



**Representative Jim Hoops**  
Ohio's 81st House District

## House Bill 560

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Chair Manchester, Vice Chair Cutrona, Ranking Member Denson and members of the Families, Aging and Human Services Committee, we appreciate the opportunity to address you about our legislation, House Bill 560, which would create an Ohio Affordable Housing tax credit.

Ohio is in the midst of a severe shortage of affordable housing for poor *and* working-class households. In 2020, only three of the 10 most common jobs in Ohio paid an hourly rate necessary for a worker to afford a modest, two-bedroom apartment. This causes a significant rent burden not only among Ohio's lowest income but also moderate-income renters across the State.

Due to the shortage of affordable housing, nearly 400,000 households in Ohio face a severe cost burden, spending over half their income on rent. More than 90% of renters who make under \$22,750 are considered rent burdened; 73% of renters who make between \$22,750 and \$37,900 are rent burdened; and 30% of renters who make between \$37,900 and \$60,650 annually are rent burdened. We need to address this challenge, not only for low-income families and the many seniors and veterans on a fixed income, but also for working class households.

According to the Ohio Housing Finance Agency (OHFA), we need 250,000 more affordable housing units across the state right now. The largest driver of affordable housing development nationally is the federal Low-Income Housing Tax Credit, also known as "LIHTC." This bipartisan program was created during the Reagan Administration to encourage the private sector to invest in and develop affordable housing.

Federal LIHTC comes in two forms: a 9% and 4% credit. The 9% credit is allocated through a competitive process. Projects utilizing the 4% credit are financed in part with federal tax-exempt bonds. Each year, Ohio is allocated about \$120 million of federal bond volume cap for multifamily development. Unfortunately, due to a lack of private sector investment in Ohio, much of this federal allocation has gone unused in our state since 2015. Said another way, Ohio is leaving money on the table and some of our constituents out in the cold.

With That I would like to turn over to my joint sponsor. Representative Gail Pavliga