

Ohio Senate
Housing Committee
Senate Bill 184 - Interested Party Testimony
May 13, 2025

Chair Reynolds, Vice Chair Timken, Ranking Member Craig, and members of the Senate Committee on Housing, thank you for the opportunity to testify as an interested party on Senate Bill 184 - Create Residential Economic Development Districts and a Housing Grant Program. I am Misty Crosby, retired Executive Director of a regional council of governments located in rural southeastern Ohio, where I spent 32 years in service to rural Appalachian Ohio counties. I am very interested in Senate Bill 184 and the implications for rural communities, specifically the communities within the 32 federally-designated Appalachian Counties, and a subset of 26 counties whose municipalities are members of the Mayors' Partnership for Progress.

I first want to apologize for not being in attendance at the Interested Parties Meeting held yesterday, May 12, 2025 at 3:00 pm. I had every intention of traveling 4 hours round-trip to attend this meeting. I hoped to hear directly from Senator Reynolds to better understand how SB 184 was developed and its projected impact throughout the state, both with immediate designation of REDDs upon passage, as well as future opportunities or projects Jobs Ohio has currently underway that would become eligible areas in the future. The announcement of the opportunity to testify was very welcome, however the logistics of traveling to and from Columbus and also submitting relevant testimony ahead of tomorrow's Committee meeting proved insurmountable, so I offer these written comments for your consideration and respectfully acknowledge that some comments may have been addressed during the Interested Parties Meeting.

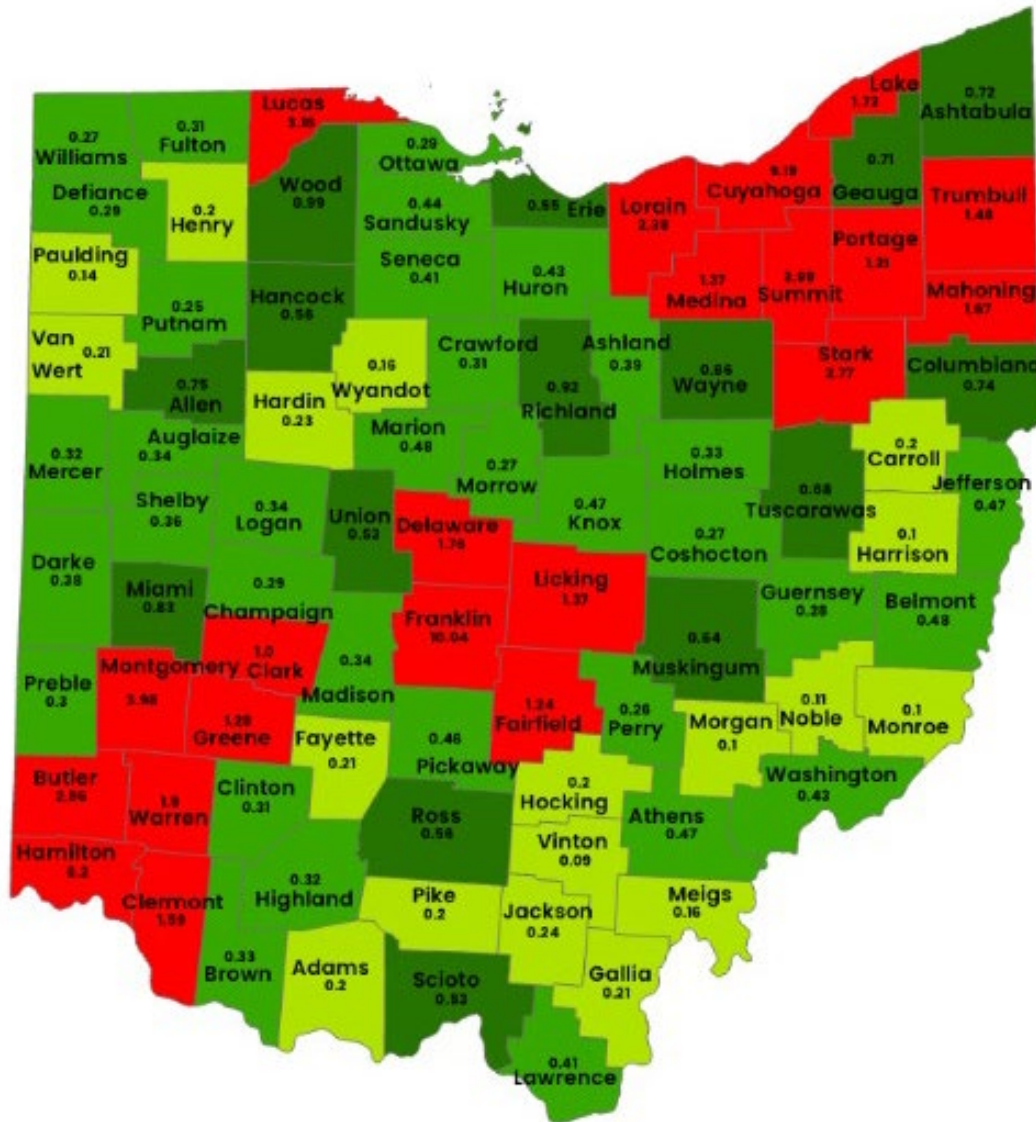
Senate Bill 184, as currently drafted, heavily focuses on areas near very large economic development projects. To make it more relevant and impactful for rural areas with lower populations and less investment, the following additions or changes could be considered:

