



O H I O
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D E V E L O P M E N T
A S S O C I A T I O N

Interested Party Comments on HB 123

Dear Chair Blessing, Vice Chair Roegner, Ranking Member Williams and Members of the Senate Ways and Means Committee:

The Ohio Economic Development Association thanks you for the opportunity to submit interested party testimony for House Bill 123, which seeks to modernize certain aspects of Ohio's community reinvestment area (CRA) laws. CRAs are a tried and tested economic development tool, utilized by economic development professionals across the state. Communities both large and small employ CRAs to revitalize distressed areas and generate jobs and economic growth.

We appreciate the bill's sponsors', Representatives Fraizer and Cross, efforts to streamline and improve CRAs, and for their early outreach soliciting input from stakeholders.

The sponsors and previous testimonies have detailed for the committee the history and basic mechanics of CRAs and how they are applied to generate economic activity, so this testimony instead highlights a few of the bill's key provisions supported by OEDA members and offers a couple technical suggestions.

The bill proposes several efficiencies and modernizations to the process that are welcomed by Ohio's economic developers. For example, the bill permits limited home rule townships to create CRAs, a commonsense change that will benefit more Ohio communities.

Last year, OEDA surveyed its members' opinions on CRAs and H.B. 123. OEDA members support the creation of a model CRA agreement for general guidance, which local communities can adapt for their own needs. However, OEDA members were divided on removing Department of Development review and approval of CRAs. In particular, several OEDA members consider the inclusion of the required housing study a pivotal aspect and feature of CRA agreements and is part of what sets CRAs apart from other economic incentive tools. In fact, the history of the CRA program is one of a housing tool, first enacted in the late 1960s in Ohio. The housing study helps ensure that the CRA is targeted at areas where residential investment, among others, is not likely to occur otherwise.

In general, OEDA supports measures that streamline the approval process for newly created CRAs and offers more local control over economic incentives, but cautions against removing all Department of Development oversight, which can provide basic guardrails and guidance to local communities.

OEDA offers a few additional technical suggestions to improve the legislation. First, we suggest eliminating or amending the proposed change that permits projects to move from one CRA to another community's CRA within two years. Current law is five years. OEDA received feedback from many OEDA members that current law works well to prevent poaching between communities. OEDA's preference is to keep current law, but if the committee is inclined to shorten the time period, OEDA suggests three years as a minimal time period.

Similarly, OEDA members are concerned with the bill's elimination of the requirement that an owner of an industrial or commercial project notify the local authority in advance of relocating the project to another local

authority's CRA. OEDA strongly suggests that if the Committee still wants to shorten the period of time before a project can move that, at minimum, the notification requirement remain in law. In fact, several of Ohio's regional groups of economic developers function under codes of ethics that prevent this very type of poaching, with notice among communities an important feature; the current CRA law helps support these arrangements.

Finally, OEDA members value their local school districts as partners in their communities and would suggest the Committee amend H.B. 123 to ensure that local school districts continue receiving Department of Development reports regarding CRAs and other incentives. The report promotes community trust and transparency – a vital aspect of economic development – and local school districts should continue in their roles as collaborative partners that receive such reporting and the important information it contains.

On behalf of OEDA's more than 500 members, I want to thank you for your time in considering our perspectives on key provisions of H.B. 123. CRAs continue to be one of the better tools in the economic development toolbox and we look forward to engaging with the Committee on this and other legislation that keeps Ohio moving forward.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Price".

Jennifer Tisone Price
Executive Director