



BIA Testimony for HB 113
Ohio House of Representatives, House Local Government Committee
Opponent Testimony from Jon Melchi, Executive Director, BIA of Central Ohio

Madam Chair and members of the Ohio House Local Government Committee:

Thank you for the opportunity to speak with you today. My name is Jon Melchi, and I serve as the Executive Director of the Building Industry Association of Central Ohio (BIA). Since 1943, the BIA has represented single-family and multi-family homebuilders, developers and remodelers working across our growing 13-county region.

Recognizing the mounting challenges facing residential development in Ohio, particularly those imposed by complex and overlapping local regulations, the BIA of Central Ohio partnered with the Montrose Group in 2024 to publish the *Ohio Housing Policy White Paper*. This report offers a clear-eyed analysis of the barriers to housing production and outlines steps the state can take to reverse its course.

Today, I'd like to address three key questions related to House Bill 113.

1. Why is the BIA of Central Ohio engaged in state-level housing policy?

We are here because Ohio faces a housing crisis rooted in supply constraints. According to our White Paper, despite Ohio's population exceeding Indiana's by over 3 million people and despite similar growth demographics, both states permitted roughly the same number of new homes. This imbalance has serious consequences. Ohio's inadequate housing supply is one of the reasons our property tax burden is nearly double that of Indiana and Kentucky. And it's directly affecting home affordability: the average price of a new home in Ohio is rising fast, with Central Ohio's average topping \$500,000, compared to \$392,000 in Indianapolis. We must address the structural issues that hold housing development back to keep our communities competitive and affordable.

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2. What can Ohio do to improve housing production?

The answer is simple: we need more housing. That means the Ohio General Assembly must take steps to streamline local regulatory barriers that delay or prevent residential development. The lack of housing production isn't just a big city issue; it affects urban, suburban and rural areas alike. Additionally, targeted state investments in residential infrastructure, especially in underserved regions, will help unlock new development opportunities. But those efforts require a clear, predictable framework for growth. HB 113 moves us in the wrong direction.

3. How would HB 113 impact Ohio's ability to address the housing crisis?

Rather than advancing solutions, HB 113 would disrupt Ohio's longstanding and functional annexation system. Access to critical infrastructure like water and sewer services is often only possible through annexation into municipalities. HB 113 introduces new procedural hurdles that would complicate this process, notably by reducing the acreage eligible for annexation and requiring school district approval for residential tax abatements. These changes would effectively give school districts unilateral veto power over housing projects, many of which are essential to meeting demand and supporting economic development.

Cities like Zanesville and other rural communities rely on tools like Community Reinvestment Areas (CRAs) to attract new investment and build homes where the market won't. HB 113 would jeopardize those efforts.

At a time when Ohio should be cutting red tape and encouraging housing investment, HB 113 creates more bureaucracy, delays and uncertainty. If enacted, it would stall housing development and weaken our state's ability to grow and compete.

Thank you for your time and consideration. I urge the committee to oppose House Bill 113, and I would be happy to answer any questions.