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Written Statement of Megan Riddlebarger, Executive Director,
Corporation for Ohioan Appalachian Development (COAD)
Senate Select Committee on Housing

Thank you, Chair Reynolds, Vice Chair Johnson, Ranking Member Craig, and members of the Senate Select Committee on Housing, for the opportunity to provide testimony to you today regarding Ohio's housing affordability crisis. For the record, my name is Megan Riddlebarger, and I have the privilege of serving as Executive Director for COAD, the Corporation for Ohio Appalachian Development.

COAD was founded in 1971 with a mission to improve the quality of life for individuals and families in Appalachian Ohio. COAD provides direct services in 30 counties in Early Care and Education, Senior Corps, Weatherization and Energy Efficiency, and serves all 88 Ohio counties through our nationally accredited Weatherization Training Center and Center for Lead Abatement. COAD also serves as hub for our 17-member Community Action Agency Network, which provide services and resources to families and individuals living across all 32 Ohio Appalachian counties.

Through our network, COAD Community Action member agencies provide housing services ranging from providing direct rental and housing stabilization assistance, operating emergency and crisis shelters, building and managing affordable housing units, providing referrals to housing resources, free critical home repairs, utility assistance, and energy efficiency and weatherization services – all meant to prevent homelessness, housing and shelter insecurity, and ensure health, safety, and affordability to the individuals and families living across our service area in Appalachian Ohio.

Yet, these efforts are not enough. Rural homelessness and housing insecurity often present itself differently than homelessness in urban areas. While the lack of affordable housing is a statewide issue, Ohio's Appalachian region is challenged by other issues unique to our largely rural region, and one that is marked by persistent poverty, a lack of access to transportation, high unemployment and an aging, largely substandard housing stock. **Our region's housing crisis recently made national news, with the New York Times reporting this summer on Appalachian Ohio children living in campers, tents, in trailers with visible mold and raw sewage, and in homes without running water.**¹

According to the U.S. Department of Housing and Urban Development *2022 Continuum of Care Housing Inventory Count* report, only about a fourth of Ohio's emergency shelter beds were in the state's 32 Appalachian counties last year². That translates to of the 3,314 emergency shelter beds across the state, only 792 of them in Appalachian counties. Last year, in Ohio's rural areas, 4,075 people experienced homelessness — the fifth highest in the country,

¹ <https://www.nytimes.com/2022/09/29/magazine/rural-homeless-students.html>

² *2022 Continuum of Care Report*, U.S. Department of Housing and Urban Development, 2022.

according to the HUD report.³ This means were only able to shelter a fraction of those facing housing insecurity in our communities. To make matters worse, many of those shelter beds are a far distance from where people in need actually are, and without transportation, no way to get there.

According to the National Low-Income Housing Coalition’s annual report, “*Out of Reach*”, in 2022 there was and remains, a significant gap between renters’ income and the cost of rent in Ohio, and it has been increasing for decades.⁴ Housing costs have grown much faster than income, especially for those in the lower income brackets.

In Ohio’s Appalachian counties, where jobs are scarce, and wages are low –a full-time worker in Athens County needs to make \$17.81 an hour to afford a two-bedroom apartment. In Adams, Hocking, Meigs, Monroe, Morgan, Noble, Pike, Scioto, Vinton and Washington it’s \$15.27.⁵ Given the state’s minimum wage of \$10.10 an hour, families are not able to afford a place to live. The 2024 minimum wage increase to \$10.45 an hour will not be enough.

According to the Ohio Housing Finance Agency, over 700,000 Ohio renters are spending over half their income on rent, and Ohio currently has 448,000 extremely low-income renters, with a shortage of about 270,000 rental homes are affordable and available to them.⁶ In Appalachian Ohio, we fear that, without action, this problem only stands to get worse. While we welcome the economic boon that is certain to accompany Intel’s upcoming move into Ohio, we also fear that the introduction of new workers will place additional pressure on an already impossibly tight housing market; given the shortages that exist, we anticipate this demand to trickle down to the rural communities we serve, further squeezing renters and those striving for home ownership. Without adequate housing options for people of all incomes, Ohioans cannot rise to meet the promise of this once-in-a-lifetime opportunity.

