

Ohio Senate  
Select Study Committee on Housing  
Mayor Steve Patterson, Athens, Ohio  
Hearing Testimony

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

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Good morning, Chair Reynolds, Vice Chair Johnson and members of the Senate Select Committee on Housing. My name is Steve Patterson and I have the honor of serving as the Mayor of the City of Athens, and as the President of the Mayors' Partnership for Progress. In both of these roles, I've become acutely aware of the challenges that communities in our part of the state face when it comes to housing. Much of our housing stock is old or aging, very little new development is occurring, and market pressures have significantly driven up the cost of the available housing for both buyers and renters, just to name a few of these challenges.

Another one of the major hurdles for new housing development at scale in Athens, and in many of our region's communities, is our topography. Much of the undeveloped land is rugged, and costly to prepare for new construction. Developers, understandably, are not willing to take on the high costs associated with major site preparation work, and municipalities are hesitant to speculatively take on this work. And of course, rising construction costs and high interest rates do not help this situation. A planned affordable starter home development in Athens has been put on pause due to these circumstances.

Athens is fortunate to have seen the recent development of around 200 units of new workforce housing, thanks to 9% LIHTC funding from the Ohio Housing Finance Agency and private investment from a developer. This new housing is meeting a significant need in our city for our lower income residents, but there is more work to be done. Our city still needs to see more housing for low and middle income workers, and for our senior citizens.

New housing is key to meeting the economic development goals of our communities. New developments around the region, and future projects we hope to land, will require more housing for the workforce that accompanies major economic growth. And as our outdoor recreation and tourism economy continue to grow, many homes will likely be used for short term rentals. As these homes go off the market, new homes must be built to counteract the impact of such a drop in supply.

I believe that in order to address these challenges, a few things must happen:

- For preparing sites for development,

1. I would like to see the creation of a new program, open to communities and non-profits, which would provide grant dollars for site acquisition, land preparation, and infrastructure buildout on land identified for residential development.
- For increasing the supply of affordable workforce housing,
    1. OHFA must make more money available in the 4% LIHTC Bond Gap Financing program for rural and Appalachian communities. Even with the Appalachian set aside that OHFA has provided in previous years, the financing gap for deals in our region is too high for deals to pencil without significant investment from local governments. Our communities do not have the deep pockets of Ohio's major metropolitan areas, where 4% workforce housing deals are often funded. An additional \$1-2 million in bond gap financing would go a long way in making these deals a reality for our communities, and addressing our lack of workforce housing.
    2. On top of additional Bond Gap Financing, allocation of new State Low-Income Housing Tax Credits towards deals in our region would help close the financing gap for workforce housing developments.
    3. Non-monetarily, guidance and communication from OHFA to communities around how to find and work with developers, the process for their various programs, and other information communities should have to help guide them towards more housing development would go a long way.
  - For enhancing the effectiveness of the Single-Family Housing Tax Credit Program and Welcome Home Ohio Program in Appalachia, which we are excited about and grateful to the legislature for creating,
    1. I would like to see the creation of a set aside under the Single-Family Housing Tax Credit program ensuring a minimum of three developments in Appalachian Ohio. A set aside, similar to the set asides in the 4% and 9% LIHTC programs, would help ensure that these credits and developments are pushed out into our communities, rather than becoming concentrated around our larger metro areas.
    2. I also believe that widening the income requirements defining "Qualified Buyers" for these programs would ensure that all moderate income Ohioans in Appalachia would still qualify for housing built through these programs. (\*Qualified Buyers currently have to have an income of 80%-120% of the area median income)

I thank you all for your time and your willingness to come to our region and learn about our housing needs.