



Before the Government Oversight Committee
House Bill 499 – Create grants for housing near megaprojects; revise property law
Sponsor Testimony by Representative Adam Mathews and
Representative Dani Isaacsohn
Tuesday, May 7th, 2024

Chair Peterson, Vice Chair Thomas, Ranking Member Humphrey, and members of the House Government Oversight Committee, I appreciate the opportunity to provide sponsor testimony, along with my joint sponsor Representative Mathews, on House Bill 499. This legislation incentivizes pro-housing policies and investment at the local level with a state housing fund supporting multiple policy opportunities.

In too many parts of our state—from urban centers like Cincinnati to more suburban and exurban communities like those in Warren County—when someone in Ohio goes out to look for an apartment to rent or a house to buy, there just aren't enough options for them that they can afford, feel safe living in, and that can accommodate their needs. Not even close. Talk to any young couple looking to buy a home so they can start a family, or a senior who can't afford their property taxes and is looking to downsize, and they all say the same thing: we need more. More housing that is affordable for teachers so they can live near the schools where they work. More housing for families that have enough bedrooms for their kids. More options for seniors who don't want the hassle of a big house but still want to live in a safe neighborhood.

We have long prided ourselves here in Ohio—and rightly so—on being an affordable place to grow up, grow a family, and grow older. It's kind of our thing. The reality is, however, that in recent years that is becoming less and less true, and skyrocketing rents and home prices are largely to blame. We need to change our approach. With this committee's help, we can make sure that everyone in Ohio has access to a home that they can afford and feel safe and secure within.

Minneapolis has proven that increasing supply and instituting pro-housing policies will help lower rents. Minneapolis has increased the supply of housing by 8% since 2017, while seeing only a 3% rise in rent. Cincinnati on the other hand has seen a 3% decrease in housing supply, while seeing a 24% increase in median rents.

Minneapolis shows that with the right policies, we can increase supply and bring down rents.

That is why Representative Mathews and I are so excited about this bill. It will revolutionize how local governments across Ohio approach housing policy. It is a bill designed to have state policy—and state resources—match the urgency of the moment by using state incentives to spur innovation and action at the local level.

Under our bill, the state would create a new Housing Fund to incentivize local governments to adopt pro-housing policies that would bolster supply, strengthen homeownership, and help keep tenants in their homes. Building more housing will stabilize rents and bring down home prices over time. We developed the policies outlined in the bill after months of discussions with housing advocates, developers, home builders, and other experts.

Here is how it would work: Local governments would be eligible to apply for the grants if they adopt at least three pro-housing policies from a long menu of options, giving them the chance to choose the policies that are best for their communities. Eliminating parking minimums, reducing single family zoning, providing density bonuses, and speeding up permitting processes are among the policies included. This is not a one-size-fits-all approach, and we will use carrots, not sticks to incentivize our localities.

OHFA will administer the fund and allocate grants on a per-capita basis. Local governments would then be required to utilize the funds to boost homeownership, get sites ready for development, support tenants, or pursue other specific pro-housing policies.

Our bill also has a provision expanding the CRA to include residential construction near mega-project sites, because all of those people who work at Intel are going to need somewhere to live.

Finally, we propose funding this largely by eliminating the non-business tax deduction for homes that are not owner-occupied. If it's a property the owner doesn't live in, then it is likely not a "non-business," and shouldn't utilize a tax incentive that is meant to boost homeownership.

This is a bipartisan bill to address a real issue that Ohioans desperately need us to make progress on. We have to do more to get people quality housing they can afford, and this bill would do just that. Thank you Chair Peterson, Vice Chair

Thomas, Ranking Member Humphrey, and members of the Government Oversight committee for your time and consideration today. We'd be happy to answer any questions.