



**Hearing of the Ohio House Government Oversight Committee
Testimony of Luke Blocher, Chief Strategy Officer & General Counsel
May 21, 2024**

My name is Luke Blocher. I am the Chief Strategy Officer and General Counsel for the Cincinnati Development Fund (CDF). CDF is a 501(c)(3) nonprofit lending institution that fills a gap not covered by traditional lenders. We provide funding for real estate development in underserved markets in the Greater Cincinnati area.

I am here today on behalf of CDF to testify in support of HB 499, and in particular the proposed grant program for townships and municipal corporations that adopt pro-housing policies.

CDF has been working with our partners in Cincinnati's financial, philanthropic, community development, and government sectors for 35 years to support neighborhood revitalization and expand housing opportunities. Recently, we launched the Affordable Housing Leverage Fund to manage pooled funding on behalf of the City of Cincinnati, Hamilton County, and multiple private and federal sources to drive the production and preservation of affordable housing in our region. Our perspective on the challenges and opportunities for housing development in Cincinnati reflects these decades of deep experience.

Despite reversing a decades-long trend of population decline in recent years, Cincinnati continues to lag both peers and its own population growth in housing production. As the Cincinnati Chamber of Commerce recently showed, Cincinnati lost 2,335 housing units from 2010-2020 even while the population increased 4.2%. A well-functioning housing market should respond to a surge in people needing housing by producing more housing. That the opposite occurs shows there are barriers to development – barriers we see every day in our work with developers of all kinds of housing – that can and should be addressed to let the market function as it should.

The decision to build housing is impacted by issues of construction cost (how much?), timing (how long before I realize revenue?), and certainty (am I sure if I invest I will be able to build?). The builder of affordable housing must also assess how likely it is the cost can be reduced enough (through some sort of subsidy) to offset the reduced revenues.

Programs, regulations, and processes that reduce cost, time, and uncertainty will lead to more housing. Those that do the opposite will deliver the opposite. And the impact of smart programs to support a housing development by one arm of local government – like the coordination of affordable housing subsidy in Hamilton County – can be blunted by a different arm of government raising costs on that same development through restrictive zoning, parking requirements, long permitting processes, and infrastructure charges.

CDF is here in support of HB 499 because it incentivizes local jurisdictions to take this more comprehensive view of housing policy. This approach encourages local governments to lower several barriers to housing in coordination, rather than – as can too often be the case without this intentionality – lowering one barrier while raising another somewhere else. And, critically, HB 499 also rewards that behavior with the grant funding necessary to pursue pro-housing policies like strategic site acquisition and subsidizing infrastructure costs.

Housing development exists on a seesaw of financial feasibility between cost/risk and building. When there are too many barriers being added to the cost side of the seesaw, it stays on the ground. But each time you remove one of those barriers, the cost side moves further and faster off the ground until the building side is on the ground. Both figuratively for this metaphor, and literally in our communities. That is why CDF is here today in support of HB 499.