

Written Testimony to the Ohio Senate Finance Committee

Sub. House Bill 96

State Operating Budget

May 23, 2025

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson and members of the Senate Finance Committee: Thank you for the opportunity to provide testimony on behalf of the three Ohio offices of the Local Initiatives Support Corporation—LISC Cincinnati, LISC Cleveland, and LISC Toledo—regarding housing provisions in Sub. House Bill 96, the state’s operating budget. Collectively, we speak with one voice to emphasize the urgent and growing need for housing investment across Ohio, and to express our strong support for the housing policy priorities advanced by the Home Matters to Ohio coalition (www.homemattersohio.com).

About LISC

LISC is a national nonprofit organization and certified Community Development Financial Institution (CDFI) that works in urban, suburban, and rural communities across the country to forge resilient and inclusive economies. In Ohio, we operate local offices in Cincinnati, Cleveland, and Toledo, and are also part of LISC’s national Rural network. We invest in affordable housing, economic development, workforce and small business support, and community health and safety. Our work is grounded in local partnerships, driven by data, and focused on delivering real results for people and places.

Across Ohio, LISC has collectively invested more than \$500 million in community development, supporting over \$1.6 billion in total development activity. This includes the creation and preservation of thousands of affordable homes and millions of square feet of community, retail, and commercial space. Through this work, we have seen firsthand how access to safe, affordable housing can stabilize families, fuel economic mobility, and revitalize neighborhoods.

The Housing Challenge in Ohio

Today, too many Ohioans are struggling to find a safe, stable, and affordable place to live. Families are spending far more than 30% of their income on housing. Seniors are aging in place in homes that need critical repairs. First-time homebuyers are competing with institutional investors and facing steep barriers to ownership. And vulnerable populations are at risk of homelessness or displacement due to rising costs and lack of housing options.

Ohio is poised for economic growth, but without adequate housing, that growth will stall. Employers will struggle to attract and retain talent, communities will miss out on investment, and families will continue to fall behind. We cannot have a thriving economy without a strong foundation of housing.

Housing Tools in Sub. HB 96

We urge the Senate to protect and optimize the housing programs and tools included in HB 96 that are important to increase housing supply across the state and reducing costs for our workforce and seniors.

The Ohio Low Income Housing Tax Credit has seen significant demand and has been oversubscribed from the start of the program. This tax credit is helping bring private investment to the table to build housing in many areas across the state. **We urge the Senate to increase the program to at least \$250 Million, commensurate with significant demand across the state.**

We support the package of technical changes to the Welcome Home Ohio program. In its short operation, this program has been successful in getting single family homeownership projects started across the state and the changes you have included should help optimize and incentivize more supply to be built.

In addition, we ask the Senate to adopt amendment SC 136 1327, which would make technical changes to the Single Family Tax Credit. This tax credit, designed to build homes across the state, need a few changes in order to attract private sector investors to the program. This package of technical changes should help spur investment in this new tool that will help ensure Ohio working families can achieve the dream of home ownership.

We also support the creation of a Housing Accelerator program, which will incentivize local governments to make proactive moves and changes to local regulations that would make it easier to develop a range of housing options in their jurisdictions. We urge the Senate to provide enough funding for a viable pilot program, which we believe local governments across the state will embrace. Local governments desperately need resources, tools and technical assistance to help address their local housing challenges. This program could become an important lynchpin in those efforts.

The Ohio Housing Trust Fund: Critical Support for Housing Opportunities Across Ohio

We urgently request that the Senate adopt amendment SC 136 1326, which will remove House language that will significantly change the way the Ohio Housing Trust Fund works and operates. In addition, the amendment creates a study committee to bring stakeholders together to review impact, examine issues around local control, and create efficiencies to provide for sustainability of the fund.

The Ohio Housing Trust Fund (OHTF) is the state's most effective and flexible tool for addressing diverse and urgent housing needs. It funds emergency home repairs, homelessness prevention, accessibility modifications, down payment assistance, housing counseling, and more—reaching all 88 counties, including many communities that lack other forms of housing support.

The OHTF is an especially critical source of funding for rural areas and small communities. In fact, state law requires that at least 50% of OHTF resources are directed to Ohio's non-urban counties. In the 2023–2024 program year, nearly 70% of Trust Fund investments went to rural areas and small communities. This is made possible in large part because over 50% of the fee revenue that supports the Trust Fund comes from Ohio's largest urban counties—demonstrating a proven, effective partnership between urban resources and rural needs.

Unfortunately, OHTF revenues, which primarily come from Recording Fees, have been declining sharply in recent years. This decline threatens the Trust Fund's effectiveness and its ability to leverage other essential funding sources. Current funding levels are simply not enough to meet the growing scale of need across Ohio.

Today, the state administers the Trust Fund at a very efficient rate of just 4% in administrative costs. Such a change would create 88 new layers of bureaucracy and inefficiency, forcing each county to bear the cost of administration. Fragmenting oversight across 88 counties would dramatically increase costs and greatly diminish the state's return on investment.

State oversight of the OHTF ensures that every dollar is strategically invested to leverage additional private and federal funds. Currently, every \$1 from the Trust Fund attracts an additional \$3.71 from federal Low-Income Housing Tax Credits, federal HOME dollars, local government contributions, and private financing. In total, every \$1 invested by the Trust Fund generates \$9.55 in overall economic activity for Ohio—a powerful return that benefits communities statewide.

Every dollar invested in the Ohio Housing Trust Fund improves lives, strengthens communities, and delivers a strong return for Ohio. Protecting and expanding this vital resource is essential for Ohio's future.

Conclusion

We appreciate the Senate's consideration of our testimony and urge support for the tools and programs needed to increase housing supply and affordability across our great State. Your leadership will ensure that Ohio's families, workforce and seniors are able to have safe, stable and affordable housing, which is foundational to the success of every other state taxpayer investment.

If you have any questions or would like additional information, we can be reached anytime at:

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