



Testimony to the Senate Committee on Ways and Means

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Chairman Blessing, Vice Chair Roegner, Ranking Member Smith, and members of the Committee:

Thank you for the opportunity to provide testimony today. My name is Edward Stockhausen, and for the last two and a half years I have been working with a statewide coalition interested in preserving homeownership opportunities for low-income Ohioans. My partners in this work include representatives from the Affordable Housing Advocates of Central Ohio, Enterprise Community Partners, the Franklin County Auditor's Office, the Greater Ohio Policy Center, Fairfax Renaissance Development Corporation, the Cuyahoga County Land Bank, the Cincinnati Development Fund, the Cincinnati Community Action Agency, and many other organizations. They are incredible partners in this work, and so much of what you'll hear comes and represent a broad group of interests and perspectives.

As you have heard throughout testimony to this committee and likely through calls to your offices, there is a great deal of concern across Ohio about increases in property taxes. Those increases are the outcomes of a long-established system of laws governing the calculation and adjustments to property taxes. These increases are especially problematic for low-income homeowners, who are most at risk of losing their homes to tax foreclosure because their household incomes can not keep up with rapid increases in property taxes.

If you are curious about the scale of this problem, we can quantify that for you. In total, there are 4.7 million households in Ohio. That includes homeowners and renters. Of those 4.7 million households, we know that:

- **3.128 million (66%) are homeowners.**
- **Approximately 991,695 households (21%) own their homes *and* have an income at or below 80% of the area median income (AMI).** AMI is variable based on household size, and Ohio's 2023 AMI for a one-person household was \$49,400 and \$63,500 for three people. (Source: [FY2023 Income Limits Documentation System](#), The US Department of Housing and Urban Development.)
- **511,960 households (11%) are "housing cost burdened."** That means their mortgage payments, utilities, association fees, insurance, and real estate taxes all add up to more than 30% of the household's monthly income.

To that end, I have included several maps along with my testimony. Using data from the US Department of Housing and Urban Development, we mapped out homeowner households at 80% of area median income – and we did this across all

census tracts in Ohio. I've provided links to these maps in the list below, but the gradients of each geographic area represent higher and lower concentrations of these types of households.

List of Maps

- [Number of owner-occupied households below 80% AMI – by census tract](#)
- [Percentage of owner-occupied households below 80% AMI – by census tract](#)

As the maps show, the intersection of high homeownership and high is not an urban problem. Nor is it a suburban, or a rural problem. This is an Ohio problem. It manifests everywhere – with a gradient that increases towards Ohio's Southeastern, Appalachian communities.

For the households identified in these maps, homeownership can be threatened when property taxes outpace inflation, when they outpace wage growth, and when they outpace a homeowner's ability to make improvements to their own homes while new development happens around them.

Those property tax increases can be driven by many factors. Declines in value in one part of a city can force increases elsewhere. Increased real estate activity – from sales to new development – are also factors. And, as you have heard, those increases can drive people out of their homes – and likely out of homeownership entirely.

To that end, our statewide coalition has spent several years analyzing property tax programs in other states, developing proposals that could work in Ohio, and testing those ideas with partners. Anyone interested in learning about the various homestead credits, circuit breakers, or deferral programs should read the Lincoln Land Institute's research on this topic. Suffice it to say, though, that many states – red states, blue states, and in between – have programs to help low-income homeowners. None of those programs, though, can be lifted wholesale to solve Ohio's problems.

That is why our statewide coalition would like to put a spotlight on one proposal that merits your attention. Senators Michele Reynolds and Hearcel Craig introduced Senate Bill 244 last month as one of four bills coming from the Ohio Senate Select Committee on Housing's work over the last year. Senate Bill 244 would give local governments the permissive authority to create "Residential Stability Zones," a concept modeled on Ohio's existing law on residential tax abatements.

