

Senate Finance Committee
Interested Party Testimony, House Bill 96 (Stewart)
Luke Blocher, Cincinnati Development Fund
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 present Interested Party Testimony on House Bill 96, the main operating budget for fiscal years 2026 and 2027.

My name is Luke Blocher, and I am the Chief Strategy Officer and General Counsel of the Cincinnati Development Fund (CDF). 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.

The Cincinnati Development Fund has a 37-year history making impact in Greater Cincinnati. Through our varied lending programs, we partner to create jobs, rebuild business districts, and develop market-rate and affordable housing. We are proud partners of jurisdictions, investors, developers, lenders, and nonprofits in Hamilton County. Since 2022, when our specialized Affordable Housing Leverage Fund (AHLF) was created, we have closed on 75 investments for 40 projects, representing \$55.1M invested into creating and preserving over 1300 units of housing, 1254 of which are income-restricted. Our AHLF investments have an incredibly robust leverage ratio, resulting in \$334.8M of total project investment since 2022. The impacts we've created in Southwest Ohio demonstrate compelling evidence that CDFIs provide a significant return on investment for public dollars.

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 Cirino and members of the House Finance 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.