

House Development Committee
Interested Party Testimony, House Bill 96 (Stewart)
Rachel Bridenstine, Executive Director, Western Reserve Community Fund, Inc.
Wednesday, March 5, 2025

Chair Hoops, Vice Chair Lorenz, Ranking Member Abdullahi and members of the House Development Committee, thank you for the opportunity to present Interested Party Testimony on House Bill 96, the main operating budget for fiscal years 2026 and 2027.

My name is Rachel Bridenstine, and I am the Executive Director with Western Reserve Community Fund, Inc. I am testifying today to respectfully request the Legislature include a new proposed \$50 million CDFI Fund Program in House Bill 96, the state's Main Operating Budget.

Community Development Financial Institutions, or "CDFIs" are mission-driven lenders. My organization is a loan fund, along with another dozen or so in Ohio and hundreds across the country. We are certified and regulated by the U.S. Department of Treasury.

Throughout its 5-year tenure, Western Reserve Community Fund (WRCF) has provided nearly \$15M to small businesses, nonprofits, and real estate developers within the Greater Akron region. These businesses and nonprofits have created or retained over 800 jobs for local communities, restored vacant properties, and created businesses in the region. Despite lending and working with borrowers who typically do not qualify for a typical bank loan, WRCF has a default rate on par with traditional financial institutions.

For example, WRCF provided HG Development with two loans totaling over \$400,000 to develop property in the Akron communities of Kenmore and Middlebury. HG Development has worked to revitalize Akron neighborhoods and allowed tenants to remain in their homes who may have otherwise been displaced. HG Development is a small real estate development business with a proven track record of developing affordable housing as well as improving commercial and residential properties. Our work with HG Development has been instrumental in preserving neighborhoods.

Another example of WRCF's investment in northeast Ohio is Caring for Kids, a nonprofit adoption, foster care, and birth parent service agency which supports over 250 children annually. WRCF provided a \$375,000 loan for the purchase and property improvements of land in Cuyahoga Falls, Ohio. Assisting Caring for Kids in maintaining their presence in the Akron/Cuyahoga Falls area was critical for them to continue to support their clients and the community they serve. These are just two examples of the over 200 loans WRCF has made. The impact on the community and surrounding region cannot be understated.

We know the need for risk-tolerant capital is great in Ohio. We do our best to provide financing or refer potential borrowers to another CDFI or bank when we cannot support them. Often, our lending is limited because we do not have the available capital on hand to lend or have the resources we need to provide the intensive support and education some borrowers need.

Michigan's Legislature saw similar trends and wanted to do something that would encourage more entrepreneurs, build more housing units, return under-utilized commercial properties to use, and expand existing businesses. In 2022, Michigan created a [\\$75 million Michigan CDFI Fund](#) for the loan funds operating in Michigan. In 2023, Michigan allocated another \$19 million

to fuel investment in rural and low-income areas, and last year, Michigan allocated an additional \$5 million to its CDFI Fund.

The Ohio Department of Development already works with several CDFIs in Ohio. Since 2022, ODOD has run the [CDFI Loan Participation Program](#). This program, per federal guidelines, is specifically for small business borrowers.

We are now asking the Ohio General Assembly to follow other states, like Michigan and New York, and invest in all CDFI loan activity: small business lending and real estate lending.

A \$50 million grant to the members of [Ohio's CDFI Network](#) will get lent out over and over, having much greater and longer-lasting impact than a one-time grant to a small business owner or housing developer.

Chair Hoops and members of the House Development Committee, thank you for the opportunity to provide interested party testimony on a tool that will have ongoing impact throughout Ohio for years to come.