

March 27, 2023

Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney and members of the House Finance Committee. Thank you for allowing me to submit interested party testimony on House Bill 33.

My name is Shawn Carvin, Executive Director of the Ohio Land Bank Association (OLBA). The OLBA is a statewide nonprofit organization with the purpose of supporting the work of and advocating on behalf of all county land reutilization corporations, commonly known as land banks, across Ohio. County land banks are leaders in addressing vacant, abandoned property and returning it to productive use. The OLBA works with its 67 member counties to identify their organizational and community needs and works to close the gap on those needs through policy, support and advocacy. We hope to see communities address legacy commercial and residential blight and post-industrial, environmentally contaminated sites to create shovel-ready properties for future economic and community development.

Vacant, abandoned and distressed properties often have a low market value and contribute to neighborhood decline because they can generate crime, pose safety hazards, and cause the property values of surrounding homes to be devalued. These property types can have title defects, liens or other liabilities, which means that conventional for-profit developments are not able to acquire these properties to help redevelop. That's why the General Assembly State allowed for the creation of land banks as a vehicle to help acquire these properties and return them to productive use. These efforts can create shovel ready sites for future community and economic development, generate tax revenue and increase the availability of affordable housing.

Two years ago, the Ohio House and Ohio Senate recognized the major inventory of vacant and blighted properties across the state and established the Brownfield Remediation Fund (BRF) and the Building Demolition and Site Revitalization (BDSR), providing \$350 million to assess and cleanup environmentally contaminated sites and \$150 million to address commercial and residential demolition. We applaud the legislature for funding these programs, and the Ohio Department of Development for their management

The Brownfield Remediation Fund's \$350 million provided grants to 313 projects in 83 counties. The Demolition Fund's \$150 million will support 3,699 projects in 87 counties. These projects will truly help transform neighborhoods and communities.

Projects include the Union Central Life Insurance Building in Cincinnati which received nearly \$2M in brownfield remediation funds to perform asbestos remediation and partial interior demolition to prepare the site for redevelopment by the City Club Apartments. In addition to the state grant, the City of Cincinnati provided a \$2.5M façade improvement grant and now the City Club Apartments will invest a total of \$149 million into the full redevelopment of the mixed-use space. In Trumbull County, an old GE plant received remediation funding to address sub surface contamination on the 12-acre site. When the remediation is complete, a new owner will move their growing company to the location, creating over 100 new jobs and an additional \$4 million investment into the property.

While the General Assembly made a significant investment, there were more requests than what was prescribed for these programs in the last budget. The need remains to remediate and redevelop these blighted brownfields into productive use. And, our land banks still have further inventory of abandoned and vacant homes and commercial properties so that further funding is needed.

By way of a small example – there were 125 projects that were awarded assessment dollars as part of the Brownfield Remediation Program. Assessment work is an important step in the remedial process, but it is only the **first** step to determine the contamination that is present on the site and what sort of remedial action is required to address such contamination. Without additional funding, these 125 projects will likely remain contaminated, and unable to move to a shovel-ready state.

Equally as important, the Demolition and Site Revitalization Program awarded funding to both residential and commercial distressed properties. While there has been some funding available for residential sites, this was the first major state investment to clean-up commercial properties not designated as brownfield sites. These larger, commercial demolitions are more costly but present great opportunity to transform neighborhoods. For example, Clermont County was awarded demolition funds to raze the old International Paper Office Complex with a company prepared to redevelop the site upon completion of the project. The company will move 100 jobs, relocate 20 jobs from another community and create 67 new jobs over the next three years with an average salary of \$74,000. The Cuyahoga County Land Bank currently possesses six vacant buildings near MetroHealth's hospital campus where a nonprofit plans to develop an 8-unit mixed-use senior housing project and police station for MetroHealth's security services, once the site can be cleared.

The as-introduced budget does not include funding for the Brownfield Remediation Program or the Building Demolition and Site Revitalization Program. We are here today to encourage the committee to provide an additional \$350 million and \$150 million respectively to these programs in the FY24-25 budget, by including amendment HC0593x1.

Past research by the Greater Ohio Policy Center shows that for every dollar the state invests, there is a five dollar return in private investment. By that calculation - the legislature's previous support of these programs could contribute more than \$1 billion to the state's GDP.

Chair Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the House Finance Committee, thank you for your time and attention to this important issue. I am happy to answer any questions you may have.

Sincerely,



Shawn Carvin
Executive Director,
Ohio Land Bank Association