



Testimony in Support of Ohio H.B. 560

Delivered in Writing Only to the Ohio House Families, Aging, and Human Services Committee
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Chair Manchester, Vice Chair Cutrona, Ranking Member Denson, and members of the committee, the Affordable Housing Alliance of Central Ohio (the “Alliance”) wishes to submit the following written-only testimony in support of House Bill 560, authorizing tax credits for certain affordable rental housing. Thank you for the opportunity to share our perspective.

The Alliance is a nonprofit, nonpartisan organization with membership composed of specialists from across the professional spectrum, including both for-profit and nonprofit experts in housing, homelessness, community development, and lending. Working through an economic development lens, we collaborate on affordable housing solutions because we know that doing so supplies a skilled workforce; revitalizes neighborhoods where families and children thrive; and enables seniors and people with disabilities to live in safe homes.

We write today to underscore the value of House Bill 560 which offsets the cost to build homes affordable to low- and moderate-income Ohioans. While this tool will unlock many benefits, there are two key advantages we emphasize today:

- 1. H.B. 560 will bolster Ohio’s economic competitiveness by authorizing a common tax incentive that is widely utilized in other states to support workforce housing.** In 2021, the average Ohio worker needed to earn at least [\\$16.64](#) per hour to afford a modest two-bedroom apartment. However, according to the Ohio Department of Labor’s Occupational Employment and Wage Statistics from May 2021, over [1.4 million](#) Ohio jobs did not meet that basic threshold. Many frontline and essential workers were included among those at-risk career categories, including preschool teachers, security guards, nursing assistants, agriculture workers, and food preparation workers.

The shortage of affordable housing and its adverse impacts on the workforce harms our business owners and operators, as well. The Alliance’s recent member survey found that [80%](#) of employers experience reduced worker morale and productivity stemming from housing instability. A national survey further found that [67%](#) of employers cite a lack of affordable housing as a key barrier to retaining qualified employees.

Ohio’s ability to recruit and retain job creators is integrally linked to our ability to provide decent, affordable homes for the workforce they rely upon. Ohio Means Jobs even highlights this fact in its “N’Ope” and “#LastStrawStory” [campaign](#) which promotes housing affordability as a reason for businesses and workers to relocate to our State. Despite severe resource limitations, our current affordable housing programs lay the groundwork for this workforce-oriented housing system, with research showing that the labor force participation rate in Ohio’s existing tax credit housing is [3%](#) higher than traditional apartment communities. This clear linkage between housing and economic growth is among the reasons why [25 other states](#) have already adopted some version of a state housing tax credit, including Indiana, Virginia, Georgia, and Colorado. In Georgia, for example, this tool supported the housing needs of 315,000 residents while generating \$3.7 billion in private capital over fifteen years. H.B. 560 allows Ohio to catch up to those peer communities and support the workforce needed to continue competing for top tier economic development opportunities.



- 2. H.B. 560 will help Ohio close the growing supply-and-demand imbalance that is fueling record housing inflation while simultaneously leveraging federal housing funds to ensure Ohio does not leave much-needed resources on the table.** According to Representative Hoop's sponsor testimony, more than 400,000 households in Ohio face severe housing cost burdens, paying more than half their income to rent. As a result of these cost pressures, over 107,000 evictions were filed in 2019 before the pandemic hit. And this challenge is rising, with rent inflation increasing an astonishing [10%](#) year-to-year in Central Ohio as a result of the construction shortage. With workers forced to dedicate an increasing share of their paychecks to rent each month, less remains available for savings, pushing homeownership further out of reach for many.

The federal Low Income Housing Tax Credit (LIHTC) program was designed to help ease these pressures but, due to resource constraints, has not been allowed to unleash its full strength. In 2022, the competitive version of the program will only be able to support the construction or preservation of approximately [1,500 units](#), a tiny fraction of what is needed to meet Ohio's attainable housing demand. Meanwhile the non-competitive version of the program with abundant resources will return tens of millions of dollars' worth of bond volume cap and tax credits to the federal coffers because we lack the local funds required to leverage that investment. H.B. 560 helps close that financing gap and keep more resources in Ohio.

Beyond meeting individual household needs, housing tax credits also serve the State's bottom line. Every 100 apartments funded with tax credits will generate approximately [\\$7.9 million](#) in local income, \$827,000 in taxes, and 122 local jobs within one year. Further, LIHTC housing is shown to double a person's after-housing discretionary income, a savings which these renters use to spend 5x as much on healthcare, a 3x on food, and 2x more retirement savings. The social and economic savings of investing in housing can be powerful when considering, for instance, that families with poor housing quality have a [50%](#) higher chance of needing emergency room care for asthma-related conditions and average Medicaid spending increases [20%](#) for households that were subjected to eviction.

Advancing H.B. 560 is a key opportunity to solve Ohio's housing puzzle. When coupled with additional impact investments, like expanded support for the Ohio Housing Trust Fund, and policy and programming innovations from public and private partners, the Alliance is confident that Ohio can rise to meet our housing needs and continue to be an exceptional place to live, work, and prosper. The Alliance thanks you again for your time and consideration of this feedback. We are happy to provide additional information or answer any questions that can assist in your discussions.

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