

The image shows the Ohio Statehouse at dusk. The building is a grand neoclassical structure with a prominent portico supported by tall columns. Above the portico is a large circular rotunda with a dome. The sky is a mix of blue and orange, suggesting the time is either dawn or dusk. The building's windows are lit from within, casting a warm glow. Two American flags are visible on tall poles, one on the left and one on the right of the rotunda.

# Economic Development Policies Affecting Ohio Housing

Senate Select Committee on Housing | November 2025

# Agenda

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- Economic Impacts of CRE Development in Ohio
- Opportunity Zone Program
- Transformational Mixed-use Development Program
- Historic Tax Credit Program
- Brownfield Remediation Program
- CRAs and TIFs
- Other Considerations
- Questions & Answers

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# **Economic Impact of CRE Development in Ohio**

# Economic Impact of CRE in Ohio

NAIOP Research Foundation recently released 2024 data underscoring the impact that commercial real estate development has on Ohio's economy:

- \$9.5B generated in wages and salaries
- 163,517 jobs supported
- \$31.7B to the State's economy (GDP)
- In terms of total output, Ohio ranked 13th with \$55.1B

Source: [NAIOP Research Foundation Reports Jobs, GDP Contributions Generated by CRE Development](#), NAIOP.org

\*Importance of focusing on proven & well-established programs

# CRE Development & Housing

Job creation and industry growth drives need for more housing

An increase in housing product improves the overall availability of housing in the market

Economic development programs promote commercial and residential development, encourage **walkable, multiuse districts**, and make residential components **financially viable** within development projects

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# Opportunity Zones

# Federal OZ Program

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The Federal OZ Program provides three primary tax benefits to investors:

- Deferred capital gains for a five-year period on a rolling basis
- Savings of 10%-30% on the reinvested gain
- No capital gain tax on appreciation of reinvested capital gain held for 10 years or more

Timing:

- 180 days to Invest Capital Gain into an Opportunity Zone Fund
- 6 months for OZ Fund to Invest in OZ property
- Basis in the OZ property must double within 30-months after the date of acquisition

OZ 2.0 Changes:

- Now permanent, no longer set to expire
- Governors to submit new OZ designations every 10 years starting July 1, 2026, with new zones effective January 1, 2027, each designation lasting a decade

