

RESOLUTION NO. _____ - 2022

URGING Governor Michael DeWine to exercise his constitutional authority to veto the portions of Substitute House Bill 45, passed by Ohio's 134th General Assembly on December 15, 2022, seeking to amend Ohio Revised Code Sections 149.311 and 5713.03 pertaining to Low-Income Housing Tax Credit and historical rehabilitation tax credit eligibility because those amendments will have an immediate and devastating impact on affordable and workforce housing projects (including projects intended to provide critical housing for families), the middle class, Ohio's most vulnerable citizens, and the entire business community.

WHEREAS, the City of Cincinnati relies on the availability and development of new affordable and workforce housing to support its economy; and

WHEREAS, Ohio is currently in a statewide housing deficit of an estimated 350,000 homes; and

WHEREAS, southwestern Ohio is a region that already severely lacks affordable and workforce housing, particularly in Cincinnati and Hamilton County; and

WHEREAS, the statewide housing deficit gives the State of Ohio good cause to support all levels of housing development; and

WHEREAS, all development tools must be available to make any meaningful progress on addressing Ohio's housing deficit, given the challenges of structuring financially viable workforce-level and affordable-level projects; and

WHEREAS, Ohio has seen increasing investment into its economy through state-led business friendly initiatives; and

WHEREAS, in Cincinnati the investment in the local community necessitates the City's focus on housing developments, and particularly workforce and affordable housing to meet the growth occurring in our region; and

WHEREAS, enacting Substitute House Bill 45, Ohio Revised Code Sections 149.311 and 5713.03 pertaining to Low-Income Housing Tax Credit (LIHTC) property and State Historic Tax Credit eligibility would have immediate and devastating impacts on the developers and financial institutions who have invested in our State; and

WHEREAS, these developers and financial institutions are committed to addressing the housing shortage by building more workforce and affordable housing to meet the new demands caused by new jobs coming to the region; and

WHEREAS, rescinding State Historic Tax Credits on already approved projects that are currently under construction is an unfair business practice and will cause significant financial loss for our businesses; and

WHEREAS, Substitute House Bill 45 will additionally create a hostile business environment and hinder economic development throughout the entire state of Ohio; and

WHEREAS, removing the ability for housing projects to pair LIHTC and Historic Tax Credits will render the development of affordable housing financially nonviable, retroactively applying this change to developments currently in construction that have already secured funding through these tax credits will derail multiple needed housing projects across the State; and

WHEREAS, current Ohio law effectively requires an Income Approach methodology for the valuation of affordable housing, the provisions in Substitute House Bill 45 would allow a County Auditor to use any of the valuation methods: Income, Cost, or Comparables; the impact of this objectionable amendment is that countless affordable housing properties across Ohio would be valued using the Cost approach resulting in dramatic increases in valuation and corresponding real estate tax burdens, and a vast majority of Ohio's affordable housing portfolio would be under severe financial pressure and could eventually be lost to foreclosure; and

WHEREAS, the language in Substitute House Bill 45 contradicts a recent compromise between the Ohio Housing Council and the County Auditors Association of Ohio to value these properties utilizing a standardized method based on actual income; and

WHEREAS, the City of Cincinnati and its business community are committed to supporting development projects that provide affordable housing and create business opportunities and jobs in the region; now, therefore,

BE IT RESOLVED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the Mayor and this Council hereby strongly urge Governor Michael DeWine to exercise his constitutional authority to veto the portions of Substitute House Bill 45, passed by Ohio's 134th General Assembly on December 15, 2022, seeking to amend Ohio Revised Code Sections 149.311 and 5713.03.

Section 2. That this resolution be spread upon the minutes of Council and that copies be provided to the Office of Governor Michael DeWine by the Clerk of Council.

Passed: _____, 2022

Aftab Pureval, Mayor

Attest: _____
Clerk

Submitted by Councilmember Keating