



Ohio Mayors Alliance  
Interested Party Testimony on Substitute House Bill 33  
House Finance Committee  
April 20, 2023

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Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney, and members of the House Finance Committee, on behalf of the Ohio Mayors Alliance, a bipartisan coalition of mayors in Ohio's 30 largest cities, we would like to thank you for your diligent work on Sub. H.B. 33, the state operating budget for FY 2024-25. We are very pleased to see the investments this bill makes in brownfield remediation (\$350 million) and demolition and site development funding (\$150 million). We are pleased the bill maintained the continued professional training for local law enforcement (\$80 million), and it expanded the number of hours eligible for reimbursement from 24 to 40. We also appreciate some of the changes made in two areas critical to our local communities and the statewide economy: housing and economic development.

**1. Retain most affordable housing provisions; remove provision requiring county commissioners to approve housing developments**

First, we support many of the housing-related changes proposed in Sub. H.B. 33, including the improvements to the state housing tax credit and the adjustments to the property tax valuation for certain housing developments.

However, we are very concerned with a new provision that gives county governments new and unprecedented authority over housing development opportunities in cities. This provision is included at line 13216-13232 (pp. 425-426) and would require that the Ohio Housing Finance Agency (OHFA):

Include in the policies and guidelines for the administration of its programs, developed under section 175.04 of the Revised Code, a requirement that before financing, allocating a federal low-income housing tax credit, providing financial assistance, or otherwise assisting a project under any of the agency's programs, the *agency must receive a resolution supporting the project approved by the majority of the members of the board of county commissioners of the county in which the project is located* (emphasis added).

This provision could have a significant, adverse impact on the urgent need to develop workforce housing options in regions where demand far exceeds supply. As such, we respectfully request that this language be removed before House passage.

## **2. Keep economic development tools, and restore innovation hubs funding**

Second, as noted earlier, we are encouraged by the investments into key economic development tools that will allow local governments to remediate brownfields and demolish blighted property. We are also encouraged by several other local economic development funding provisions included in the substitute bill. However, we would urge the committee to reconsider the funding for the regional Innovation Hubs. We were thrilled to see Governor DeWine dedicate \$150 million to the Innovation Hub Fund to develop additional innovation districts across Ohio and would like to see that funding restored.

## **3. Increase Local Government Fund allocation and maintain local government discretion**

Third, we urge the committee to consider increasing the local government fund allocation percentage. While we appreciate the modest increase to the LGF allocation from 1.66 percent to 1.7, we are concerned that a reduction in state general revenue due to the proposed state income tax reduction could lead to a net reduction in the LGF allocation. Additionally, the House included several provisions that could impact municipal tax collections, such as the exemption of the income of individuals under 18 years of age from municipal income taxation. Current law authorizes certain municipalities to grant such an exemption. The proposed change to exempt all minors from municipal income tax removes the current flexibility granted to cities to decide for themselves whether to exempt minors from paying municipal income tax on their earnings. Many cities, in fact, have created such exemptions in local law. That local discretion should remain in place. We urge the committee to remove this provision and consider increasing the LGF allocation or, at minimum, ensure that the LGF allocation amounts do not decrease below the amounts estimated in the as introduced version.

## **Conclusion**

We deeply value our partnership with the General Assembly and are grateful for the opportunity to provide our perspective on the state operating budget. We stand ready to work together to lift up policies that preserve local self-governance and ensure Ohio's cities are strong. Thank you for your continued work on this crucial legislation.