Affordability is not the only challenge facing families in Appalachian Ohio. More than 60% of the 5 million homes in the state were constructed before 1978 – when the federal government banned lead in paint – making it probable that many residences are contaminated. And, the likelihood of lead being present in homes is higher in Appalachian counties where housing stock is consistently older. As cited in the 2020 report from the Children’s Defense Fund – Ohio⁷, greater poverty rates and limited remediation resources make it less likely that older homes would have been renovated to remove lead hazards. Consequently, Athens, Morgan, Meigs, Guernsey, Belmont, Harrison, Jefferson, Scioto, Muskingum, Vinton, Jackson, Pike, and Lawrence counties all have **2.5-3.0%+** of households that are at risk of lead poisoning which is the highest in the state. By our estimation, there are approximately 16, 000 homes in

³ Ibid.

⁴ 2022 *Out of Reach Annual Report*, National Low-Income Housing Coalition, 2022.

⁵ Living Wage Calculator, Michigan Institute of Technology <https://livingwage.mit.edu>

⁶ *FY2024 Ohio Housing Needs Assessment*, Ohio Housing Finance Agency, 2023.

⁷ *2020 Children and Families in Appalachian Ohio Data & Issue Brief*, Ohio Childrens Defense Fund, 2020.

Appalachian Ohio where children live and are likely being exposed to lead contamination from paint in their homes.

There remains a deep need for **quality, healthy, affordable housing**, enough beds to meet the currently unmet need for crisis shelters, policies that promote homeownership, more interventions to prevent evictions, deeper investments in ‘housing first’ solutions, and homeownership programs.

We support the recommendations of the **Coalition on Homelessness and Housing in Ohio** to ensure that all Ohioans have access to safe, healthy, decent, and affordable housing, and respectfully urge the Committee to consider them as follows:

1. **Supply-side Tax Credit Programs** – The new State Housing Tax Credit Program included in the biennial budget was a great first step to expanding access to affordable rental housing. This tax credit will augment the federal Low-Income Housing Tax Credit which was created during the Reagan Administration to incentivize private investment needed to fill the gap between the cost of constructing rental housing and the rents lower income residents can afford. This is now the primary source of affordable housing development in the nation. By incentivizing private investment, the federal Low-Income Housing Tax Credit program has financed over 146,000 affordable rental units in Ohio. The Ohio Housing Finance Agency is working to roll out the new state program and we urge this committee to authorize additional funding.
2. **Ohio Housing Trust Fund** – is funded by a fee that mirrors county recording fees, and is the most impactful source of state funding for a variety of local housing programs. Most Ohio Housing Trust Fund funding is allocated for three main categories: housing development and rehab; home repair programs, and homeless services. Last year the Ohio Housing Trust Fund supported homeless services for over 42,000 Ohioans; funded the repair of 21,600 homes, and helped finance the construction and rehabilitation of nearly 300 units of affordable rental units. As an example, COAD member agency Hocking Athens Perry Community Action Agency received \$156,000 to provide emergency home repair and accessibility modifications for homeowners with disabilities who are at or below 50% of Area Median Income. While the biennial budget increased the Ohio Housing Trust Fund’s annual allocation cap to \$65 million annually, we respectfully recommend this committee adjusting recording fees to compensate for inflation and declining real estate activity that will negatively impact future revenues.
3. **Eviction Sealing Legislation** – Evictions inflict long-term damage on evicted tenants: they lose their possessions, important records; children often have to switch schools, live in unstable conditions; families double up in overcrowded conditions; and parents often lose their jobs. During a normal year, Ohio landlords file about 105,000 eviction cases, but that dropped precipitously during the beginning of the pandemic. Ohio is one of only five states in the nation with no cure for nonpayment of rent, allowing for eviction of tenants at will for no fault of their own. Eviction filings remain on tenants’ records,

making it much more difficult to find housing in the future. Legislation allowing tenants to request sealing of past evictions will make help create more housing access for struggling renters.

