

House Development Committee
Interested Party Testimony, House Bill 96 (Stewart)
Joe Huber, President/CEO, Cincinnati Development Fund
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 Joe Huber, and I am the President/CEO with Cincinnati Development Fund. 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.

My CDFI, Cincinnati Development Fund, lends to small businesses, commercial real estate developers, housing developers, nonprofits, etc. and primarily serves Southwest Ohio. Despite lending and working with borrowers who typically do not qualify for a typical bank loan, Cincinnati Development Fund has a default rate lower than traditional financial institutions.

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Huber", with a long horizontal stroke extending to the right.

Joe Huber
President/CEO
Cincinnati Development Fund