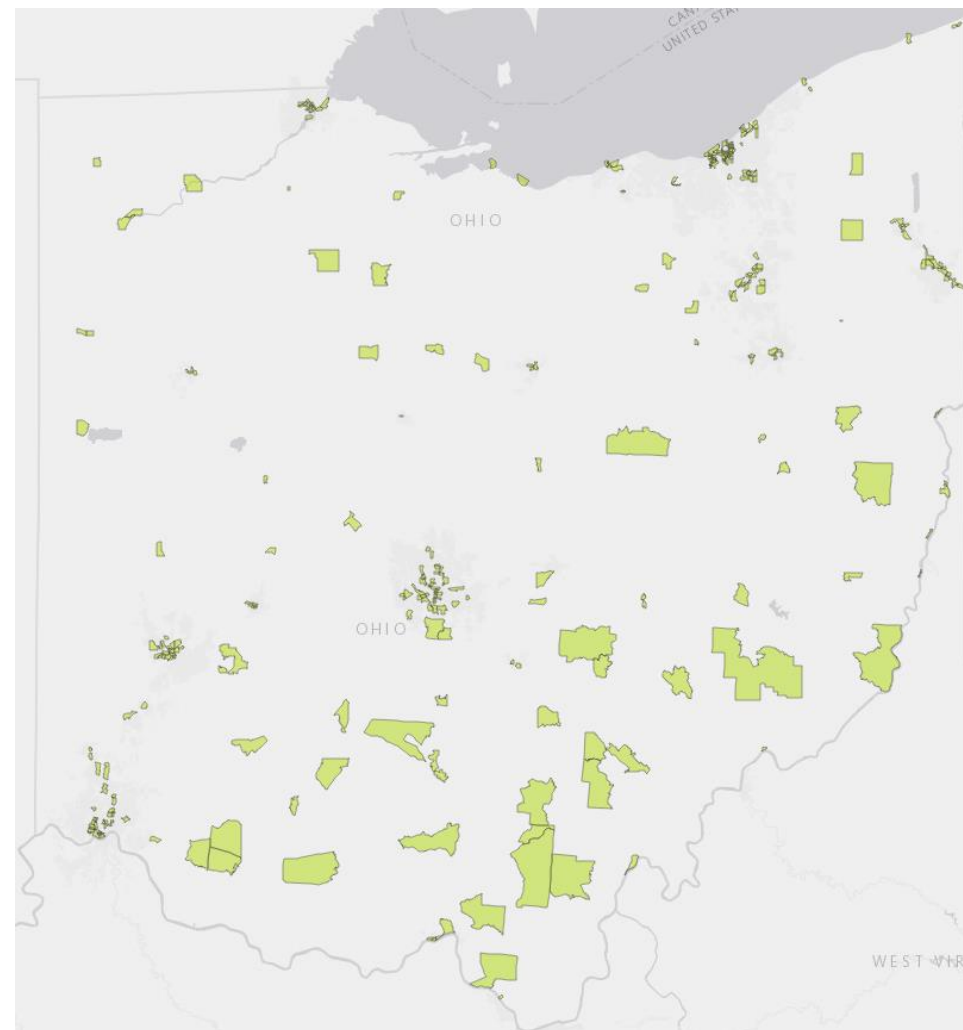
# Ohio Opportunity Zones

- Pairs with Federal Opportunity Zone Program
- \$2M per applicant limit per fiscal biennium, \$5M limit per project
- \$50M allocated per year
- 10% tax credit for investing in Ohio Opportunity Zone Projects
- Credits may be claimed, or sold to individuals, insurance companies, or financial institutions, which maximizes the return to the State, thanks to HB 315
- Ohio Department of Development was unable to hold a January 2025 Round because the program temporarily ran out of funding
- \$44M was applied for in the most recent 6-month period alone of the \$50M allocated per year

# Opportunity Zone Impacts

Ohio has 320 Opportunity Zones in 73 of its 88 counties

In the most recent round alone, of the 300 applications, applying for \$44 million, the majority to vast majority involved a residential component



# Gravity



# Scioto Peninsula





# Victoria Place



# Overmyer Lofts

# Transformational Mixed-use Development

# TMUD Program

- Enables mixed-use developments of scale and impact to move forward and stimulate significant economic activity in the areas surrounding TMUD projects
- Rigorous application process, ROI and readiness being most important factors
- \$125M tax credits available for property owners based on the following criteria:
  - **General projects:** \$40M for projects located >10 miles from a Major City, plus 1/3 of any tax credits previously awarded but rescinded in prior fiscal year
  - **Major City projects:** \$85M for projects located within 10 miles of a Major City, plus 2/3 of any tax credits previously awarded but rescinded in the prior fiscal year and any amount not awarded to General Projects
- Limited to 10% of the project's certified development costs (\$20M cap per project)

# TMUD Impacts on Housing

## 2022

10/13 projects  
awarded in 2022 had  
a housing component  
totaling 2,937 units

**10**  
Projects with Housing  
Awarded

**2,179,384 SF**  
**2,937 Units**

## 2023

9/12 projects  
awarded in 2023 had  
a housing component  
totaling 2,657 units

**9**  
Projects with Housing  
Awarded

**2,136,184 SF**  
**2,657 Units**

## 2024

13/15 projects  
awarded in 2024 had  
a housing component  
totaling 3,367 units

