

# LISC GREATER CINCINNATI

## Hearing of the Ohio House Government Oversight Committee

### Testimony of Kristen Baker, Executive Director

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Chair Peterson, Vice Chair Thomas, Ranking Member Humphrey and members of the House Government Oversight Committee, my name is Kristen Baker and I am the Executive Director of LISC Greater Cincinnati. I want to thank you for the opportunity to provide written testimony in support of HB 499. This bill and the concept within it is incredibly important and timely, when Ohio is poised for tremendous economic growth. Foundational to this growth is availability of housing that meets the demands of families now and into the future.

#### ***About Local Initiatives Support Corporation (LISC)***

LISC is a non-profit housing and community development organization and certified Community Development Financial Institution (CDFI) with offices in 38 cities throughout the United States, and a rural network encompassing 146 partners serving 49 different states. LISC's work supports a wide range of activities, including affordable housing, economic development, building family wealth and incomes, education, community safety, and community health. LISC and its affiliates raise and deploy well over \$2 billion annually in grants, loans and equity capital into distressed urban and rural communities.

LISC is an investor, capacity builder, convener, and innovator. LISC is uniquely positioned to connect hard-to-tap public and private resources to community needs. We raise funds from foundations, corporations, financial firms, federal, state and local governments, and through the capital markets. Through public and private dollars, we are able to invest in neighborhoods and people working to access opportunities every one of us deserves. In Ohio, LISC works across the state through offices in Toledo, Cleveland, and Cincinnati, and our LISC Rural network. We collaborate to support innovative, scalable solutions in our communities, including tools like homeowner repair programs and housing financing strategies.

Our impact in the region and across the state is substantial. Over the last two decades, LISC Greater Cincinnati has invested more than \$193 million in the community, supporting more than \$686 million in community development projects. We have supported the development of over 2,700 housing units and 1.75 million square feet of commercial, retail, and community space. LISC Toledo has invested \$171 million in the community while leveraging another \$285 million. We have supported the creation of over 2,100 affordable homes, and over 1.4 million square feet of commercial, retail and community space. Over the last two decades, LISC Cleveland has invested more than \$160M supporting almost \$653M in projects - resulting in over 2M square feet of commercial space and over 5,100 units of affordable housing.

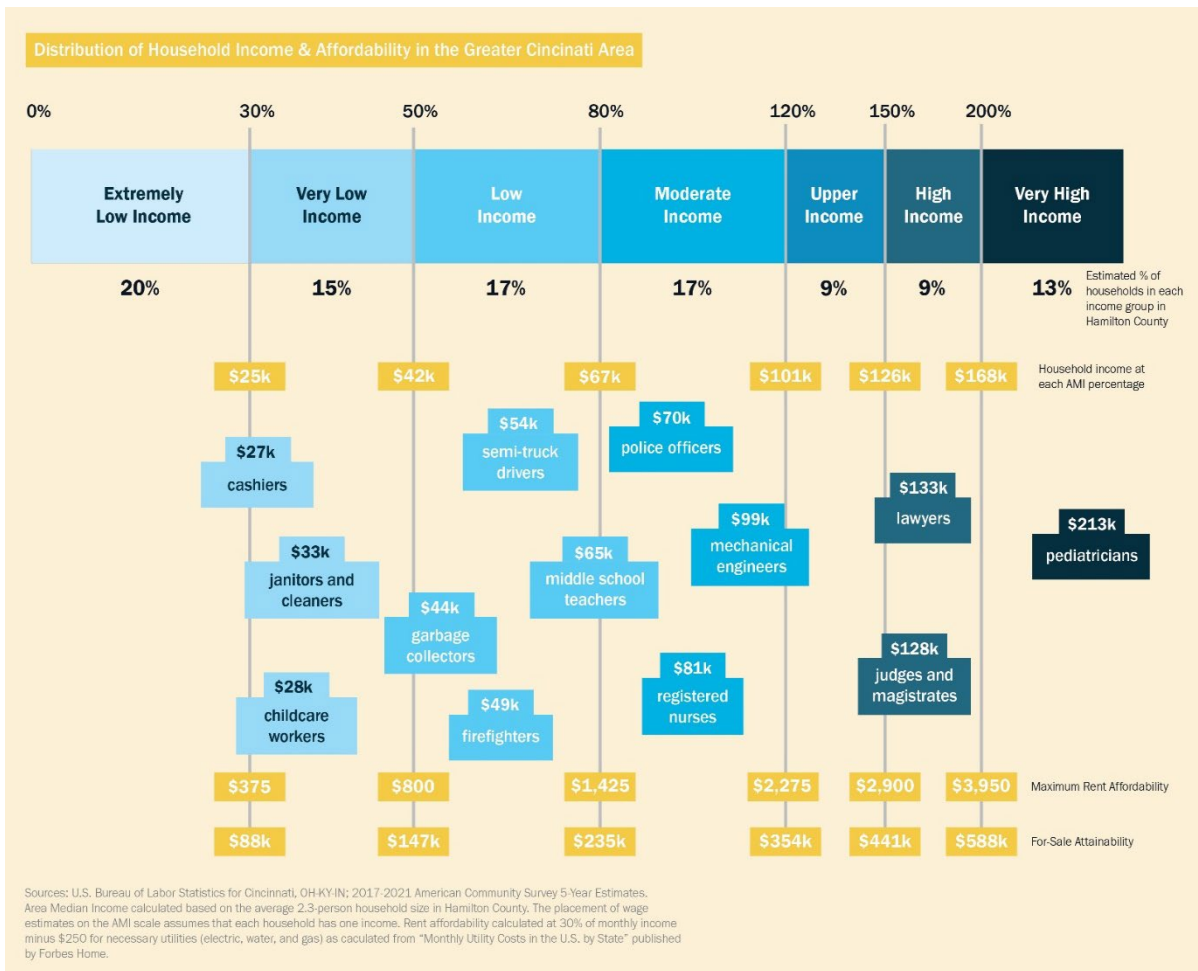
LISC believes that a safe, affordable home is one of the basic foundations of life – a key to individual health, well-being and financial security. We also believe that investments in quality housing have benefits that extend beyond the walls of a home and the experience of the people who live there to the community at large. It stimulates spending and employment in the local economy, revitalizes and brings revenue to the community, and builds wealth.

