



**House Economic and Workforce Development Committee
Proponent Testimony for Substitute House Bill 3
March 21, 2023**

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Ohio REALTORS®

Chair Swearingen, Vice Chair Santucci, Ranking Member Upchurch and members of the House Economic and Workforce Development Committee, thank you for the opportunity to provide testimony in support of substitute House Bill 3 (HB 3) on behalf of Ohio REALTORS®. My name is Mic Gordon, and I am the past President of Columbus REALTORS® and past Chair of the Ohio REALTORS® Legislative Steering Committee. I currently serve as the Operating Principal of Keller Williams Greater Columbus Realty.

Formed in 1910, Ohio REALTORS® is the state’s largest professional trade organization with more than 36,000 members representing both residential and commercial practitioners, as well as auctioneers and appraisers. We also represent homeowners, homebuyers, investors and support policies to protect private property rights.

It is no secret that Ohio has crisis-level housing shortages across the state. To examine the housing shortage facing Ohio, Ohio REALTORS® commissioned a study from the University of Cincinnati Economics Center, which specifically focused on workforce housing.¹ “Workforce housing” is defined as housing that is affordable to households with an income between 60 and 120 percent of the area median income. The study found that only 14.3 percent of all building permits issued between 2015 and 2021 had a value that would be classified as workforce housing. That same study found that home prices in Ohio increased nearly 13 percent between 2020 and 2021, well above the growth in household income. While the study is focused on workforce housing, the shortfall in residential housing production is across all types of housing including luxury, workforce, and especially affordable housing. Simply put, Ohio must increase its housing inventory at all levels to meet the state’s housing needs.

Ohio REALTORS® supports policies to encourage the development of all types of housing, including affordable housing. Affordable housing plays a very important role in our economic growth and the future of our great state. It is important to note that affordable housing has a positive impact not only on our neighborhoods, but it provides an opportunity for a person to save for their next home, whether it is renting a market-rate apartment or saving for their first house. In many communities, high quality affordable housing has improved neighborhoods. Often, blighted or distressed real estate is purchased and redeveloped into attractive, high-quality housing, thereby removing neighborhood blight and subsequently raising valuations of nearby housing. More importantly, however, affordable housing can give our fellow Ohioans a safe place to call home.

¹ [Ohio REALTORS Final Report \(State of Ohio\) \(flippingbook.com\)](https://flippingbook.com)



With low inventory and quickly rising home prices, we are working with stakeholders to explore and identify policies that may help reduce the shortage of housing. HB 3 is one of those policies and would have Ohio join 22 other states in creating a state housing tax credit program. This program will provide additional incentives to the private sector to invest in affordable housing development and allow Ohio to better leverage federal resources through the federal low-income housing tax credit program.

In addition to the housing tax credit program created in HB 3, we would also like to express our support for the language in the substitute bill that addresses how subsidized housing is valued for tax purposes. I represented Ohio REALTORS® on the Federally Subsidized Affordable Housing Study Committee, which was created last session, and understand the importance of establishing a fair valuation formula for these properties. We are encouraged that HB 3 addresses this issue and look forward to working with stakeholders as the bill moves through the legislative process.

On behalf Ohio REALTORS® I would like to thank Representatives Pavliga and McNally for their work on HB 3 and urge this committee's support. I'll be happy to answer any questions at this time.