



Senate Bill 184 Sponsor Testimony

State Senator Michele Reynolds

Chair Reynolds, Vice Chair Timken, Ranking Member Craig, and members of the Senate Housing Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 184, which establishes Residential Economic Development Districts (REDDs) and creates the Housing Accelerator Fund to address Ohio's looming housing crisis. The intent of this bill is to encourage major workforce housing projects in areas of the state that otherwise would not attract such developments and to increase home ownership among Ohioans.

Ohio stands at a critical juncture. As major investments flow into our state, we face an unprecedented housing shortage that threatens to undermine our economic growth. Despite the clear need for more housing, local governments often lack both the incentive and resources to approve or build new residential development.

Our state faces three primary barriers preventing adequate housing development. First, local control policies tend to prioritize existing residents over future growth. Second, restrictive zoning regulations limit housing density and variety. Third, NIMBY opposition frequently stalls approval processes for new developments. The fundamental issue is twofold: local governments have little incentive to build or approve new housing developments, and communities lack resources to address the immediate infrastructure needs that new housing creates.

Senate Bill 184 establishes the REDD Housing Accelerator Program to directly address these challenges. The program establishes 20-mile development zones around single-project investment sites that have

attracted at least \$700 million in private investment. According to JobsOhio, this currently represents about 20-25 project sites across the State in urban, suburban and rural communities. Within these zones, the Housing Accelerator Fund will provide grant dollars to incentivize infrastructure development for single-family housing to increase homeownership and remove barriers related to housing development, zoning regulations, and infrastructure costs.

The bill clearly defines eligibility criteria to ensure targeted and effective implementation. A "Major Economic Development Project" must be reasonably expected to create, retain, and attract jobs or otherwise improve the economic well-being of the surrounding area, with at least seven hundred million dollars in private investments committed as part of a single project. This includes investments in new buildings, additions or improvements to existing buildings, machinery, equipment, furniture, fixtures, and inventory.

The legislation also defines a "Major Workforce Housing Project" as one that reserves at least one hundred units, designed for residential occupancy by at least one hundred individuals or families living independently from each other. A "Residential Economic Development District" encompasses all parcels of land within a twenty-mile radius of a major economic development project.

Senate Bill 184 creates the Housing Accelerator Fund in the state treasury, consisting of money appropriated by the general assembly and other received funds, with all investment earnings credited to the fund. The Director of Development will use money in the fund exclusively to provide grants to eligible counties, townships, and municipal corporations located within these districts.

These grants will address urgent infrastructure needs that often present barriers to housing development. Communities can use funds to reduce sewer and water tap fees to lower development costs, extend sewer and water services to enable new housing areas, conduct traffic studies and

make roadway improvements to accommodate growth, and prepare sites to accelerate development timelines.

Initial housing development creates immediate public infrastructure demands that communities often cannot afford to address on their own. The grants provided through this program offer upfront resources communities need while creating the proper incentives for local governments to approve necessary housing development. Local jurisdictions can use these funds for providing capital for housing development, acquiring and readying sites for development, providing financial assistance for housing-related infrastructure projects, addressing additional service or public safety needs due to population increases, and other purposes deemed appropriate by the Director of Development.

The bill strategically incentivizes zoning reform by giving preference to applications from communities that adopt pro-housing zoning policies. Specifically, the Department of Development will prioritize jurisdictions that promote higher density, smaller lot sizes, and reduced setbacks - practical changes that directly address our housing shortage. Rather than mandating these reforms, Senate Bill 184 creates financial incentives for communities willing to modernize their approach to zoning, balancing the need for housing development with respect for local decision-making. The Director of Development will establish model zoning standards to guide these efforts, helping communities implement best practices that facilitate housing growth.

Senate Bill 184 also recognizes the important role that manufactured housing can play in addressing our housing shortage. The bill specifically identifies "promoting the use of non-traditional building structures such as modular or manufactured homes" as a pro-housing development policy that communities can adopt to strengthen their grant applications.

Manufactured homes offer several advantages in our current climate: they can be built more quickly than traditional site-built homes, often cost 20-30% less per square foot, and meet the same safety and quality standards while providing affordable homeownership opportunities. By

explicitly including manufactured housing in the legislation, we're encouraging communities to expand housing options beyond conventional construction methods.

The Housing Accelerator Fund grants can support infrastructure improvements such as water and sewer connections, road improvements, and site preparation. This represents a practical approach to rapidly increasing our housing stock while maintaining quality and affordability for Ohio families.

By implementing the Residential Economic Development District program through Senate Bill 184, Ohio can transform our housing challenges into opportunities for growth, positioning our state for sustained economic prosperity for generations to come.

I am happy to answer any questions from the committee regarding this legislation.