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Chambers' Differing Housing Approaches Apparent Post-Budget

The state-level Low-Income Housing Tax Credit remains a hot topic for debate in the legislature months after its inclusion in the state operating budget.

That program was one of several housing-related topics addressed by a panel featuring Senate [President Matt Huffman](#) (R-Lima), [Sen. Hearcel Craig](#) (D-Columbus) and [Rep. James Hoops](#) (R-Napoleon) at the Ohio Community Development Corporation Association's conference on housing issues Wednesday in Columbus.

The state-level incentive for the development of affordable housing that piggybacks on the federal LIHTC was initially proposed at \$100 million per fiscal year in [Gov. Mike DeWine's](#) executive budget plan.

It was then boosted in the House to \$500 million per year before reverting to the governor's proposal in the final version of the spending outline ([HB 33](#)).

Huffman, who repeatedly stressed his preference for tax credits for rehabilitating and rebuilding housing in existing single-family neighborhoods during the budget process, made it clear during the panel discussion that he still sees LIHTC as a flawed program.

The legislative leader said he views the credits as leading to the development of fewer units of housing at a greater cost than projects initiated by the private sector.

"We have to stop looking at the government and tax credits and things like that given to a private developer as the solution," he said.

Hoops, meanwhile, said he was a proponent of a larger state LIHTC,

which he argued would "incentivize developers to do projects that you're probably not going to see anybody else do."

Marcus Roth, spokesman for the Coalition on Housing and Homelessness in Ohio, pushed back on Huffman's stance during the question-and-answer portion of the panel, noting LIHTC was created under President Ronald Reagan as a "Republican alternative" to prior government housing initiatives.

"It involves public-private partnerships," he said. "It's essentially designed to kind of fill the gap where the market doesn't work to build housing that is affordable to extremely low-income people."

Huffman was not swayed by references to the program's Reagan-era roots, which were also noted by Hoops.

"Republicans can have bad ideas, too," Huffman said. "This maybe was a good idea when it started out, but what it ends up being – someone from typically out of state is making a lot more money that they should."

The panel also touched on zoning issues, including whether the state stepping in to set standards that would encourage more development would infringe on the concept of municipal home rule.

Huffman said sometimes state intervention is necessary, using the hypothetical example of a village positioned along an interstate highway that issues thousands of traffic tickets to fund its police department.

"The question becomes: At what point does home rule in certain areas begin to cause a big enough problem that it affects the whole state," he said.

Huffman said one problem he has seen in certain communities in the state is local building departments that are slow to approve certain developments.

He said one potential solution is legislation introduced by a Democratic lawmaker in Michigan that would establish a set of building plans that are "pre-approved" by the state for use by developers.

"That's something we can simply do to move the housing approval process, make it go faster and make it cheaper," he said.

Huffman said some cities are likely to oppose such a proposal because they are "making a lot of money" on building inspection fees.

Craig said while he typically leans toward municipalities making their own decisions, he said the "very serious" nature of the housing problems facing the state leaves him open to consider potential statewide solutions.

"Every neighborhood is different. Every city is different," he said. "There's not one size that fits all, but there are cases, and they ought to be limited, where government would impose."

Craig said policymakers are also faced with the issue of sharply rising home valuations in certain communities.

"Grandmothers and grandfathers, and those that have lived in homes all of their lives, paid them off, are now struggling and trying to figure out how they are going to stay in those homes," he said.

Huffman told reporters after the panel that the House has passed legislation ([HB 57](#)) to link homestead tax exemptions to inflation, and he expects the Senate to pass "a similar bill" resulting in the need for "some reconciliation."

The lawmaker said those measures would likely only represent temporary fixes and not address broader issues.

"The problem is that there's really not been a comprehensive review of how we value properties and, therefore, how we tax them," he said.

Huffman said the system is intended to lead to higher taxes on the wealthy, which does not always happen because individuals can see their home valuations spike despite their income and wealth remaining consistent or even declining.

He said under any potential changes that come from such a comprehensive review "somebody is going to suffer as a result of that" – potentially taxing authorities that receive fewer dollars.

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