



Before the Ohio House Families, Aging and Human Services Committee  
Proponent Testimony on House Bill 560  
December 1, 2022

Chair Manchester, Vice Chair Cutrona, Ranking Member Denson and members of the Ohio House Families, Aging and Human Services Committee, thank you for the opportunity to provide proponent testimony on House Bill 560 on behalf of the members of the Ohio Chamber of Commerce.

The Ohio Chamber has become more engaged on the issue of housing in part because we have heard from our member companies that work force attraction and retention has become a major issue for them. A component of this issue is wrapped up in the housing stock issue confronting all communities across Ohio. This issue is now part of the Ohio Chamber's Blueprint For Ohio's Economic Future – Lever 2 - Sense of Place. Ohio has a housing stock shortage that grows every year, and this leads to more households being cost burdened by the homes they reside in. Cost burdened is a household that spends more than 30% of their income on housing. The lack of enough supply has created a gap of nearly 255,000 units of affordable and available housing for extremely low-income renters. See Appendix A attached to this testimony.

HB 560 seeks to address this aspect of the housing shortage with the creation of a state tax credit program that could lead to the creation of approximately 2,300 housing units annually. This program would begin to stabilize the housing stock for vulnerable households and open the door to additional federal resources by leveraging more monies from the current federal low-income housing tax credit (LIHTC) program.

HB 560 allows state credits of up to \$500 million per fiscal year for qualified projects, and the Director of the Ohio Housing Finance Agency (OHFA) can reserve these credits until January 1, 2028. Like the federal LIHTC the state credit is claimed over a ten-year period by eligible investors who receive a certificate from the Director of OHFA. This credit can be taken against the state income tax, financial institutions tax or insurance company premiums tax.

While this program requires more investment from the state of Ohio, the economic benefit of this program can be estimated from both the jobs created in construction payrolls and from the operation of the properties constructed. According to information on the webpage of the Ohio Housing Council, the program (over the 30-year depreciated life of the units) will create nearly \$11.4 billion in economic activity and generate over \$1.7 billion in tax revenues from construction and operations for local and state governmental entities.

While HB 560 is not a magic potion to fully solve the housing supply issue Ohio faces, it is an important first step in alleviating the crisis of housing units needed to move more families out of their current cost-burdened status. HB 560 also starts the process of reducing the nearly 255,000 deficit of housing units needed for Ohio's low-income renters. The Ohio Chamber supports the measure and hope this bill can be referred to the whole House for consideration.

Thank you for allowing me the opportunity to testify on HB 560 and I will now try to answer any questions you may have for me.

# Appendix A

# 2022 OHIO HOUSING PROFILE



Across Ohio, there is a shortage of rental homes affordable and available to extremely low income households (ELI), whose incomes are at or below the poverty guideline or 30% of their area median income (AMI). Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

**SENATORS:** Sherrod Brown and Rob Portman

**443,717**

OR

**28%**

Renter Households that are extremely low income

**-254,545**

Shortage of rental homes affordable and available for extremely low income renters

**\$26,200**

Maximum income of 4-person extremely low income households (state level)

**\$35,468**

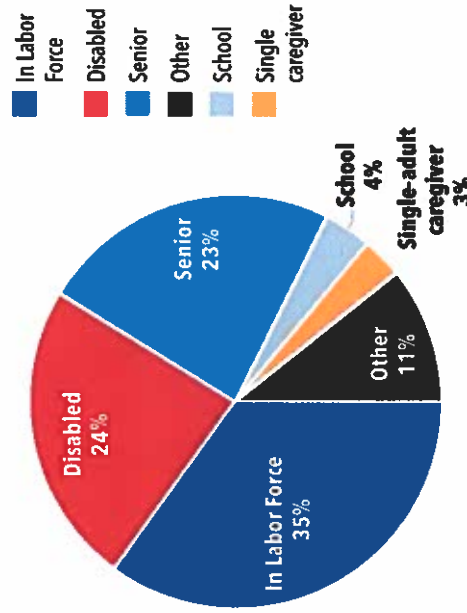
Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

**67%**

Percent of extremely low income renter households with severe cost burden

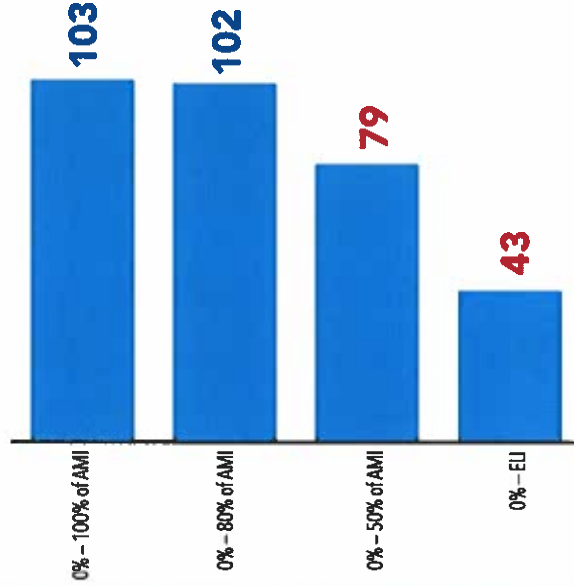
KEY FACTS

## EXTREMELY LOW INCOME RENTER HOUSEHOLDS



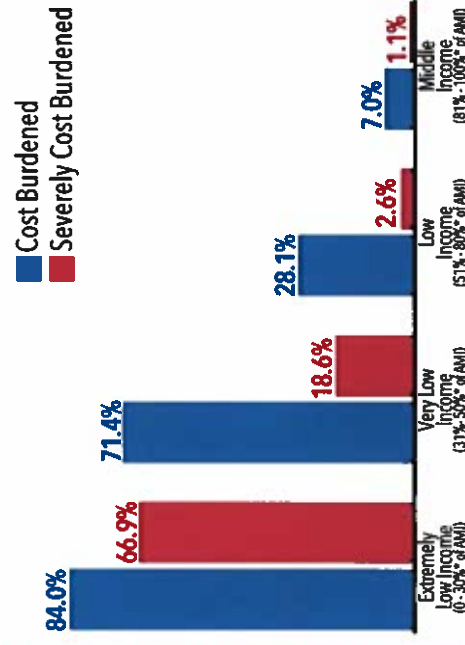
**Note:** Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Nationally, 15% of extremely low-income renter households are single adult caregivers. 55% of whom usually work more than 20 hours per week. Source: 2020 5-Year ACS PUMS data.

## AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: 2020 5-Year ACS PUMS data.

## HOUSING COST BURDEN BY INCOME GROUP



**Note:** Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened. Source: 2020 5-Year ACS PUMS data.