Broadly speaking, Senate Bill 244 would:

- **Give local governments permissive authority** to enact property tax relief programs, as described below, so that mayors and city councils can decide if they want to implement a program at all.
- **Require local governments to identify the "Residential Stability Zone," a geographic area in which their program would operate.** This requirement mirrors the creation of Community Reinvestment Areas for residential tax abatement.
- **Allow local governments to reduce increases in assessed value by a certain percentage, for the purposes of taxation only.** If a county auditor were to determine that a home should go up in appraised value from \$150,000 to \$200,000 – and the assessed value would therefore go up from \$52,500 (35% of \$150,000) to \$70,000 (35% of \$200,000) – a local program would reduce the \$17,500 increase in assessed value by a certain percentage, between zero and 100%. This design preserves knowledge of the full assessed value of the home, which would come fully online whenever the property transfers ownership in the future.
- **Establish a maximum, annual income to cap eligibility.** Eligibility for these programs should be limited and targeted, and the first limitation should be household income. Senate Bill 244 adopts the Area Median Income (AMI) for either the regional metropolitan statistical area (MSA) if the local government is in an MSA or the

county if the local government is not in an MSA. This would force adjacent communities to work within the same framework.

For today, I have included a table showing the AMI data by household size for several Ohio regions.

<i>Household Size</i>	<i>Cincinnati MSA</i>	<i>Columbus MSA</i>	<i>Cleveland-Elyria MSA</i>	<i>Hocking County</i>	<i>Lima MSA</i>	<i>Youngstown-Warren-Boardman</i>
<i>1 person</i>	\$56,650	\$55,550	\$50,650	\$44,000	\$43,900	\$43,900
<i>2 Person</i>	\$64,750	\$63,500	\$57,850	\$50,250	\$50,200	\$50,200
<i>3 Person</i>	\$72,850	\$71,450	\$65,100	\$65,100	\$56,450	\$56,450
<i>4 Person</i>	\$80,900	\$79,350	\$72,300	\$62,800	\$62,700	\$62,700

Source: [US Department of Housing and Urban Development, 2024](#)

