



House Finance Committee
House Bill 96
Torey Hollingsworth, Executive Director, Ohio CDC Association
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Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and Members of the House Finance Committee, thank you for the opportunity to provide testimony on House Bill 96. My name is Torey Hollingsworth, and I am the Executive Director of the Ohio CDC Association (OCDCA), a statewide membership organization of over 250 locally based rural and urban nonprofits that work to rebuild neighborhoods and help Ohioans build wealth and improve their quality of life.

Our members revitalize distressed communities by building, rehabilitating, and preserving affordable, safe for-sale homes and rentals for Ohio families. Funding for these projects has historically been pieced together from a combination of federal, local and private resources. We were pleased to see the state's commitment to add several dedicated funds to support affordable housing in the last budget, including creation of the Welcome Home Ohio Program (WHO) with \$100 million in grants and \$50 million in tax credits, and the Single-Family Tax Credit with \$100 million in tax credits over the biennium.

The WHO program has created significant opportunities for new construction and rehabilitation of single-family for-sale homes across the state, **and we ask for your support of continued funding at the same level as the last budget.** This ask is part of the Home Matters to Ohio platform, which was put forward by a coalition of housing, community development, and business organizations and aims to address the spectrum of housing needs across Ohio. Aimed at buyers at or below 80% of the area median income, the program brings significant resources to help make homeownership affordable for young families and other first-time buyers that may otherwise be priced out of the tight housing market.

With dollars slated for both new construction and rehab, the program is especially well-suited to the community development model, which aims to comprehensively address poor housing conditions in a neighborhood- helping long-time residents regain and grow equity in their homes while also creating opportunities for new families to build wealth.

Ohio's community development nonprofits, often known as community development corporations or CDCs, can and have partnered with their local land banks to access the WHO grant funds, but

by statute are limited to applying directly only for the tax credit portion of the program. While tax credits can be an effective way of bringing equity into a housing development project, it takes sustained work to build relationships with and educate possible tax credit investors. Particularly when a program is new, it is challenging to encourage these investors that the program is worth their risk, which can drive down the price they are ultimately willing to pay for the credits. Given that, although some WHO tax credits have been awarded, these dollars have flowed much slower than the grant portion of the program and questions remain as to whether there will be sustained demand for the credits from investors. Similar challenges have prevented the Single Family Tax Credit from being widely used, although there is no shortage of need for these resources.

Ohio CDCs are strong partners with their local governments and land banks, as demonstrated by their involvement in the majority of WHO grants that have been awarded to date. However, as some counties do not have a land bank, or their land bank for an assortment of reasons may choose not to pursue the grants, **we ask that you include a budget amendment to allow CDCs to apply directly for the grant portion of the program.** While many CDCs will continue to partner with their local land bank on these applications, reducing the red tape for the application process will allow CDCs to move more swiftly to bring additional housing online at a time when it is desperately needed. We also ask for your support of additional technical changes to the program as recommended by the Ohio Land Bank Association.

Welcome Home Ohio is a powerful tool for Ohio communities to create affordable single-family housing, while strengthening and restoring neighborhoods. The as-introduced budget includes \$40 million for WHO in fiscal year 26. **We ask that you increase funding for this program to the same level as the previous budget, \$50 million each fiscal year for grants so that we can continue to address Ohio's need for additional housing across the state.**

Thank you again for the opportunity to testify today. I'm happy to answer any questions you may have.