

Ohio Senate

Select Study Committee on Housing

Mayors' Partnership for Progress
Hearing Testimony

Washington State Community College
Monday, December 4, 2023
10:00 am

Good morning, Chair Reynolds, Vice Chair Johnson and members of the Senate Select Committee on Housing. My name is Jennifer Lyle. I am the Mayor of the Village of New Concord in Muskingum County. I also serve as the Vice President of the Mayors' Partnership for Progress. Thank you for the opportunity to testify before this committee today.

For over 28 years, the Mayors' Partnership for Progress (MPP), facilitated by the Ohio University Voinovich School of Leadership and Public Service (GVS), has brought together mayors and city managers from cities and villages throughout 19 Appalachian Ohio counties. Our collaborative efforts, dedicated to sharing information and resources, aim to tackle common challenges faced by municipalities throughout the region, impacting more than 800,000 Ohio citizens.

Housing is a prominent concern for the MPP municipalities. Recognizing this, the MPP recently formed a Housing Committee tasked with identifying housing issues faced by its members and working toward solutions. The goal is to enable communities to have access to adequate, affordable, quality housing that meets their specific needs.

The Committee has identified the following initial issues. These are in no particular order:

- Enable more and higher quality affordable housing for all – including those who receive government subsidies and those who do not.
- Address challenges from short-term rental housing, which in small communities is usually unregulated, and which affects both rental prices and housing supply.
- Engage out-of-town landlords more effectively.
- Support homeowners to maintain and remain in their homes. Many people, often seniors, veterans, and/or disabled people, are on limited fixed incomes which do not allow them to perform home maintenance. The homes become “run down” and the owners hate seeing code enforcement come along as both entities know full well neither has funds to assist.

- Lack of resources and knowledge to develop and enforce building codes, ordinances, or form specific districts such as Downtown Redevelopment Districts
- The cost of extending or upgrading infrastructure such as water, wastewater, storm sewer, sidewalks, curbs and roads to adequately serve new housing units.

Rural communities in the MPP region face distinctive challenges when dealing with the affordable housing crisis. The region has neither the population density nor the incomes necessary to attract private housing developers. Elected officials lack capacity, expertise in housing development, and established relationships with housing developers.

The Appalachian region is striving for economic transformation through neighborhood revitalization, tourism, and remote work, with funding provided by the State of Ohio through the Appalachian Community Grant Program. Simultaneously however, our communities are challenged with aging housing stock, limited availability and diversity of housing, scarce home ownership opportunities, and a daunting combination of substandard rental properties with drastic increases in rent. The surge in short-term rentals and the lack of municipal staff capacity to develop and enforce building and zoning codes compound the issues. Rural municipal leaders are desperately searching for best practices, trusted partners and expert advisors to help them navigate through and find solutions to their housing-related challenges.

The elected leaders of the MPP region possess anecdotal knowledge of their housing needs and solutions, but most, if not all, need experienced professionals to guide and advise them in developing comprehensive market studies and analyses for identifying individualized solutions.

MPP communities would benefit from funding and expertise for the creation and analysis of data that identifies key needs and challenges and proposes evidence-driven solutions to community housing problems. Regional and community-specific data driven solutions are crucial to access federal and state development and rehabilitation funds that are right-sized for each individual community.

Municipalities would also benefit from programs that subsidize housing rehabilitation and construction. This support must be sufficient to attract private developers to build and maintain quality housing in rural, low-income areas while ensuring reasonable profit margins.

However, such funding programs, policies, and regulations are usually complex and impose impossible administrative and compliance burdens on small, often tiny, rural municipalities. In today's testimony from the Mayors' Partnership for Progress, we advocate for the development of simplified pilot programs that can be evaluated and modified before widespread implementation. Such programs would reduce the burden on municipalities and aid local leaders in navigating housing challenges more effectively. For instance, according to a recent webinar by the Montrose Group, TIF agreements are

one of the most widely used tools for economic development to extend public infrastructure for residential development, however rural communities often lack the know-how to take advantage of these programs, and they also come with administrative burdens which prove challenging for small rural municipalities with limited staff capacity. Gratiot Mayor Melanie Kish stated, this is *"most crucial for those with the smallest populations and limited resources, be it time to delve into needed projects or the money to hire legal advice for either writing housing codes or enforcing them if/when adopted. The idea of cobbling multiple grants together that require engineering and or planning studies is beyond local capabilities. 90% of Gratiot's repair and maintenance work is done by council members who volunteer. Council members are paid \$240 annually and the mayor is paid \$300 annually."* The population of Gratiot is 215.

It is widely understood that land that has basic utilities and is zoned properly is more valuable and attractive to developers. As the demand for more and better housing only continues to grow, local governments, which struggle to finance even basic infrastructure maintenance, would benefit from new and innovative grant and other financing programs that serve to relieve the cost burden of extending infrastructure to make a site attractive and ready for development, including housing development.

Another crucial challenge facing our Appalachian Ohio communities is the lack of investment and parity in housing investments compared to the rest of the state. At first glance, the distribution of housing funding seems equitable, with 7% of Ohio's populationⁱ in the MPP region and OHFA's annual reports from 2015-2023ⁱⁱ showing that 9% of the multifamily housing projects and 6% of the units were within the same region. Clearly less equitable is the steady downward trend of funded multifamily housing projects in the MPP region, from 12% of Ohio's funded projects in FY15 to 4% in FY23. The same downward trend is apparent in the number of units built and preserved in the MPP region, from 13% in FY15 to 4% in FY23.

The seeming equity of the distribution of housing funding also doesn't take into account that 57% of the MPP population is within areas considered disadvantaged according to the EPA IRA Disadvantaged Communities mapⁱⁱⁱ. When compared to 33% for the state of Ohio as a whole, this is indicative of a greater concentration of disadvantaged communities in the MPP region.

Another metric that highlights the disadvantaged nature of the MPP region, all 19 counties have per capita personal incomes^{iv} between 11%-60% lower than Ohio's 2022 personal per capita income of \$57,777. This statistic is important because existing investment programs are applauded for helping to ensure adequate, quality housing for low-income folks, however the reality is these investments have been steadily declining in the rural, low-income, MPP region.

In closing, rural municipal leaders are often not experienced or well-versed in housing development, however housing issues are more frequently being brought to the forefront in community discussions. MPP members are searching for knowledge, best practices, trusted partners, and expert advisors to help them navigate through and find solutions to their housing-related challenges.

Thank you for the opportunity to testify before this committee. On behalf of the municipal leaders and members of the MPP, we welcome the opportunity to engage in this discussion to find solutions that will benefit our rural region of the state.

i

2020 Decennial Census

ii

Ohio Housing Finance Agency (OHFA) Annual Reports, Multifamily Housing Development Appendices
<https://ohiohome.org/news/publications.aspx>

iii

US Environmental Protection Agency Inflation Reduction Act Disadvantaged Communities Map (EPA IRA Disadvantaged Communities Map)

- data: <https://www.epa.gov/environmentaljustice/inflation-reduction-act-disadvantaged-communities-map>
- tool: <https://ejscreen.epa.gov/mapper/>
- Population by block group from 2020 Decennial Census

iv

Bureau of Economic Analysis (BEA) Personal Income by County and Metropolitan Area, 2022
<https://www.bea.gov/data/income-saving/personal-income-county-metro-and-other-areas>