**13**  
Projects with Housing  
Awarded

**4,054,445 SF**  
**3,367 Units**

## 2025

8/9 projects  
awarded in 2025 had a  
housing component  
totaling 4,459 units

**8**  
Projects with Housing  
Awarded

**3,052,401 SF**  
**4,459 Units**



# North Market Tower Merchant Building

# Grand River Walk



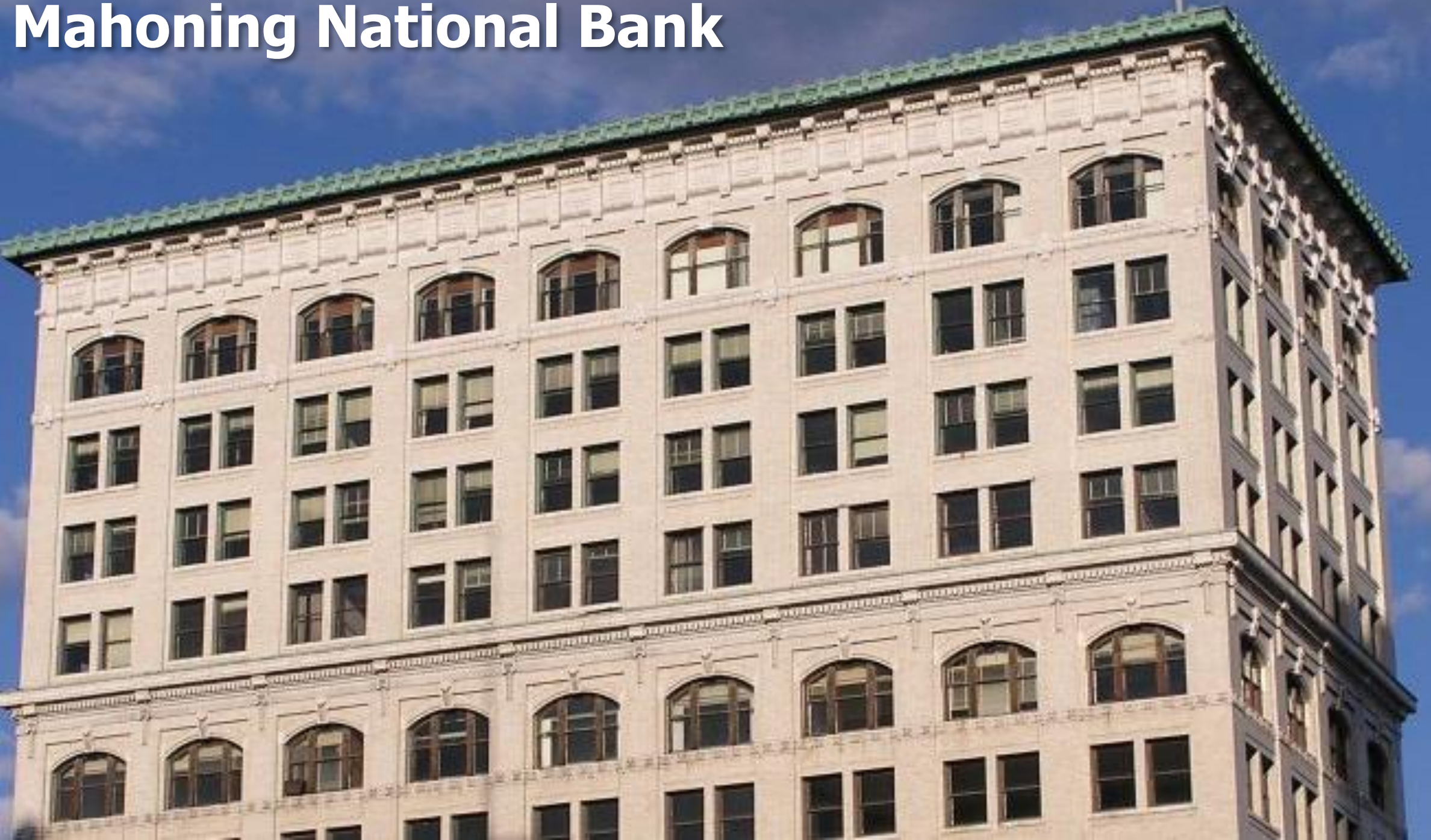
# Uptown Mentor





# The Mill on Flax

# Mahoning National Bank



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# Ohio Historic Preservation Tax Credits

# Ohio Historic Preservation Tax Credits

- Allows property owners to restore historic structures while promoting economic growth
- Facilitates adaptive re-use, including conversion of excess office space to residential housing
- State tax credit of up to 35% of qualified rehabilitation costs for projects that are not located outside a municipality with a population of at least 300,000, capped at \$5M per project
- Currently allocates \$75M per year
- Significantly oversubscribed every year
- Consistently shown an 8-to-1 return on investment on awards

