



Dan Acton
HB 123 Proponent Testimony
House Ways & Means Committee
April 13th, 2021

Chairman Merrin, Vice Chairman Riedel, Ranking Member Sobecki and members of the committee, my name is Dan Acton and I am the Government Affairs Director of the Ohio Real Estate Investors Association (OREIA). OREIA represents 13 local chapters across Ohio with nearly 3,000 members consisting of the smaller real estate investors and housing providers who typically own single family housing units. My background includes more than 30 years in the property management and ownership industry. Thank you for allowing me to provide testimony in support of HB 123, which revises current laws governing Community Reinvestment Areas (CRAs) and their associated terms.

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county governments that provide tax exemptions for property owners who renovate existing or construct new buildings. These exemptions apply to remodeling of at least \$2,500 for single- and double family housing; remodeling of at least \$5,000 for multifamily housing or commercial or industrial structures; and new construction of residential, commercial, and industrial structures. HB 123 also eliminates the requirement that the Director of the Development Services Agency (DSA) approve the creation of a Community Reinvestment Area proposed by a local authority, thus streamlining the process of creating a new CRA. The legislation would require DSA instead to create a model CRA exemption agreement between both the owners of a commercial or industrial project and the local authorities as well as establish the terms of such an agreement.

By eliminating certain requirements and removing fees for property owners entering into CRAs, HB 123 will attract investment into Ohio's neighborhoods and strengthen our communities. Our typical member's portfolio includes properties which are typically single-family homes, up to quads and sometimes smaller apartment buildings, with a few owning some commercial investments. Nearly all of our members' business models consist of properties that we obtain, rehab, hold and rent or rehab and resell. Many times, an investor will take equity from one property to assist in making repairs to other investment properties. Either way, the surrounding properties and neighborhood are benefitted by the investment our members make in their properties. HB 123 would allow us to continue making meaningful property investments, leading to improved living conditions for local residents, and attracting businesses and more residents in the future.

OREIA strongly supports HB 123 and appreciates the effort of Representatives Fraizer and Cross to improve neighborhoods and spur development in areas that need help beginning new growth. HB 123 reforms a cumbersome and bureaucratic system that stalls economic growth in areas which need it the most. By eliminating red-tape and allowing property owners to take advantage of the tax incentives offered under this bill, HB 123 not only allows housing providers to continue providing safe and affordable homes for our residents, but it also invites other forms of growth and development into local communities. Increased economic development creates opportunities for business, industries, and everyday people to benefit from improving their community and find gainful employment. HB 123 removes red tape and turns CRAs into economic tools for communities to enter into and benefit from. OREIA strongly supports this legislation and looks forward to continuing our work to provide safe and affordable housing for Ohioans while also improving the economic vitality of our great state.

OREIA supports HB 123 and we urge quick passage of this important legislation. I would be happy to answer any questions you have.