## Current State of Housing in Hamilton County

LISC Greater Cincinnati leads Housing Our Future, both a robust data analysis and a set of interconnected strategies designed to increase housing affordability, preserve existing housing stock, protect vulnerable residents, and encourage smart system changes to allow for increased production of housing.

In Hamilton County alone, 100,000 households pay more than 30% of their monthly income on housing costs. This economic challenge paired with increased demands on the housing market create a tremendous challenge for employers, local governments, and families.

The table below illustrates our current distribution of household income and their correlating housing costs at 30% of their incomes.



As you know, housing demand is not limited to major cities like Cincinnati. Our Southwest Ohio suburban communities are also feeling the strain and pressure of the lack of supply. In Forest Park alone, the city lost nearly 600 homes between 2000 and 2020. During the same period, the total population in Forest Park increased by more than 700 residents. With greater housing production, places like Forest Park can support more families and more economic growth in their communities.

Over the past few years, LISC Greater Cincinnati and Blume Community Partners worked with Hamilton County to develop Housing Action Plans in eight municipalities. Housing Action Plans provide jurisdictions with recommendations to address local housing priorities, based on market trends and insights. Housing Action Plans provide a blueprint for action to address affordable housing challenges experienced uniquely by municipalities. One common theme has emerged in all eight communities: local jurisdictions want to prioritize support for homeowners and homeownership.

Between 2006 and 2012, Ohio's homeownership rate dropped 4 percentage points to 66%. Owner-occupied home value during the same period dropped nearly 6 percentage points. (Source Center for Family and Demographic Research, [Ohio Population News – Issue 30](#)). This trend was even more pronounced in suburban Hamilton County communities. For example, between 2009 and 2019, northern Hamilton County suburb Cheviot's homeownership rate dropped 15 percentage points to 50%. Foreclosures contributed greatly to this decline. Between 2006 and 2014, there were 467 completed foreclosures in Cheviot.

### ***Impact of HB 499***

HB 499 and the concept of providing funding support to municipalities and townships to adopt “pro-housing” policies will be a critical tool to assisting local governments across the state who want to prioritize housing and need help with addressing systemic issues related to development in their jurisdictions. So many of the changes needed to impact housing occur at the local level and local governments need funds to develop plans, and just as important to build local capacity to implement plan recommendations. As you know, many municipalities are small, with limited professional staff and capacity. Providing a menu of options will allow smaller and rural jurisdictions a roadmap of what's possible to positively impact housing in their community.

LISC has a long track record of helping local governments create Action Plans to address their housing needs. This planning is collaborative, identifies local needs, analyzes the local real estate market and builds a comprehensive strategy to realize local goals related to housing stock.

In working with local governments, we have a few examples of where a program identified in HB 499 would have been helpful:

LISC has encountered a few jurisdictions that had identified redevelopment sites that needed acquisition (financial) support. The clearest example of where acquisition funding would have been helpful to produce an outcome consistent with the Housing Action Plan was a site along a major commercial corridor in Cheviot's business district. Their housing action plan called for targeting key redevelopment sites along the major commercial corridor and encouraging catalytic projects, including multi-family housing and mixed-use projects. Cheviot took code enforcement action against the owner but did not acquire the property due to lack of acquisition funding. Instead, the site was privately acquired and is now a Speedway gas station.

A similar example is currently underway in Golf Manor. There is a major potential redevelopment site that has been identified as a focus area by the community. The village has taken code enforcement actions to address blight but have been slow to take site control due to financing and capacity issues, limiting their ability to shape the future development on the site.

Connected with the policy to reduce single-family zoning, we have received interest from jurisdictions in expanding the by-right zoning use of rowhouses or townhomes. This approach would increase density while also expanding homeownership opportunities. While jurisdictions have interest, they would need more support with engagement and making updates to their zoning codes to incorporate this kind of development.

In summary, the team at LISC supports HB 499 and the concept of funding support to local governments who desire to change their circumstances around housing. When it comes to housing and the challenges we face as a state, local government actions can have the biggest impact. They need technical assistance, increased tools and financial support to make big-picture changes that will move the needle on housing.

LISC believes that a safe, affordable home is one of the basic foundations of life -- a key to individual health, well-being and financial security. We also believe that investments in quality housing have benefits that extend beyond the walls of a home and the experience of the people who live there to the community at large. It stimulates spending and employment in the local economy, revitalizes and brings revenue to the community, and builds wealth.

Thank you for the opportunity to provide this written testimony. If you have any questions or would like additional information, please feel free to reach out to us.

**Kristen Baker**  
**Executive Director**  
**LISC Greater Cincinnati**

**(513) 723-2115**  
[kbaker@lisc.org](mailto:kbaker@lisc.org)