# HTC Impacts on Housing

**2019**

31/40 projects awarded in 2019 had a housing component

**31**

Projects with Housing Awarded

**1,222,565 SF**

**942 Units**

**2020**

32/40 projects awarded in 2020 had a housing component

**32**

Projects with Housing Awarded

**1,030,089 SF**

**872 Units**

**2021**

25/33 projects awarded in 2021 had a housing component

**25**

Projects with Housing Awarded

**1,237,990 SF**

**961 Units**

**2022**

51/62 projects awarded in 2022 had a housing component

**51**

Projects with Housing Awarded

**2,834,266 SF**

**2,253 Units**

**2023**

49/62 projects awarded in 2023 had a housing component

**49**

Projects with Housing Awarded

**2,745,443 SF**

**2,028 Units**

**2024**

50/69 projects awarded in 2024 had a housing component

**50**

Projects with Housing Awarded

**3,173,157 SF**

**2,078 Units**

**2025**

21/30 projects awarded in 2025 had a housing component

**21**

Projects with Housing Awarded

**1,286,799 SF**

**1,016 Units**

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# Brownfield Remediation

# **Brownfield Remediation Program**

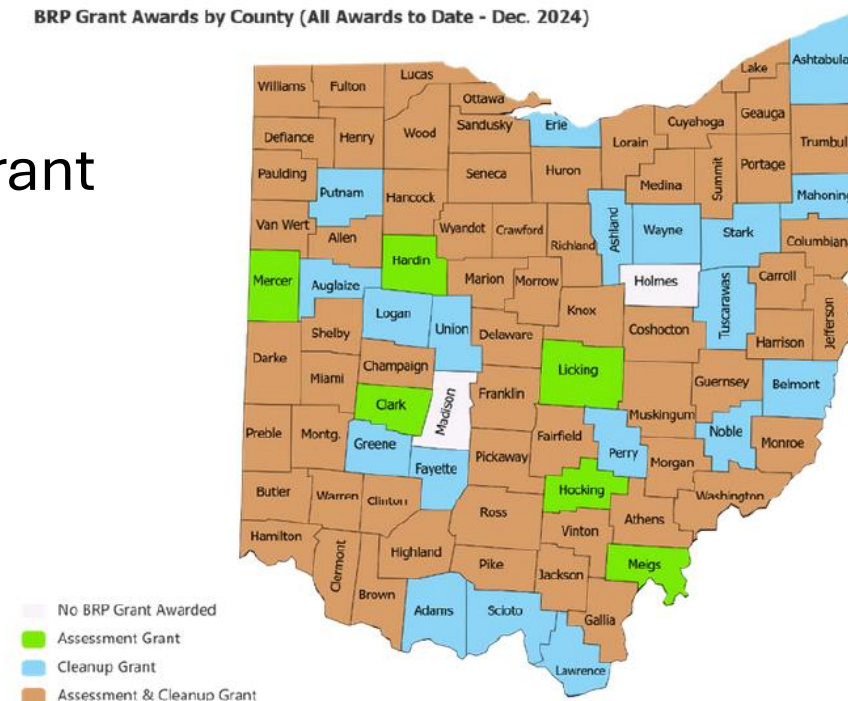
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- Reimbursement grants that facilitate remediation of hazardous sites, enabling industrial, commercial, and institutional properties to be redeveloped into job-creating developments
- \$100M funding per year, with \$1M minimum available funding per County
- Eligible Costs:
  - Assessments: limited to \$300,000 per project
  - Cleanup/Remediation: limited to \$10M per project
- Significantly oversubscribed: \$175M was applied for within 2 hours in the most recent round
- Now focuses awards on economic development projects
- Projects awarded must not be specific to one region of the State
- Eligible costs may include remediation, demolition, and infrastructure

# Brownfield Program Impacts

- The BRP has invested more than \$659M in 631 projects to date across Ohio
- 86 Counties have applied for and received a BRP grant
- 6 Counties have received awards for assessment grants only
- 18 Counties have received awards for cleanup - remediation grants only
- 62 Counties have been awarded grants for both cleanup and assessment (251 total Projects)
- \$343M requested during the 2024 fiscal year

BRP Grant Awards by County (All Awards to Date - Dec. 2024)



Source: The Benefits of Brownfields for Ohio's Communities – White Paper by the Greater Ohio Policy Center

# Brownfield Impacts on Housing

## TO DATE

211/681 projects  
awarded to-date had a  
housing component

**211**  
Projects with Housing  
Awarded  
**\$333.5M**



## FORECAST

Post-HB 96 Focus on  
Economic Development

**Will spur higher  
percentage of  
Housing  
Developments**

THE  
TOWER

**Painesville Tower**





**Canton Regency Senior Housing**



**Renkert Building**



# Weinland Park

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# Foundational Development Tools: TIFs and CRAs

# TIFs and CRAs

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- TIFs allows cities, villages, townships, and counties to use property tax revenues generated from the increase in assessed value of real property improvements to finance public infrastructure improvements
- Practical Benefits:
  - **Public infrastructure funding** - Improvements can be paid for with future incremental property tax revenues rather than requiring local governments or businesses to make potentially significant upfront investments.
  - **Flexibility** - TIFs can be narrowly tailored to fund a specific improvement or broader infrastructure improvements.
  - **Public accountability** - TIFs require local government approval through a community's regular legislative process.
- Community Reinvestment Areas are areas in which property owners can receive tax abatement for specific improvements desired by the local community

# Other Considerations

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- Planning (HB 361)
- Permitting
- Zoning
- Uniform residential tax rates
- Electrical rates
- Income thresholds
- Infrastructure including utilities



# Questions & Answers

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