

TESTIMONY

OHIO SENATE SELECT COMMITTEE ON HOUSING

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KENNETH J. OEHLERS III

**EXECUTIVE DIRECTOR
HABITAT FOR HUMANITY OF SOUTHEAST OHIO**

**BOARD VICE-CHAIR
HABITAT FOR HUMANITY OF OHIO**

Chairwoman Reynolds, members of the Committee, my name is Kenneth Oehlers and I am the Executive Director for Habitat for Humanity of Southeast Ohio. Our organization partners with communities in the seven Appalachian Counties of Athens, Hocking, Perry, Meigs, Morgan, Muskingum, and Noble, as well as Fairfield County to provide affordable housing solutions for low to moderate income families. I am here today to share with you the some of the struggles we are seeing in the housing sector throughout Southeast Ohio and voice support for any and all legislation that may help us ensure that every Ohioan has a decent and affordable place to call home.

Housing is the epicenter of life. It is where we become a family, where we raise our children and most importantly, it is where we belong- it is our safe

space. Unfortunately for many Ohioans, housing has now, more than ever, become a source of stress, grief and a constant challenge in their path to success.

Habitat for Humanity of Southeast Ohio has three major programs to help families. Our traditional homeownership program, our essential home repair program and our micro-lending program. Prior to 2021, demand for these programs remained constant, but steady. Unfortunately, the same cannot be said any longer. Since 2020, we have seen a four-fold increase in demand for services within our region due to the housing challenges in Southeast Ohio. In addition, we are seeing a substantial increase in people who are middle income asking for help in meeting their housing needs due to current issues in the housing sector. Unfortunately for many of these families, they will not be able to receive help because, like many of the housing providers and advocates here today, we are limited in the funding we have available. Currently, Habitat for Humanity of Southeast Ohio has served a record number of families each year since 2020, but particularly with home repairs, we are limited in providing services to less than 5% of the people who request help from our organization. Many of these families are people who help us check out at grocery stores, take care of our children, and provide services to our most vulnerable Ohioans. We

see the tears, the concerns for the wellbeing of their family, and eventually the loss of hope that comes when no one can help them. It is heartbreaking.

Access to homeownership in our region is now farther away than ever before. The reason for this is multi-faceted. First, the cost to build a home has made it impossible for the private sector to build entry level housing and break even, much less make a profit. Lack of entry level home construction has gotten so severe, that in many areas of the state (including some areas in SE Ohio), the term “affordable housing” is now being used for homes valued at over \$250,000- certainly not affordable for any low income and many moderate and middle income families in Southeast Ohio.

Second, the inventory of existing entry level housing stock is lower than ever before. With investors purchasing many of these entry level homes as cash buyers, low and middle income buyers who are using more complex and time-consuming loan products simply cannot compete. Many of these homes are then turned into rentals with prohibitively high rent, or are turning into short-term rentals that provide no housing support to the local area.

Finally, access to capital for low and middle income earners has become more difficult to obtain due to the high interest rates and other requirements like PMI.

This lowers the purchase power for many families and makes purchasing homes, even with some subsidization, impossible.

Housing affordability doesn't end with purchasing a home. With the housing stock in Southeast Ohio being some of the oldest in the state, our most vulnerable Ohioans are struggling to preserve their homes because of their inability to fund repairs. People who have worked hard all of their life are reaching out to organizations like the ones here today because they are receiving quotes that are thousands of dollars more than what the cost would have been before 2021. At that point, many of these families are left with no choice but to seek help or watch their lifetime investment, sometimes the only asset that they have, fall apart around them. Many times, there is no help for these families.

All of the housing providers today are ready to address the ever-growing housing need; However, more funding is needed. With the steady increase in costs related to construction materials and services, it leaves housing providers with little money to expand services or even to continue at current levels. For example, the same home that cost our organization \$100,000 to build in 2020 now costs us \$130,000 to build, at minimum. In order for us to address these needs, significant investments must be made to bring decent, affordable housing within reach to thousands of deserving families throughout Southeast Ohio.

In closing, I will leave you with a direct quote from a new Habitat homeowner in Southeast Ohio. It's the kind of feeling that many clients share to all housing providers across Ohio once they have access to decent, affordable housing. "Once I moved into my home, everything changed. I graduated school (while working three jobs) and for the first time in my life, I no longer have the feeling of just getting by or being in survival mode". Ultimately, we will pay the price for affordable housing one way or another. We can take the time and resources to build new and preserve our current housing stock, or we can pay for the wrap around services that will be needed to maintain basic health and welfare for families in the future who have nowhere to call home and eliminate the blighted properties that result from this crisis. Thank you for forming this committee and allowing me to testify. By considering access to decent and affordable housing an essential part of being an American, an Ohioan and as a basic human right, we can work together to begin solving this problem and making our communities a better place to live for all.