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House Economic and Workforce Development Committee

House Bill 3 (Proponent Testimony)

Leah Evans - Homeport

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Chair Swearingen, Vice Chair Santucci, Ranking Member Upchurch, and members of the House Economic and Workforce Development Committee, good afternoon and thank you for the opportunity to give proponent testimony on House Bill 3.

My name is Leah Evans, and I have the honor to serve as the President and CEO of Homeport, a mission-driven nonprofit dedicated to creating strong communities by developing quality, affordable homes. Headquartered here in Columbus, every night over 6,400 residents go to bed in our 43 communities across Central Ohio. In the 1980s we were founded by the corporate and civic leaders of Columbus to house working people who were unable to secure decent, stable, and affordable housing that would keep them employed and support our community's growth and development. We continue that mission today.

This afternoon, I wanted to share a little bit about our process and the way this new investment in affordable housing supports the overall goals of our great state.

As a developer and owner of workforce housing, we participate in the residential real estate market in similar ways to our market-rate peers. We secure market studies to evidence demand and need for our housing, we evaluate sites assessing the feasibility of building, infrastructure capacity, and nearby services. We work with professional teams to design projects that meet local building and development standards. And just like any other real estate development, whether residential, office, or industrial, we work with local officials to secure necessary planning and zoning approvals for the property to be built.

As you can imagine, this requires a lot of outreach, communication, and collaboration with the community members, local zoning officials, development staff, and elected officials to receive the buy-in and support necessary to develop. Our outreach begins well before development starts and continues after the development is complete in order to ensure we are a strong partner in service to the individual residents and families but also to the local community in meeting their housing and development needs.

Where we differ from the market-rate residential developer is in the financing of our work. The use of tax credits allows us to reduce the amount of debt we carry on a new property, allowing us to charge rents that are affordable to people with incomes lower than the area's average income. And the tax credits are a long-term investment as the rents are required to remain affordable for working families for at least 30 years.

The reality is that the private residential real estate market will not absorb the costs to be able to provide lower rents which is why across our state we see new apartments and rental developments with ever-increasing price points as a response to the high-cost real estate development market. The work we do is complimentary to the market by providing housing at price points that they cannot serve.



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This is one reason why historically the low income housing tax credit program has remained a bipartisan supported program. This state credit is necessary to address the market's inability to generate housing for all of Ohio's growing workforce. This bill is also supported by a broad coalition, including the real estate industry, the Ohio Chamber of Commerce, Ohio Manufacturer's Association and Ohio Bankers League as a testament to the impacts on housing availability and affordability on every aspects of our State's welfare and economy.

Tax-credit housing is designed for people whose annual incomes are between 30% and 60% of the area median income. Currently, the median household income in Ohio is about \$62,000. That means tax-credit housing is designed for people with incomes between \$18,600 and \$37,200. Our residents are typically employed in jobs such as home health aides, school bus drivers, airport workers, childcare teachers, and hospitality services.

This proposed credit is projected to create over 25,000 new affordable homes a year over a 6-year period. This is 25,000 new homes that do not exist in our state currently to help house those directly benefiting and adjacent to the thousands of jobs we are creating annually. Our state's prosperity depends on these hard-working Ohioans. Our state's growth depends on a workforce that has adequate and stable housing that allows for proximity to gainful employment and allows Ohioans to meet their basic needs and save for a better future. This tax credit is another tool, that 22 other states already have in place. It will give Ohio's communities an additional tool to ensure we can preserve and improve the quality of life for our citizens.

I will end with one additional point: In addition to helping meet the demand for units, this investment changes people's lives. Across Ohio, organizations like ours can bring you story upon story of residents having improved health outcomes, students having better educational performance, people completing training or education to secure higher wage jobs, and long-term renters transition to homeownership.

One story I would like to share from our work is how workforce housing supported Ohio resident Nicole Howard. Ms. Howard is a 19 year resident of our Georges Creek community in eastern Franklin County. Ms. Howard credits living in a Homeport community with providing her the opportunity, resources, and support to be able to raise her 22 year old twins, put them through college, see them successfully graduate, and gainfully employed in service to our community, one as a nurse with Ohio Health and one as an Army reservist. Homeport provided Ms. Howard and her family with a stable, quality, affordable apartment home where her children had access to out of school programs and help with scholarship applications while she received credit and budget counseling to manage her resources, raise her family and plan for their future.

This is what an investment in housing does every day. It provides a home for our current and future generations of working Ohioans. Giving them the foundation for success that supports our success as a State.

On behalf of Homeport, our Board and Staff, and the Ohioans we serve, I appreciate your consideration and ask for your support of House Bill 3. I would be happy to answer any questions. Thank you.