

**Opposition Testimony on House Bill 113
House Local Government Committee
Matthew R. Vekasy, Founder and CEO, Metropolitan Holdings**

Chair King, Vice Chair Kishman, Ranking Member Sims, and Members of the Committee:

Thank you for the opportunity to provide testimony in opposition to House Bill 113.

My name is Matt Vekasy, and I am the Founder and CEO of Metropolitan Holdings, a vertically integrated multifamily housing development company established in 1998. Over the past 26 years, our firm has developed, constructed, and managed a wide range of high-density housing and mixed-use projects throughout Ohio's metropolitan areas, including Columbus, Dayton, Cincinnati, Cleveland, and Toledo. Our active portfolio represents nearly 2,900 housing units.

I'm here today to voice my strong opposition to the proposed changes to the Community Reinvestment Area (CRA) statute in House Bill 113.

Key Reasons for Opposition

1. Erosion of Local Control and Project Viability

- The bill would mandate school board approval for any CRA agreement that offers a tax abatement above 75% and up to 100%. This policy shift would dramatically curtail the ability of local governments to advance critical housing and redevelopment projects.
- In practice, many school boards lack the incentive to support such abatements—despite the long-term benefits of housing-driven economic growth—because they would receive no immediate property tax revenue. Without their consent, many projects will become financially unfeasible, particularly in urban infill areas where remediation, demolition, or infrastructure challenges drive up development costs.

2. Restriction on New Housing Supply and Economic Growth

- Ohio is at a critical point in addressing our housing shortage. Curtailing the flexibility of CRA abatements risks reducing the overall pipeline of multifamily housing developments. Fewer housing units mean fewer options for workers and their families, leading to higher rents, cost burdens on employers, and ultimately, diminished competitiveness for our communities in attracting business investment.
- Economic development and housing policy are tightly intertwined. New businesses will struggle to grow or locate in areas where affordable and accessible housing is in short supply. House Bill 113 would undermine this relationship by reducing the tools needed to meet market demand.

3. Impact on Businesses Committed to Growing in Ohio

- Employers that have already committed to expanding in Ohio rely on a growing housing supply to attract and retain talent. By stifling multifamily development, HB 113 will increase housing costs and pressure employers to raise wages to maintain their workforce and will create an unsustainable long-term burden that could redirect capital away from innovation and job creation.

4. Inhibiting the Redevelopment of Challenging Sites

- Our industry frequently takes on difficult, underutilized sites that are costly to remediate and redevelop. These infill locations often represent blight in the community, but with proper incentives, they can become catalysts for revitalization. The availability of 100% CRA abatements has been essential in making these projects viable. HB 113's changes threaten to eliminate these opportunities, leaving eyesores untouched and communities without paths to redevelopment.

It is important to reinforce that multifamily housing is not a liability to communities. Higher density developments increase tax revenue, stimulate local commercial activity, create jobs during construction and operation, and utilize existing infrastructure more efficiently. Moreover, the perception that multifamily housing overwhelms school systems is largely inaccurate. In our higher-end communities, fewer than 2% of residents are school-aged children. Our developments largely serve young professionals, couples without children, and empty nesters. Ohio's future growth depends on a flexible, responsive development environment that encourages investment in housing where it's needed most. HB 113 would hinder this growth, damage Ohio's competitiveness, and reduce the ability of local governments to address their unique housing and redevelopment needs.

On behalf of Metropolitan Holdings and the many developers, employers, and communities who rely on CRA tools to fuel economic development, I respectfully urge the committee to reject House Bill 113.

Thank you for the opportunity to provide opposition testimony.