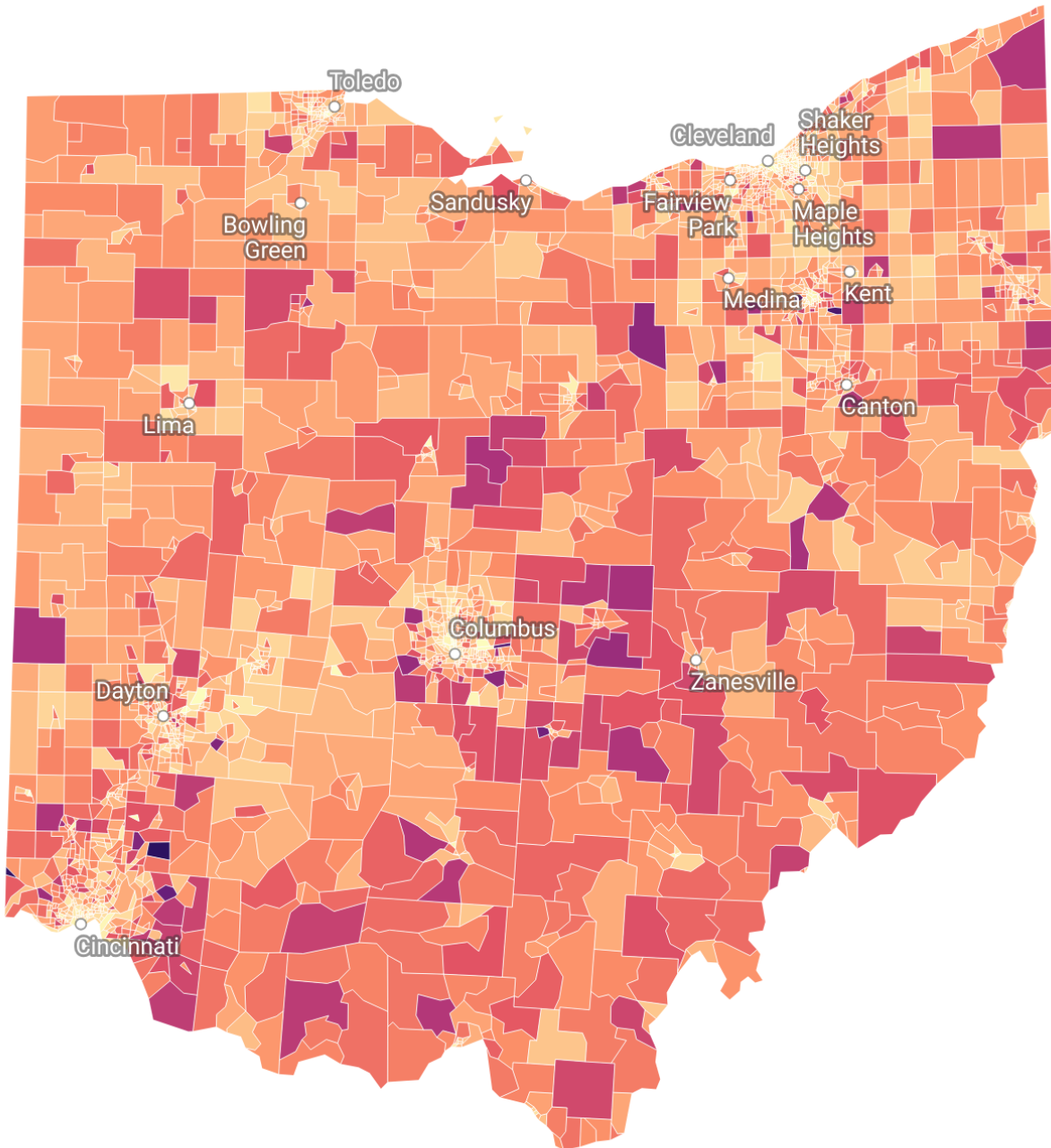
- **Provide property tax relief to a qualified homeowner for six years, after which time they could reapply and re-qualify.** Six years mirrors the sexennial reappraisal cycle that county auditors are required to follow.
- **Empower jurisdictions to include other eligibility criteria for their programs.** Local governments may want to limit eligibility for these programs to keep them targeted. Examples of additional, locally imposed eligibility criteria include:
 - *Imposing a minimum age for homeowners*, if a local government wanted to target a program to seniors.
 - *Imposing a minimum length of home ownership*, so that programs are focused on long-time homeowners.
 - *Reducing the maximum household income*, bringing it down from whatever maximum is set by state law and reducing it to a level that the local government deems appropriate for their community. The state could even set a minimum length of homeownership and allow local governments to increase it if they see fit.
 - *Implementing programs for homeowners with disabilities*, because oftentimes families create unique living arrangements to support their loved ones as they age into adulthood.
- **Require local governments to reauthorize their programs every ten years.** That way, programs are updated on a semi-regular basis and no program lasts in perpetuity without reconsideration.

An important distinction between Senate Bill 244 and other proposals, including those that would expand Ohio’s Homestead Exemption, is that the State of Ohio makes up the difference in local taxes when someone qualifies for the homestead exemption. Senate Bill 244 would not require the State to make up this difference, and our coalition recognizes that this is a trade-off with the permissive authority to implement a Residential Stability Zone. Others may see this is a shortcoming, but our coalition believes this is pragmatic. As the demonstration on screen shows, Residential Stability Zones would not result in a *loss* of funding from a single household, but would limit increases in additional property tax revenue generated from the way values are calculated and assessed.

Chairman Blessing, Vice Chair Roegner, Ranking Member Smith and members of the Committee: Thank you for the opportunity to testify. Senate Bill 244 is an opportunity to help Ohio homeowners, improving their quality of life and preserving homeownership while simultaneously keeping Ohio's commitment to be a pro-growth, pro-investment state. I would be happy to answer any questions you may have.

