



Testimony before the Senate Agriculture & Natural Resources Committee

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May 10, 2023

House Bill 33

Chairman Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson, and members of the Senate Agriculture & Natural Resources Committee, thank you for the opportunity to testify on several housing-related provisions of the biennial budget. My name is Amy Riegel, the executive director of COHHIO.

So many of Ohio's public policy issues begin at home – or the lack of a home. Housing insecurity complicates your efforts to address other problems, like infant mortality, opiate addiction, foster care, education, workforce readiness, and criminal justice.

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. Earlier this spring, we released the annual Gap Report, which shows that the shortage of affordable homes in Ohio grew 6% worse over the past year. Ohio now has a deficit of about 270,000 rental units that are affordable and available to the 448,000 extremely low-income households in Ohio. That equates to only 40 affordable units for every 100 households. The Gap Report also shows that the percentage of Ohio renters spending over half their income on housing increased, so we're heading in the wrong direction.

The problem is two-fold: we have not built enough housing in recent years; and 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. That means many households are living on the edge; if a parent loses a job, gets sick, or becomes pregnant, the family too often faces eviction and the prospects of homelessness.

The only way out of is to increase the supply of rental homes that are affordable to Ohio's low-wage workforce. That is why we are happy to see Gov. DeWine and the Ohio House propose meaningful investments in affordable housing. All our requests today are simply to keep the housing provisions in the House-passed budget.

House Bill 33 includes a \$16 million appropriation to expand **Healthy Beginnings at Home**, which is demonstrating that stable and secure housing can lower the risk of infant mortality, improve health outcomes, and reduce Medicaid spending. The initial Healthy Beginning pilot in Columbus showed birth outcomes improved dramatically while healthcare costs plummeted for women who received housing intervention.

The biennial budget would fund a full-scale scientific study by expanding Healthy Beginnings to Franklin, Montgomery, Hamilton, Summit, and Cuyahoga counties. Healthy Beginnings 2.0 is the first large-scale research project of its kind. We can all be proud that Ohio is leading the nation in using housing interventions to save babies' lives and improve family health while reducing healthcare spending.

We also support the creation of a new **State Workforce Housing Tax Credit**. This is a worthy effort to start reducing the dire shortage of affordable housing that entangles so many families in a cycle of housing instability, eviction, and homelessness. We understand the desire to prioritize homeownership because it is the key to building long-lasting stability and generational wealth. We also support homeownership incentives and programs to help people have home ownership and the equity that comes with it. However, millions of Ohioans – seniors, people with disabilities, children, and parents working low-wage jobs – have no money left after paying bills each month to save for a down payment.

Incentivizing the development of affordable, multifamily rental housing will provide a safe and affordable place to live for Ohioans on the journey to homeownership. Ohio desperately needs more rental units that are affordable to all members of the workforce, especially people working low wage service jobs – the caterers and servers, fast food workers, cleaning crews, landscapers, home health aides, childcare workers, and your barista at Starbucks. Today's modern affordable housing projects are usually small, low-rise, often mixed-income buildings that quickly become an essential part of the fabric of healthy communities and vibrant local economies.

House Bill 33 also invests in the **Ohio Housing Trust Fund**, the primary state source of funding for housing and homelessness programs. The Trust Fund also supports local home repair and accessibility programs throughout Ohio that are critical for keeping seniors and people with disabilities in their own homes and out of costly institutions. If there is a desire to do more in the area of preservation and keeping people in their homes this is the place to do it. The OHTF has been funding successfully this work for decades, but cannot keep pace with demand for home repair.

By statute, at least 50% of the funding must flow to rural communities, where the Trust Fund is an especially critical resource because it helps communities leverage additional private and federal funding. And, like the housing tax credit proposal, the Trust Fund supports Ohio's economy. Ohio Housing Finance Agency research shows each dollar the Trust Fund invests generated \$8.30 in economic activity for the state.

Today in Ohio, nearly 400,000 households are spending over half their income on rent. Our state cannot reach its full potential when so many people are struggling just to stay housed. We commend the governor and the House for prioritizing housing, because when children have a safe, stable place to sleep at night, we are building a solid foundation for everyone to live and thrive in Ohio.

Thank you for the opportunity to testify. I would be happy to answer any questions that you might have.