

Senate Community Revitalization Committee
Proponent Testimony: Senate Bill 36 (Blessing)

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Cleveland Neighborhood Progress
Tuesday, February 28, 2023

Chairman Johnson, Vice Chair Hoagland, Ranking Member Sykes, and members of the Senate Committee on Community Revitalization:

Thank you for the opportunity to submit written testimony in support of Senate Bill 36. Cleveland Neighborhood Progress (CNP) is a nonprofit organization whose mission is to foster equitable revitalization across Cleveland neighborhoods by strengthening the community development ecosystem. That ecosystem is composed of many partners, including place-based nonprofits called *community development corporations* who lead economic development, home repair and rehabilitation, community engagement, and other activities in the neighborhoods they serve. We recognize that state government, including various agencies, programs, and laws, are part of that ecosystem because of their central role in funding urban revitalization efforts.

For those reasons, CNP supports Senate Bill 36, sponsored by Senator Bill Blessing. For years, community development corporations have watched as institutional real estate investors from across the country have purchased single-family homes in Cleveland neighborhoods. In particular, there are some streets in “middle” neighborhoods – the ones that are not experiencing major, new investments nor the ones suffering from massive disinvestment – that have seen institutional investors purchase the majority of for sale homes over the course of a year. These institutional actors are always better capitalized to purchase a single-family home than a person or family. They employ or leverage legal and real estate expertise in ways that most other homebuyers can’t. And their activity in our communities results in the removal of single-family homes from the market – thereby shrinking the market and reducing the opportunities for wealth-building through homeownership.

Senate Bill 36 is one tool that can help. It would complement other tools that local governments and community development corporations use to maintain their city’s single-family housing stock and create opportunities for homeownership. It would create a narrow window of opportunity for renters and certain other bidders, like nonprofit community development corporations, to exercise a right of first refusal during a foreclosure sale. For the community development industry, that is an opportunity to engage renters in the dream of homeownership. Alternatively, it is also an opportunity to obtain site control, make needed repairs or complete full-scale rehabilitation, and ultimately ensure that the house be sold to an individual or family with the intent to make it their *home*.

We thank Senator Blessing for introducing this legislation, and we thank the Chair and Committee Members for their interest in and support for this bill. These issues are complex, and Ohio families deserve your time in stabilizing the housing market and creating more opportunities for them to buy a home and build wealth in it.

Thank you for this opportunity to provide proponent testimony on Senate Bill 36. On behalf of CNP and its partners in community development, thank you for your attention to this issue. Please do not hesitate to contact me to answer any questions you may have about this bill, the problems it seeks to resolve, and how we experience all of this in the City of Cleveland.