



**Senate Committee on Agriculture & Natural Resources
Interested Party Testimony, Sub. House Bill 33 (Edwards)
Jason Warner, Director of Strategic Engagement, Greater Ohio Policy Center
Wednesday, May 10, 2023**

Chair Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson, and members of the committee, thank you for the opportunity to present interested party testimony on Substitute House Bill 33 (HB33).

My name is Jason Warner, and I am the Director of Strategic Engagement for the Greater Ohio Policy Center (GOPC), a statewide non-profit organization that champions revitalization and sustainable growth in Ohio's cities and metros. Our mission is to improve the communities of Ohio through smart growth strategies and research for a revitalized Ohio.

GOPC Supports Provisions that Provide Greater Investment in Workforce Housing

Communities throughout Ohio are facing a crisis with access to and development of affordable workforce housing. There are a number of provisions in the budget which GOPC supports and encourages the committee to retain, including:

- **State Low Income Housing Tax Credit (LIHTC).** Modeled after the federal LIHTC program, the state LIHTC would provide up-to \$500 million in tax credits, administered by the Ohio Housing Finance Agency, to support the development or rehabilitation of low-income multifamily rental housing. Enactment of a state LIHTC program will help to ensure Ohio's working-class families have access to safe, affordable homes as they work towards the ultimate goal of a home to call their own.
- **First-time Homebuyer Savings Accounts.** Financial discipline is key to anyone who wishes to become a homeowner. This starts with possessing the necessary savings to make a down payment. The as-introduced budget includes the creation of the Homeownership Savings Account. Similar in its function to Ohio's popular 529 College Savings Plan, the program would enable first-time homebuyers the opportunity to save and take advantage of tax benefits to support saving to make a home purchase. For Ohioans who already own homes, the program would also enable the creation of savings accounts which can be utilized for future home maintenance or repair.

GOPC Respectfully Requests the Senate Remove One Provision

There was one provision added by the House which we respectfully request the legislature remove from HB33. **Under the proposal (in lines 90600-90678)**, land would be exempted from property tax increases on the value of unimproved land subdivided for residential development in excess of the fair market value of the property that the land was subdivided.

This exemption would be for up to eight years, or until construction begins or the land is sold. While this does not apply to land included in a tax increment financing, or TIF, project, such an exemption would apply to property that has had other improvements made to it, including the installation of utilities, water and sewer infrastructure, lighting, roads, and sidewalks. Implementation of this provision will result in

lost revenue to school districts, and other units of local government. Unlike other tax exemptions, there is no local sign-off of this exemption – it will apply statewide. This will mean that local governments which stand to lose tax revenue resulting from this exemption have no say in the matter.

While we strongly support the need for development of affordable workforce housing, GOPC has long held the belief that local leaders should shape development, ensuring that such development occurs in a manner that is sustainable and fits the overall community planning. The lack of local control of a tax exemption that could impact local financing for as much as 8 years is not good public policy. We strongly encourage the committee to either remove the provision from the budget for further consideration as a stand-alone measure, or provide protections to ensure that local communities have the opportunity to sign-off on the implementation of such a policy.

GOPC Respectfully Requests Senate Add A Provision to Empower Local Governments to Create Housing They Need

The final provision I wish to address is one that was included in the as-introduced budget, but removed by the House - the Housing Technical Assistance Grant program. The program would assist local governments seeking to modernize regulations and processes tied to local housing efforts. Grants awarded under the program would be used to update housing-related zoning regulations, streamline government review of housing proposals, update building permit software, and other innovative efforts intended to expedite review of housing proposals. For the past several years, GOPC has been advising Ohio communities that are working to address their frustrations with the lack of modern market rate housing and scarcity of affordably priced. The one common thread shared by all these communities is the need to update zoning. In some instances, zoning codes governing community development have not been updated since before World War II.

Providing resources to communities to assist with this work is key to ensuring that affordable workforce housing development, along with market-rate development where needed, can be expedited to ensure that Ohio addresses this burgeoning housing crisis. **GOPC strongly encourages the Senate to restore the Housing Technical Assistance Program back in the budget. While the original proposal would have supported the program at \$1.5 million per year, GOPC would encourage the legislature to increase the funds available to support this program, to \$5 million per year.** Based on work GOPC has done developing our own recommendation for a zoning assistance program, we have learned that costs associated with zoning updates can cost upwards of \$100,000 or more. To ensure more communities have access to this important new program, we would encourage the higher funding amount to support this new initiative.

Conclusion

Chair Schaffer, thank you for the opportunity to share our thoughts regarding House Bill 33. I appreciate your attention and will be happy to address any questions you or the members of the committee may have.