**Subject: Request to Veto Sections of HB 45 Related to Affordable Housing**

Ohio is experiencing a severe shortage of affordable, workforce, and senior housing that is an impediment to the State’s economic development efforts and threatens the stability of our most vulnerable citizens. Unfortunately, the General Assembly recently inserted language in Substitute House Bill 45 during the lame duck session that would greatly exacerbate this shortage.

We respectfully write to you today asking you to veto two last-minute amendments to HB 45 related to 1.) assessing the value of Low Income Housing Tax Credit properties, and: 2.) a prohibition on the use of State Historic Preservation Tax Credits with Low Income Housing Tax Credits.

1. The long-established method for assessing the value of Low Income Housing Tax Credit (LIHTC) properties in Ohio is based on a development’s actual income, taking into account state and federal restrictions on maximum allowable rents. This method has repeatedly been upheld by the Ohio Supreme Court. Nonetheless, the House Bill 45 amendment would allow these properties to be taxed at an inflated market value based on the hypothetical removal of all rent restrictions. This proposal will force many existing affordable workforce and senior developments into financial distress and/or default. Furthermore, it creates an unnecessary barrier to new affordable housing production and rehabilitation projects.
2. The amendment prohibiting the use of State Historic Preservation Tax Credits and Low Income Housing Tax Credits on the same project blocks access to an important source of funding that incentives the reuse of historic properties to develop new senior and workforce housing. Furthermore, it would require the State to claw back State Historic Preservation Tax Credits that were legitimately awarded to projects previously but have not yet been placed in service. This provision negatively impacts the financial viability of at least a dozen senior and workforce housing developments in Ohio and will likely have a chilling effect on the willingness of developers and financial institutions to invest in future projects.

[INSERT INFORMATION HERE ABOUT YOUR ORGANIZATION OR WHY AFFORDABLE HOUSING IS IMPORTANT TO YOU]

We respectfully ask you to veto these provisions of HB 45 in order to maintain State support for the development and rehabilitation of affordable homes for vulnerable Ohioans.

Thank you,