Alternative Triggers for "Residential Economic Development Districts" in Rural Areas

The current definition hinges on a \$700 million private investment, which occurs very infrequently in rural regions of the state. Consider adding alternative criteria for establishing a "Residential Economic Development District" in rural areas, such as:

- **A lower threshold for private investment tied to job creation relative to the local population.** The average capital investment per job-creating project since the creation of Jobs Ohio in the 25-county now OhioSE Region is \$30,751,484. Since 2020, the average capital investment per job-creating project in the OhioSE region is just over \$6 million—both far below the \$700 million threshold in SB 184. In fact, only five projects in the region have exceeded \$70 million since 2020, the largest of which was only \$213 million – still well-short of the \$700 million target.
- **Designation based on the presence of key anchor institutions** (e.g., a regional hospital, a small college, a significant employer in a niche industry) that could drive moderate housing demand. For example:
 - The Adena healthcare system in Ross and Jackson Counties employs 5,000
 - Ohio University in Athens County employs 5,000
 - Trinity Health System in Jefferson County employs 2,000
 - Flex-N-Gate in Columbiana County employs 700
 - Candle-Lite in Highland County employs 650
- Developing a two-tiered system for designating REDDs for those above and below the average Ohio county population, as indicated the map below, with counties in RED having populations equal to or greater than the

average county population in Ohio (only 21 counties in total), and those that are in various shades of green, which are closer to the average, but still less than the average (higher resolution image available upon request – the lighter the shade of green, the lower the population):



Scaled-Down Definitions for "Major Workforce Housing Projects" in Rural Contexts

- Requiring 100 reserved units is unrealistic for the scale of housing development in many rural communities. Consider a tiered system or a

separate definition for rural areas with a significantly lower threshold for the number of reserved workforce housing units, perhaps tied to the local population or demonstrated need.

- The average number of housing units in 2024 9% LIHTC projects in rural areas was 54—nearly half the 100-unit requirement in SB 184 and 18 less than the 72 units on average for Central City, Metro and Suburban areas.
- From 2015 to 2024, the Ohio Housing Finance Agency (OHFA) has funded only 14 projects in Appalachian counties that contain 100+ units, compared to 125 projects in the rest of Ohio that met that threshold.
- A tiered or population-adjusted threshold would better reflect rural development realities.

Emphasis on Addressing Existing Housing Stock and Rehabilitation

- Rural areas often have a significant amount of aging housing stock. The grant program could be broadened to include funding for the rehabilitation and modernization of existing housing, particularly for workforce housing, alongside new construction. This could address affordability and improve living conditions without requiring large-scale new developments.
 - From 2017–2022, new residential construction in the 26 MPP counties decreased by 14.2%, while the state saw a 29.6% increase.

Incentivizing Partnerships and Regional Collaboration Among Rural Entities

- Since individual rural counties, townships, or municipalities might lack the capacity for large projects, the bill could offer incentives for collaborative applications across multiple jurisdictions to pool resources and address regional housing needs, and financial support for demonstrated partnerships among non-profit developers and

community organizations and local leaders focused on affordable rural housing.

Technical Assistance and Capacity Building for Rural Applicants

- Rural governments often have limited staff and resources to navigate complex grant applications and implement new housing policies. The state could provide dedicated technical assistance or planning grants to help rural communities prepare competitive applications and develop effective pro-housing strategies tailored to their unique circumstances.

Consideration of the Unique Economic Drivers of Rural Areas

- The definition of "improving the economic well-being" could be broadened to explicitly include sectors important to rural economies, such as agriculture, tourism, natural resource management, and the growing remote work sector, and encourage housing development that supports these areas.

In summary, Senate Bill 184 aims to establish Residential Economic Development Districts and create a grant program for housing developments within these districts. However, the bill's current focus on large-scale economic projects and high investment thresholds may not be suitable for rural areas. To better serve the housing needs of rural Ohio, the following key recommendations are proposed:

1. Alternative triggers for establishing Residential Economic Development Districts in rural areas, including lower investment thresholds and designations based upon the presence of key anchor institutions.
2. Scaled-down definitions for major workforce housing projects to reflect the realities of rural housing development.
3. Emphasis on addressing existing housing stock and rehabilitation alongside new construction.
4. Incentivizing partnerships and regional collaboration among rural entities to pool resources and address housing needs.
5. Providing technical assistance and capacity building for rural applicants.

6. Considering the unique economic drivers of rural areas in the definition of improving economic well-being.

Thank you for the opportunity to submit written testimony, and thank you for your leadership on the Senate Housing Committee. I respectfully urge your consideration of these proposed changes to Senate Bill 184. I am committed to collaborating with state legislators and stakeholders to develop effective housing solutions that address the unique challenges and opportunities in rural areas of the state. Together, we can ensure that all communities—regardless of size or location—have access to the resources and support needed for sustainable growth and prosperity. By incorporating these suggestions, Senate Bill 184 can be adapted to better serve the housing needs of rural Ohio, fostering sustainable development and improving the quality of life in these vital communities.

Thank you for your attention and consideration.