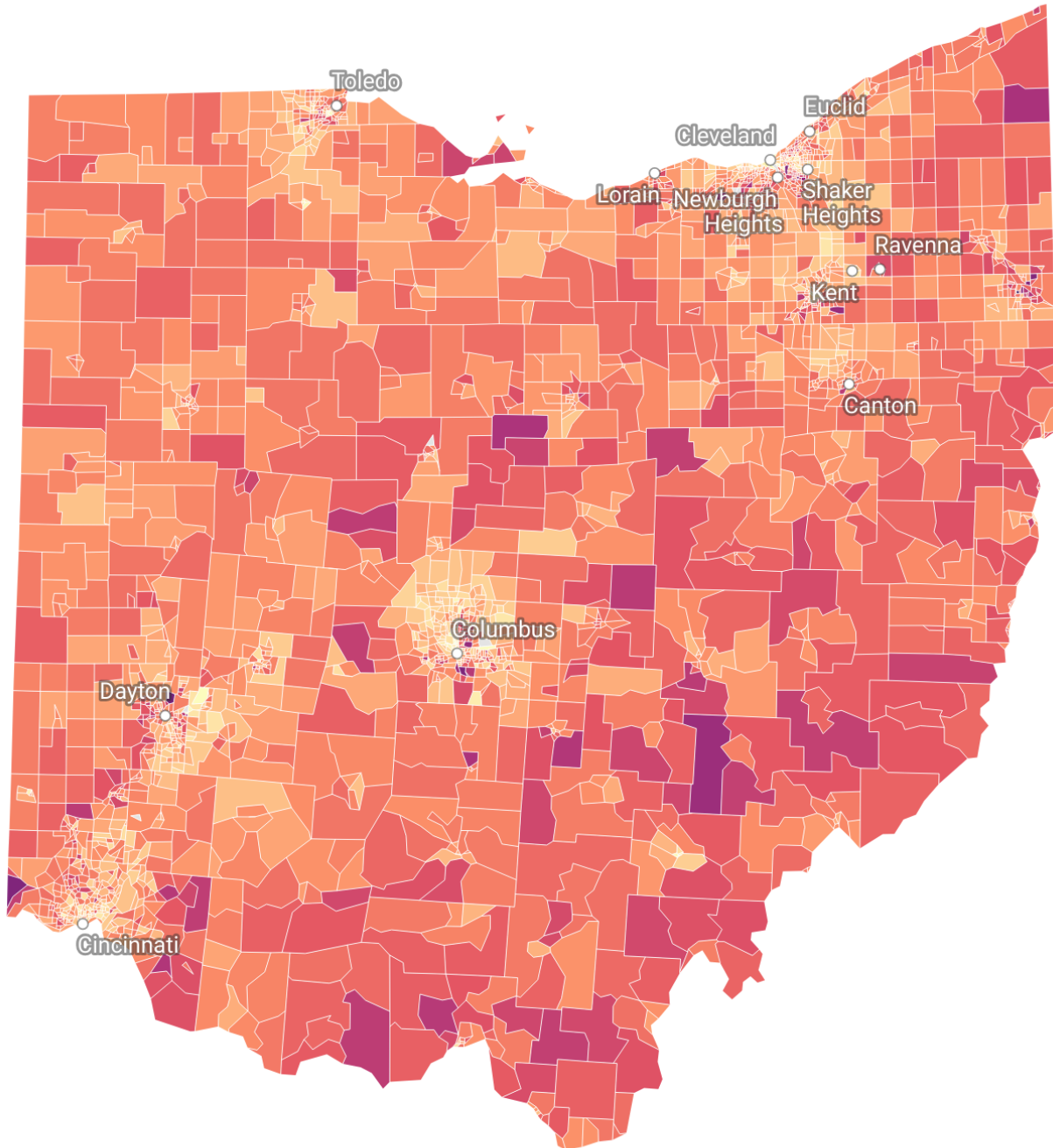
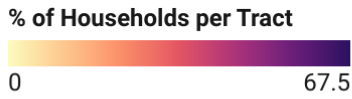
Number of Owner-Occupied Households below 80% AMI (by Census Tract)

of Households



Map: Cleveland Neighborhood Progress • Source: HUD CHAS • Created with Datawrapper

Percentage of Households that are Owner-Occupied and below 80% AMI (by Census Tract)



Map: Cleveland Neighborhood Progress • Source: HUD CHAS • Created with Datawrapper