akron, Cincinnati, Cleveland, Columbus and Dayton. The research provided a closer examination of purchases in three of the largest metropolitan areas of the state: Columbus, Cincinnati and Cleveland, making evident those

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neighborhoods that may benefit from outreach efforts to raise education and awareness of OHFA's First-Time Homebuyer program. The data also offered insight into the areas of the state with low volumes of OHFA loan closings; particularly those areas with relatively high volumes of non-OHFA loan purchases by minority homebuyers. This analysis (see Exhibit C) provided a better understanding of neighborhoods and minority residents in relation to purchasing a home using OHFA's First-Time Homebuyer Program.

OHFA used the research analysis to create a comprehensive marketing and outreach strategy to communicate the Agency's affordable housing options to the underserved minority populations throughout the state. The marketing and outreach plan shaped the decisions OHFA made in relation to the areas of advertising, events, website and PR, identifying key geographical areas, audiences and messages.

Work completed through OAHR quickly gained statewide and national attention, elevating the office and Agency profile. On March 29, 2010, the U.S. Department of Treasury announced the award of \$172 million in federal foreclosure funding to Ohio through the Housing Finance Agency Hardest-Hit Fund (HFA HHF), placing OAHR in the spotlight. OAHR, led by Dr. Beard, was charged with quickly creating meaningful target areas to direct a substantial portion of the federal funds, assisting in marketing efforts and evaluating HHF outcomes.

Determining Statewide Need

Ohio received the third-largest allocation of funds as part of the U.S. Treasury's second round of funding through the HFA HHF. OHFA worked with Ohio Governor Ted Strickland's office, the Department of Commerce, Save the Dream Ohio partners and others to develop a comprehensive, statewide strategy that aims to assist unemployed and underemployed homeowners who are experiencing financial hardship and are at-risk of mortgage loan default or foreclosure. Ohio HHF program options will assist homeowners who have been previously unable to qualify for existing loan modification and foreclosure prevention programs due to unemployment.

OAHR was instrumental in crafting OHFA's proposal to the U.S. Treasury (see Exhibit D), with specific attention to the methodology behind the identification of areas of the state considered to be 'hardest-hit,' as defined by the U.S. Treasury. OAHR led an unprecedented collaborative information-sharing network comprised of multiple state agencies including Governor Strickland's office and the Ohio Departments of Commerce, Development, Job and Family Services and Taxation.

To determine how best to use Ohio HHF dollars to address the state's housing challenges, OAHR and the multi-agency collaborative were responsible for ensuring that the principles of the HHF program were met. These consisted of:

- Optimizing the potential sustainable results from Ohio HHF;
- Using existing networks and infrastructure to promote and support programs developed with Ohio HHF;
- Intervening as early as possible to increase the number of individuals who avoid unnecessary foreclosure and
- Maximizing every dollar of Ohio HHF funds through effective and efficient programming.

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The group analyzed valuable sources of data that contributed to a comprehensive statewide analysis of the impact of the current housing crisis driven by high-cost lending activity, prolonged unemployment and steadily increasing foreclosure filings across the state

Research-Driven, Tangible Results

The OAHR now serves as a critical resource to ensure the success of the HHF program, providing information for program outreach, implementation and evaluation. A series of maps illustrating regions within a county exhibiting negative equity, unemployment, delinquency and foreclosure filings were created to assist in the Agency's marketing and outreach campaign. OHFA will use this information to promote Ohio HHF assistance effectively and to educate homeowners struggling to pay their mortgage about the new resources available. These maps have offered valuable insight into the economic factors of each county at a zip code level and have allowed OHFA's Office of Communications and Marketing to tailor messaging by community. This would not have been possible without the expertise within OAHR and the strategic relationships developed to leverage the knowledge and resources of state and local entities.

During Ohio's HHF program implementation, OAHR and its partners will monitor the distribution of eligible participants, the average amount of assistance per program and will adjust program allocations accordingly if the demand for HHF programs varies from initial projections. To evaluate the effectiveness of HHF programs, OAHR is working with OHFA staff, The Federal Reserve of Cleveland, OSU and the U.S. Department of Treasury to design an intake process. This process will not only allow OHFA to provide critical information to U.S. Treasury on the use and outcomes of HHF funding, but will also direct additional research about foreclosure prevention. OAHR will address important questions including: "How can we reduce re-default rates for homebuyers who receive mortgage modification or loan repayment assistance?" and "When is it appropriate for homebuyers in distress to consider graceful exit options, rather than mortgage assistance to stay in the home?" These findings will have national relevance to develop housing policy moving forward.

Continuing the Momentum

The collaboration of and analysis generated from OAHR, external partners and other state agencies resulted in a plan that appropriately targeted scarce funding to Ohio's hardest-hit counties. The forward-thinking approach allowed OAHR and OHFA to engage previously untapped resources and to gain knowledge about distressed homeowners that created a program that will benefit struggling borrowers and ultimately the overall Ohio economy. OAHR will continue to directly impact future housing policy by building on the partnerships and strategies developed, elevating OHFA's position as an affordable housing resource.