4. **Landlord Credit Score Cost Assistance** – 60 million American are “unbanked” and 45 million are credit invisible, according to the Governor’s Office. This creates a nearly insurmountable barrier for would-be homebuyers shopping for an affordable mortgage. Governor DeWine’s executive budget included a \$1.5 million/year appropriation to cover landlords’ costs to report rent payments to credit bureaus. We respectfully suggest that this committee revisit this innovative plan to help tenants build positive credit scores needed for homeownership.
5. **Expand Options for Increasing Affordable Homeownership** - by fostering a broader, more innovative and inclusive approach to development, and investing in local programs, initiatives, and stakeholders who are serving affordable homeownership in Ohio communities. Rapidly rising interest rates, dwindling inventory, and sky-high home prices are making the cost of homeownership prohibitively expensive for first-time homebuyers. Adding to these pressures are outdated zoning ordinances that limit the ability to create enough housing to meet demand, and institutional investors, who are buying up starter homes by the dozen and converting them to rentals with monthly rents that are 32% higher than a monthly mortgage payment would cost to own the same home.
6. **Zoning Reform** – many communities are saddled with decades-old zoning laws that prevent construction of housing that is affordable to most first-time homebuyers. Mother-in-law suites that were once a mainstay for working families are illegal in most jurisdiction. Many smaller communities lack the capacity to tackle a zoning code update that requires intensive staff time and public input. But they should be able to create a code that reflects the values and integrity of their community while still looking to a future of growth and opportunity. We respectfully urge this committee to reconsider the executive budget proposal to invest \$1.5 million for grants to help local governments update their zoning codes.
7. **Address Predatory Institutional Investors** – For the last 5-10 years, large, out of state, institutional investors, often backed by private equity firms and Wall Street, have been pillaging our communities, stealing homeownership opportunities from Ohioans. Since 2015, institutional investors have quickly been procuring homes. As of August 2022, 1,295 units could be traced to one or two institutional investor – former owner-occupied units that are now rentals. That is 7.5% of the housing stock in the community. We appreciate and support Senator Blessing’s efforts to curtail pernicious impact of institutional investors in the housing market, including SB 36 which would offer tenants the right of first refusal on foreclosed properties and SB 76 which would levy taxes on bulk home purchases. We encourage this committee to support these efforts and expand upon them.

8. ***Increase funding for Home Repair Programs*** – Many local community action agencies, area agencies on aging, and other nonprofits offer home repair assistance to low-income homeowners, but demand greatly outstrips funding. The Ohio Department of Development provides significant funding for home repair programs through the federal Community Development Block Program and the Ohio Housing Trust Fund. We urge this committee to consider ways to increase funding for these critical programs that keep vulnerable Ohioans in their own homes. The post-pandemic housing market boom dramatically raised property values, which is driving property tax increases around the state. Ohio also has an aging housing stock. Over half of all homes were built prior to 1970 and 1 in 4 were built prior to 1940. Houses must be cared for continuously, otherwise they, like all things become victims of decay and neglect. The homeowners most affected by the rising cost of owning and maintaining a home include seniors and people with disabilities who live on a fixed income and were already struggling to maintain their homes. A leaking roof or broken furnace often makes their homes uninhabitable, leading to premature placement in nursing homes or other state-supported institutions.

9. ***Foreclosure Prevention Programs*** – As with eviction, home foreclosures saw a significant decline in 2020, however, foreclosures are ticking back up to pre-pandemic levels. Life comes with many ups and downs, and helping people who achieved the dream of homeownership to remain in their homes is a vital element to housing stability. To prevent a spike in foreclosures during the pandemic, Ohio was awarded \$280 million from the American Rescue Plan Act to fund Save the Dream Ohio, which provides mortgage and utility assistance to homeowners. Administered by the Ohio Housing Finance Agency, this program has helped nearly 29,000 households avoid foreclosure and utility shutoffs, but funds are running out. This funding was an effort to address emergency needs, but it only pressed pause. We are now seeing a resurgence in foreclosures and urge this committee to explore ways to continue to fund foreclosure prevention strategies.

Finally, to achieve long-term results, there is a need to address the “root causes” of homelessness and housing insecurity. In Appalachian Ohio, this includes a need for more living wage jobs, and more treatment options for people coping with trauma, serious mental illness, and substance use disorders. We hope that the committee will keep this at the forefront as they continue to explore issues of housing in Ohio.

We would also like to express our gratitude to Amy Riegel, Executive Director of the Coalition on Homelessness and Housing in Ohio for her tireless efforts on behalf of us providers across Ohio working to end housing insecurity and homelessness and framing the above referenced recommendations to address Ohio’s housing and homeless crisis.

Thank you to this Committee for your time today, and for your commitment to working diligently in finding solutions to Ohio's housing and homeless crisis. We look forward to working with you on strategies for helping all Ohioans be safely housed, sheltered, and having the ability to reach the American dream of home ownership.

For more information on the **Coalition on Homelessness and Housing in Ohio**, please visit their website at: <https://cohhio.org> .

For more information on the **Corporation of Ohio Appalachian Development (COAD)** and our member agencies serving Appalachian Ohio, please visit our website at: <https://coadinc.org> .

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