

OPINION NO. 72-056**Syllabus:**

Section 124.23 (L), (M) and (N), Revised Code, does not contemplate any expenditure of Housing Development Fund monies created under Section 124.24, Revised Code, for research projects but does permit demonstration projects to be financed therefrom to reveal and make available the products of discoveries made possible through research.

**To: W. A. Losoncy, Executive Director, Ohio Housing Development Board,
Columbus, Ohio**

By: William J. Brown, Attorney General, July 21, 1972

Your request for my opinion reads as follows:

"We are interested in funding a research project that is designed to encourage the development of improved methods for increasing the supply and improving the management of housing for low and moderate income persons.

"The project involves providing technical assistance and developing an information service for sponsors of low and moderate income housing. Can we, under the authority granted under Section 124.33, paragraphs L, M and N, fund such a study using funds from the Housing Development Fund, created in Section 124.24?

"You will note that Section 124.24 specifies that the funds shall be administered by the Ohio Housing Development Board, and shall be used for the purposes authorized by Chapter 124. of the Revised Code."

The present appropriations bill, which appropriates monies for the 1971-1972 year, and the 1972-1973 year (Amended Substitute House Bill No. 475), contains three separate line items, to-wit: Total operating expenses, Ohio Housing Development Board, \$143,890 - \$150,000 - \$293,890; Housing Guarantee Fund, pursuant to Section 124.25, Revised Code, \$1,500,000 - \$1,500,000 and Housing Development Fund, pursuant to Section 124.24, Revised Code, \$1,250,000 - \$1,250,000. Each Section, Section 124.24 and Section 124.25, *supra*, provides that "monies in the fund shall be used solely for the purpose authorized by Chapter 124 of the Revised Code". Significantly, the last two line appropriations above, are "for use by the Ohio Housing Development Board during the indicated fiscal years as provided for in Section 124.23 of the Revised Code". Logically, it follows that the money appropriated for the Housing Development Fund shall be used for all activities of the Board to defray development costs.

Development costs are defined in Section 124.01 (D), Revised Code, as follows:

"(1) Payments for options to purchase properties on the proposed housing development site, deposits on contracts of purchase, or with the prior approval of the board subject to such conditions as may be imposed thereby, payments for the purchase of such properties;

"(2) Legal, organizational, and marketing expenses including payment of attorneys' fees, project manager and clerical staff salaries, office rent and other incidental expenses;

"(3) Payment of fees for preliminary feasibility studies, advances for planning, engineering, and architectural work;

"(4) Expense for surveys to determine the need of housing for low and moderate income persons;

"(5) Application and other fees to federal and local governmental agencies;

"(6) Such other expenses incurred by qualified nonprofit housing corporations or limited profit housing entities as the board may approve to effect the purpose of sections 124.21 to 124.27, inclusive, of the Revised Code."

At first glance, this appears to be specific and any study or demonstration project inaugurated to be financed with the Housing Development Fund which does not fall within the scope of Section 124.01 (D), Revised Code, would not be authorized.

However, your request concerns divisions (L), (M) and (N) of Section 124.23, Revised Code, which read as follows:

"(L) Encourage and develop demonstration projects to develop improved methods for increasing the supply and improving the management of housing for low and moderate income persons;

"(M) Employ consultants and procure technical assistance;

"(N) Do all things necessary to carry out the provisions of sections 124.21 to 124.27, inclusive, of the Revised Code."

Also to be considered is the fact that the biennium appropriation to the development fund limits the expenditure of such appropriation to activities as provided in Section 124.23, supra. Research is not mentioned in this Section, nor is it evident anywhere in Chapter 124, Revised Code, concerning the Ohio Housing Development Board. Webster's Third New International Dictionary has definitions in pertinent part as follows:

"Demonstration: The act of making known or evident by visible or tangible means * * *; exhibition of methods of manufacture by means of specimens, examples or specific instances * * *: illustration of the practical application of theories or methods * * * (of satisfactory housing within the limitation of the average city block)."

"Research: Studious inquiry or examination esp: Critical and exhaustive investigation or experimentation having for its aim the discovery of new facts and their correct interpretation * * *."

A brief survey of the history and provisions of Chapter 124, supra, might be in order. The Department of Urban Affairs was created in 1967. It originally included an Ohio office of Appalachia and an Ohio office of Opportunity as parts of the Department. Sections 124.06 (repealed February 9, 1972) and 124.07, Revised Code, provide for these two offices, and both Sections extend to these offices authority to "sponsor research, studies, and projects".

In 1970, the Ohio Housing Development Board was created, Section 124.21, Revised Code, its powers were specified, Section 124.23, supra; and the Housing Development Fund was created, Section 124.24, supra. Section 124.23, supra, does not extend authority to the Housing Development Board to "sponsor research, studies and projects" as did Sections 124.06 and 124.07, supra, which created other offices within the same department. Since the General Assembly granted the power to sponsor research and study to the first two mentioned offices created by Chapter 124, Revised Code, and did not extend such power to the third office created by the same Chapter, it seems clear that they intended to deny such power to that office.

It is my opinion that the General Assembly contemplated limitation of the expenditure of the development fund to expeditiously "develop improved methods for increasing the supply and improving the management of housing for low and moderate income persons" by way of demonstrations of presently known facts and procedures and not to proceed by way of research to discover facts and procedures not presently documented. Unquestionably, the appropriations are for active housing expansion and development and not for the purpose of engaging in research.

In specific answer to your question it is my opinion, and you are so advised, that Section 124.23 (L), (M) and (N), Revised Code, does not contemplate any expenditure of Housing Development Fund monies created under Section 124.24, Revised Code, for research projects, but does permit demonstration projects to be financed therefrom to reveal and make available the products of discoveries made possible through research.