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Testimony of Catherine Cawthon
President and CEO, Ohio Capital Corporation for Housing
Ohio Senate Finance Committee
Sub. House Bill 96 – State Operating Budget
June 6, 2025

Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson and members of the Senate Finance Committee:

Thank you for the opportunity to provide testimony today on Substitute House Bill 96. My name is Catherine Cawthon, and I serve as President and CEO of the Ohio Capital Corporation for Housing (OCCH), a nonprofit financial intermediary focused on affordable housing investment, development, and preservation. Through our leadership and collaboration, we help ensure that Ohio's housing delivery system meets the needs of investors, developers, and our local communities. For over 35 years, we have leveraged over \$6.7 billion in equity investment to finance housing development across 10 states, but our focus has always been in our home state of Ohio, where we have provided nearly \$4.2 billion in equity investment, facilitating the development of over 53,000 units of housing for Ohio's working families in every part of the state.

I am here to speak in strong opposition to the Senate provision in House Bill 96 that would eliminate the Ohio Housing Finance Agency (OHFA) as an independent, quasi-public agency by absorbing it into the Ohio Department of Development.

OHFA is the engine behind Ohio's housing system. It serves as the state's housing finance agency that administers federal and state resources that make affordable housing opportunities available to first-time homebuyers, renters, seniors, and other special needs populations. OHFA's programs and other critical tools enable public-private partnerships to thrive. These programs bring together public resources and private investment to finance affordable housing across our state.



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This provision is not just a matter of agency structure. It is a matter of economic competitiveness and fiscal responsibility. Federal Housing tax credits are allocated by the state government, but priced by the market. Investors and developers look for stable, predictable, and transparent programs—qualities that OHFA has consistently delivered as an independent agency. The result is that Ohio has remained competitive in attracting private capital to match public funds, enabling us to stretch every taxpayer dollar further.

The current structure of a state-chartered housing authority, independent, operating under a board of directors is the national best practice. The General Assembly voted in 2005 to move OHFA from the Department of Development and establish it as an independent state agency that allows it to institute cost saving measures and achieve efficiencies to meet Ohio's long-term housing needs. For the past 20 years, it has been a stable, mission-driven, technically sophisticated agency with deep relationships across the public and private sectors. Disrupting that independence introduces unnecessary risk into the market. Even a slight perception of disruption or operational instability can cause investors to devalue Ohio's credits. To put that into perspective: if the market reduces the price paid for Ohio's tax credits by just one penny, the loss in capital would equate to the elimination of one entire affordable housing development—about 70 units. A ten-cent drop would cost Ohio 700 desperately needed homes.

This risk is not hypothetical. We've seen it play out in other states. Prices fall, development slows, and the housing deficit worsens. Ohio cannot afford that outcome. We are already facing a significant shortage of affordable housing, and we need every available tool operating at full strength to reverse that trend.

Replacing this with a new governance structure—at a time when housing needs are growing more urgent—is a step backward. OHFA's current Board of Directors, appointed by the Governor, represents stakeholders across the housing industry and brings a level of scrutiny and oversight to this critical public-private partnership. OCCH is incredibly excited about the new leadership at OHFA and the direction they are taking under the Board's direction, making the agency more efficient, more transparent, more collaborative with stakeholders and local governments, and most important – more effective in delivering housing resources to all parts



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of the state. In addition, recent legislation has created new Board seats for 2 members from each Chamber of the General Assembly, bringing fresh ideas, engagement and oversight. We look forward to see Senators Reynolds and Craig's and Representatives Lorenz and Russo's contributions to OHFA in the months ahead as they start their Board tenure.

On behalf of OCCH and our many investor and financial institution partners throughout the state, I urge this committee to remove the provision in House Bill 96 that would reorganize OHFA. Let's protect what is working and continue to build a stronger, more affordable Ohio.

I also want to thank the Senate for preserving several critical tools for the development of housing across the state, specifically the OHLIHTC, Welcome Home Ohio and the Ohio Housing Trust Fund. We could not do the work we do without these tools that leverage private sector investment and appreciate your support.

I'm happy to answer any questions you may have.

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