



**Senate Ways & Means Committee
Interested Party Testimony, Sub. Senate Bill 212 (Schuring)
Jason Warner, Greater Ohio Policy Center
February 11, 2020**

Chair Roegner and Members of the Senate Ways and Means Committee: Greater Ohio Policy Center (GOPC) appreciates the opportunity to provide Interested Party Testimony regarding Sub. Senate Bill 212, a bill which would create a Neighborhood Development Area (NDA) to provide property tax incentives for the construction of new homes or the renovation of existing homes. On the outset, let me say that we appreciate Sen. Schuring bringing this bill forward for consideration by the Ohio Senate and furthering the conversation about the need to develop new, quality housing in communities throughout Ohio.

GOPC is a statewide non-profit organization that champions revitalization and sustainable growth in Ohio's cities and metros. GOPC is highly respected for its data-driven, nonpartisan policy analysis, research expertise, and policy development, and regularly provides expert analyses to public, private and nonprofit leaders at the local, state and national level. Our mission is to improve the communities of Ohio through smart growth strategies and research for a revitalized Ohio.

Many legacy communities across the state are finding their housing stock is becoming obsolete, while the cost to repair, rehabilitate or build new, is increasing. Cities need strategic tools and incentives that spur new housing for all types of homeowners and renters, while also limiting sprawl. GOPC sees SB212 as a potential tool to address these challenges.

We appreciate that SB212 is permissive in nature, allowing local governments to decide if an NDA is appropriate for their community. We also would like to thank the sponsor and this committee for working to improve the bill by providing for more flexibility and greater opportunity for compromise with local school districts and the communities they serve with regard to the amount of the abatements which will be enacted.

However, we do have a number of concerns with the bill as it is currently pending before this committee. While NDAs can be used for both greenfield development and for dense urban areas, the unintended consequence of the legislation could be sprawl in more rural townships, which will further stretch local government resources and further limit access to quality and affordable housing.

Additionally, we believe the bill could be improved by expanding the scope of the bill by not limiting the type of housing that can be developed to include multi-family housing; something that can be used both for existing neighborhoods for infill as well as new development to ensure a greater balance of housing-type.

This would also match with identified trends in housing development nationwide. According to a recent report released by the National Association of Homebuilders (NAHB), a major shift is now underway as less suburban-style single-family housing is being constructed and cities are allowing more construction of multi-unit housing on individual lots. This change is transforming

residential housing for the first time in more than 60 years. “Diversifying Housing Options With Smaller Lots and Smaller Housing”, written by Opticos Design on behalf of the NAHB, looks at this shift underway in cities across the country and the underlying issues that are causing the shift to occur. Expanding the scope of SB212 to include multi-unit housing would be a major step forward for residential development and ensure Ohio stays at the forefront of national trends in housing and economic development.

GOPC would also echo the comments that have been made by others, including the County Commissioners Association of Ohio (CCAO) and note that while there are differences between NDAs and the existing Community Reinvestment Area (CRA), it is worth considering whether or not the goals of SB212 could be accomplished through tweaking of the existing CRA statute. CRAs have made a tremendous impact on communities throughout Ohio, and we believe that expansion of that program could accomplish the goals of SB212 without new programs being created.

Thank you for your consideration of our thoughts on SB212.