



Proponent Testimony of Vince Squillace, OHBA, Executive Vice President

HB 149 Affordable homebuilding and Housing Act

April 10, 2019

Chairman Zeltwanger, Vice Chair Powell, Ranking Member Sobecki, and Members of the House Economic and Workforce Development Committee,

I am Vince Squillace, executive vice president and chief lobbyist, for the Ohio Home Builders Association. We are a trade association of 4,000 members advocating for and promoting the production of affordable housing in Ohio. I have been with the association since 1977.

HB 149 is appropriately titled “Affordable Homebuilding and Housing Act”.

The bill’s sponsor, Representative Merrin, did an excellent job fully explaining the bill and outlining its benefits, further explaining how it promotes fairness in assessing newly developed housing lots.

First, I want to mention the depressed level of housing starts in Ohio. I have attached graphic data demonstrating our level of starts for the past couple years and projections for the next year. It is important to remember, the figures represent multi family starts as about one third of the total.

Given that Ohio is still the seventh most populous state, you can see when looking at other states and cities, our starts per capita are VERY LOW. In fact, some cities produce more housing than we do in the entire state of Ohio. Further, you will find the major share of Ohio starts are in the Columbus and Cincinnati area.

Lot development statistics are not easy to find, although we can state firmly: lot development in Ohio is low. In many areas, no lots have been developed for years. This combination leads to a supply problem which forces price upward. Even in the faster growth areas, lot development has lagged.

Why is this?

We hear a lot of talk about economic development. Take it from us, the development part is very difficult, lengthy and expensive. Especially when trying to develop affordable lots. Regulations are substantial: environmental, zoning, infrastructure, not to mention community opposition. It is a very difficult process full of risk.

Moreover, gaining finance to develop is more of a risk. Often times, the developer must sign personally on a note. Remember, not long ago and many times in the past, financial institutions shied away from residential development.

The result is simply our housing supply is low. This is serious in most of Ohio, which has seen economic and population decline. However, in those areas where the housing has grown old, so has the population. Those post WW II houses with its many stairs are no longer desirable. Many developers want to fill that market but the risk is greater. We feel the bill will enhance the development of housing more suitable for aging Ohioans (that includes me).

Thus, if the risks are greater, the opportunity for quick sales found in the hot markets, just does not exist. This is where the bill could promote development, which may not sell out in 3 or 4 years. We feel it is a positive enhancement.

Through my years advocating for affordable housing, I have found many positive enactments and some disappointing remarks about the value of housing and its need. Hb 149 is all positive.

The bill deals with the inequity of taxing land for providing investment in that land for which little to no services are provided.

It promotes the production of more affordable housing throughout Ohio.

It will modernize our aging housing stock and provides many opportunities for those seeking housing.

We feel it's a win/win for Ohio and urge your support.