

**Interested Party Testimony**  
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**On HB 166**

**Before the Senate Finance Committee**  
**June 17, 2019**

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Mr. Chair, Vice Chair Burke, Ranking Member Sykes and members of the Senate Finance Committee.

I am testifying in favor of amendment 5064 that has been offered by two of your colleagues on the Finance Committee, Senators Terhar and Kunze.

**Background**

Our firm provides legal services for metropolitan housing authorities or MHAs. These MHAs, receive most of their public funding from the federal government. However, they work with state agencies such as the Ohio Housing Finance Authority and are creatures of state law under Chapter 3735 of the Ohio Revised Code. The bulk of this law was written in the 1930s. Therefore, it should be no surprise that from time to time, it is necessary to make adjustments to this older statutory structure.

**The adjustments made Metropolitan Housing Authority Law by the 133rd General Assembly in the biennial budget (HB 49).**

Two years ago, one of our clients identified the need to gain clarity in MHA law. As a result, the 133<sup>rd</sup> General Assembly improved provisions in Chapter 3735 in its biennial budget (HB 49):

- **Mixed Use Developments:** HB 49 clarified that housing authorities can establish mixed use developments so basic amenities can be added to residential developments, including clinics, pharmacies, grocery stores with nutritious food, as well as facilities offering supportive services.
- **Mixed Income Developments:** HB 49 clarified that housing authorities can engage in public/private partnerships resulting in mixed income developments. This approach is recommended by the U.S. Department of Housing and Urban Development to help decrease the density of low income residents in neighborhoods and communities and to stabilize property values and economic diversity, rather than increase isolation of those who need housing and services.

- **Shared Services:** HB 49 allowed MHAs to share services with other MHAs. This allowed more experienced housing authorities to help lend their expertise to other less experienced MHAs by helping them to navigate complex HUD programs, thus saving time and money by aligning knowledge and resources.

**More work to be done by the 134<sup>th</sup> General Assembly.**

There is a need to update the language added to the Revised Code by the last biennial budget. Our attorneys that work on transactions involving housing authorities have recommended that the language in Chapter 3735 dealing with mixed income and mixed use development be further clarified to broaden our clients' financing options. Moreover, we have identified the need to broaden the language dealing with shared services so that it expressly includes the ability of housing authorities to collaborate with non-profits and housing agencies in other states. There is also a need to add other types of services that can be shared such as software.

For this reason, the Ohio House inserted language adjusting Chapter 3735 into its version of HB 166. This amendment was supported by the Ohio Housing Authority Conference. However, in spite of the fact that not one sentence opposing this language was offered during the hours that this committee and its subcommittees received testimony on the version of the bill containing the language, it was deleted in the Senate's substitute version of the bill.

I am respectfully requesting that you favorably consider amendment 5064 offered by Senators Kunze and Terhar that would reinsert the deleted language into the budget.

There are several reasons for this reinsertion:

- It does not make a major policy change that warrants a standalone bill.
- There is precedent for making this change of this nature in the budget. As I indicated, just two years ago, the General Assembly used its budget to adjust the law in the exact same subject matters as covered in amendment 5064.
- There is no opposition to the legislation. In fact there is support for it.

I thank you for your time and respectfully request that you include amendment number 5064 in the Senate's omnibus amendment to HB 166.

I thank you for your time and welcome any questions that you might have.