

Senate Finance Committee

Interested Party Testimony, House Bill 96 (Stewart)

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Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson and members of the Senate Finance Committee, my name is Jason Warner, and I am the Director of Strategic Engagement at the Greater Ohio Policy Center (GOPC).

You have heard from my colleague, Aaron Clapper, about GOPC's primary policy goal for the budget. As a statewide policy organization focused on revitalizing Ohio communities, we believe housing and transportation policy are also important for Ohio's future.

**I. Transportation Issues**

In the next 25 years, Ohio is projected to lose 5.7% of its 2020 population. This means we will have fewer rate payers available to support the long-term maintenance costs of Ohio's highways and roadways. During this same time period, Ohio's motor fuel tax receipts are expected to decline.

Simultaneously, the share of aging Ohioans will grow and their desire for independence will continue. Working age Ohioans, especially those in urban job centers, will look at other states and expect Ohio to have a similar range of transportation options that are safe and convenient.

To continue connecting Ohioans to opportunity and independence, Ohio must protect the important transportation assets we already have and prepare for a future where a variety of transportation modes will safely and efficiently connect Ohioans to their destinations.

**Recommendation #1-Maintain Ohio's Strong Support for Public Transportation**

Over the past six years, the state of Ohio has maintained a historically high level of investment in public transportation funding. This investment has enabled Ohio's public transit agencies to get workers to jobs, students to school, and seniors and people with disabilities access to destinations and services they might not otherwise have.

The as-introduced budget proposed to flat-fund the state's investment in public transportation at \$37 million per year. GOPC strongly supports this continued investment and encourages the Senate to maintain this funding as part of the biennial budget.

**Recommendation #2-Support Rail Expansion**

Expanding passenger rail service in Ohio will increase connections between and within the state's regions and connect Ohio to the Midwest. This connectivity will be vital as remote and

hybrid workplaces remain the norm. Viable cross-state passenger rail will reduce the assumed need for roadway expansion and allow existing rail infrastructure to better support the increased demands of commercial and industrial freight logistics.

The House-passed budget adopts the Midwest Interstate Passenger Rail Compact, an important step for Ohio to work with other Midwestern states to coordinate and support regional improvements to passenger rail service. Additionally, the budget appropriates \$50,000 over the biennium to cover the cost of Ohio's membership in the Compact. GOPC strongly supports the adoption of the Compact and urges the Senate to retain these provisions as an important step to enable continued work to expand these highly sought after service routes in Ohio.

Additionally, our partners at the Mid-Ohio Regional Planning Commission (MORPC) who are leading the effort to advance the Midwest Connect Line (Chicago-Lima-Columbus-Pittsburgh) are seeking \$750,000 in this budget to fulfill Ohio's share of the cost for Step 2 of the Federal Railroad Administration's (FRA) Corridor ID program – an in-depth development plan that asks essential questions such as best location for stations and train frequencies. As this request does not obligate the state to fund future phases, we strongly encourage the committee to support this request, which has board bipartisan support, including Vice President J.D. Vance.

### **Recommendation #3- Protect Active Transportation Investment Throughout Ohio**

Local governments and ODOT are making streets safer for cyclists, pedestrians, transit-riders, and drivers. However, funding for these safety measures is modest and typically implemented through individual, small-scale projects. Most Ohio's local roadways have few or no options for non-drivers, due to their current design. As a result, today's roadway designs are a large factor in Ohio's stunningly high rate of pedestrian injuries and crashes.

Recent findings from the Ohio Department of Transportation show that proximity to walking and biking infrastructure helps to increase property value by as much as 3-14% for homes within a quarter mile of a trail, and approximately 1.1% for trails within a mile. Altogether, trails raise home values by \$1.6 billion statewide, creating \$182 million in additional property tax revenue for communities each year. The same report shows that active transportation infrastructure helped to generate \$8.81 million in business sales in Ohio in 2024 through food and beverage services, recreational activities, retail, and lodging.

### **Shared use paths and trails in Ohio provide opportunities for recreation, provide access to local and regional destinations, and connect people to businesses.**

This is why we are very concerned about language added by the House to HB96, which would prohibit the use of eminent domain for recreational trail projects. This language would hamper the development of active transportation infrastructure throughout Ohio and runs the risk of limiting access to these activities throughout Ohio.

We can all agree that eminent domain should be rare and only used as a last resort. It is rarely used for projects involving recreational trails. However, it is essential that trails continue to be treated as a valid public purpose under Ohio's eminent domain law. GOPC is echoing the calls

of others and urging the Senate to remove this prohibition by **deleting lines 17110 through 17133 of the House-passed budget or support the adoption of SC0134** to limit the application of the prohibition only to previous takings that were dismissed prior to January 1, 2024.

## **II. Housing Issues**

### **Recommendation #4-Retain House-Version of Welcome Home Ohio**

The House made several changes to the Welcome Home Ohio Program (WHO). These changes include adding Community Development Corporations (CDCs) to the list of qualified nonprofit developers as eligible applicants for grants; extends WHO tax credits from the end of FY25 to the end of FY27; increases to the amount of the WHO tax credit from one-third of the construction cost to 90% of such costs; increases the income eligibility threshold to purchase a WHO home from 80% AMI to 120% AMI, and increases the amount WHO-funded homes can be sold at, increased from \$180,000 to \$220,000, among others.

GOPC supports these changes and respectfully requests they be retained by the Senate.

### **Recommendation #5-Retain House-Version of the Housing Accelerator Program**

The House also created a new program, known as the Housing Accelerator Program. This new program would provide grants to municipalities and townships that adopt at least three defined “pro-housing policies”. A total of \$5 million (\$2.5 million per year) would be available for grants to communities that have any three of the eight qualifying policies.

GOPC has long supported many of the defined pro-housing policies that would qualify a community for grants under this program, including permitting housing pre-approvals. Earlier this year, GOPC, in partnership with the Ohio Realtors, published *Housing Ohio: Tools for Development*, a toolkit designed to promote new housing production and infill development in Ohio. The toolkit aims to reduce barriers to new housing development, with a focus on revitalizing underutilized areas in established neighborhoods that already have existing homes, infrastructure, and amenities rather than promoting development at the fringe of developed areas.

The toolkit, paired with the Housing Accelerator Program, presents a real opportunity to jumpstart development of quality, attainable housing in Ohio, and we urge the Senate to retain this new program as part of the budget.

### **Recommendation #6-Reverse House-Version and Preserve Current ORC for the Ohio Housing Trust Fund**

The House-passed budget removes the requirement that housing trust fund fees collected by the county recorders be deposited into the Ohio Housing Trust Fund (OHTF) account and requires that each county use low- and moderate-income Housing Trust Fund fees for purposes determined by the appropriate county board of commissioners.

The Trust Fund is a flexible state funding source that provides affordably priced housing opportunities, expands housing services, and improves housing conditions for low-income Ohioans and families.

We recognize that lawmakers may have concerns with the existing model of the Trust Fund. However, we believe such a sudden change to a program that has been a safety net for millions of Ohioans for more than 30 years is a radical step to take. That is why **we support the adoption of 136\_1326** which would remove the House language and create a study committee to assess the impact, local control, effectiveness, and sustainability of the Trust Fund moving forward.

### **Conclusion**

Chair Cirino and members of the Senate Finance Committee, thank you for the opportunity to provide interested party testimony. I am happy to address any questions that the committee may have.