



Testimony before the House Economic and Workforce Development Committee

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March 14, 2023

House Bill 3

Chair Swearingen, Vice Chair Santucci, Ranking Member Upchurch and members of the Economic and Workforce Development Committee. My name is Amy Riegel and I'm the executive director for the Coalition on Homelessness and Housing in Ohio. COHHIO is a statewide advocacy organization working to expand access to housing to end homelessness in our state. Thank you for the opportunity to testify today in support of House Bill 3.

So many of Ohio's public policy issues begin at home – or the lack of a home. Even before covid there was a severe shortage of affordable housing in Ohio, and it has only grown worse in the last two years as rents have increased at a record pace. The fundamental problem is: too many jobs pay too little for employees to afford rising rents. Of the 10 most common jobs in Ohio only two pay comfortably more than a family needs to afford a two-bedroom apartment.

For example, Maya is a single mom living in Lebanon with two children. She works full-time as a customer service representative, where she earns \$17.89/hour, or \$37,000/year. Housing is considered affordable when you don't pay more than 30% of your income toward rent and utilities, so Maya needs to find an apartment in Lebanon that costs less than \$930/month to meet that affordability standard. However, based on recent data from Rent.com, the average rent for a two-bedroom apartment in her community is \$1,300/month.

That's why we have only 43 affordable units available for every 100 extremely low income renters in Ohio, according to the Gap Report. Nearly 400,000 households spending over half their income on rent in Ohio. In most Ohio communities, [one-in-five renters](#) pays more than half their income towards housing. This isn't just our metropolitan communities, that list includes areas around Mount Vernon, Marion, Salem, Findlay, Chillicothe, Fremont, Wooster, and Zanesville.

Affordable housing programs are designed to bridge the gap between what so many workers earn and the high cost of housing. As you may know, the federal Low Income Housing Tax Credit (LIHTC) was created by President Reagan and Congress in 1986 to encourage private sector investment in the new construction, acquisition, and rehabilitation of affordable housing. Over the last three decades, LIHTC has become the most successful affordable rental housing production program in history. However, as our economy has evolved, LIHTC is not sufficient to address the affordable housing gap.

The Ohio Workforce Housing Tax Credit is a state version of LIHTC that would greatly bolster the production of affordable housing. Here's how these public-private partnerships work:

- OHFA awards housing tax credits to developers, who then sell the credits to private investors in exchange for funding the construction and rehabilitation of affordable workforce housing.
- The credits lower the debt required to finance the development of housing (and resulting debt payments), which allows for lower, more affordable rents.
- Credits increase and preserve the supply of rental housing so low-wage working families and individuals can afford a safe, decent, stable home.

It's often been said: "the rent eats first." This means seniors often skip prescriptions and families skip meals in order to keep a roof over their heads. High rent burdens make it extremely difficult to gain greater financial independence. A family simply cannot save for a down payment to achieve homeownership when they're spending half their income on rent. Creating a new state housing tax credit will ensure more units that are affordable to people like Maya, helping reduce rent burdens so that they can cover their basic needs and perhaps even save for the future.

The affordable housing shortage isn't just a problem for workers; it's a problem for businesses. Rising housing costs prevent many workers from being able to live near their place of employment, and this is especially important for low-wage workers, who typically have inflexible work schedules and leave options. With high housing and transportation costs, emergencies such as a vehicle breakdown or an eviction hearing can force them to miss work. Intel's decision to build a chip factory outside of Columbus is great news, but the lack of nearby housing could create real problems, especially for people working in ancillary service jobs.

I want to commend the Ohio House for making this legislation a priority. Safe, decent, affordable homes are the fundamental building blocks of a healthy, thriving community. The Ohio Workforce Housing Tax Credit will ensure that the workers who serve our food, care for our elders and our children, who clean our offices and hotels, and keep our shops open can afford to become fully participating members of the communities they serve.

Thank you for the opportunity to testify on this important matter. I would be happy to answer any questions you might have.