



*Before the House Government Oversight Committee
Proponent Testimony on HB 499
Liz Baumgartner, Director of Economic Development and Tax Policy
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Chairman Peterson, Vice Chair Thomas, Ranking Member Humphrey and members of the Ohio House of Representatives Government Oversight Committee, thank you for allowing me the opportunity to provide proponent testimony in support of House Bill 499. My name is Liz Baumgartner, Director of Economic Development and Tax Policy for the Ohio Chamber of Commerce.

For 131 years, the Ohio Chamber of Commerce has served as the state's leading business advocate, representing over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness, and growth for the benefit of all Ohioans. As part of our mission, we seek to make Ohio the best place in the country for businesses to operate and grow. We want to thank the sponsors of this legislation, Representatives Isaacsohn and Mathews for their work on HB 499.

HB 499 incentivizes local governments to adopt a variety of pro-housing policies and upon successful implementation of at least three of these policies, encourages further investment through the creation of a housing fund aimed at increasing housing stock in townships and municipalities located within 20 miles of a megaproject. Filling the housing shortage, especially in these areas, will increase the available workforce in the area, allowing for further economic growth.

In the Ohio Chamber's Blueprint for Ohio's Economic Future, a report that analyzes Ohio's economic outlook and compares it to other states', we identified six key areas for improvement, including "Sense of Place." This area refers to the components and resources that make a community a desirable place in which to live, work and visit. To achieve this desirability, housing access and affordability remain top factors. While there may be no simple solutions to the housing shortage and increased demand, the Blueprint recommends dedicating efforts to increase home ownership and provide affordable rent. HB 499 makes strides towards the goal of increasing access to housing.

Housing production remains a challenge due to land availability, zoning, density restrictions, regulations, and construction costs. HB 499 aims to directly address these challenges by encouraging local jurisdictions to adopt pro-housing policies and provides additional funding

as an incentive to do so. Rather than mandating specific policies statewide, this legislation provides a myriad of options so that communities can adopt the policies that best fit their needs. HB 499 will further increase residential housing by expanding the potential term of a community reinvestment area (CRA) property tax exemption for residential developments located near a megaproject from 15 years to 30 years.

Just a few of the pro-housing policy options provided in this bill include increasing the rate at which permits are reviewed and granted for housing developments by at least 20%; providing incentives related to increased density to developers that provide low-income housing and workforce housing; reducing the portion of territory zoned for single-family use only by 50%; and having a housing plan that tracks the needs, gaps, and potential strategies for increasing housing for at least the next ten years.

We applaud these options presented in HB 499 to increase the supply of housing. We would recommend that the option to increase permitting by 20% have a defined timeframe to achieve the 20% increase, such as within six months, while also having to show continuous improvements in the permitting process beyond the sixth-month timeframe. We also recommend looking at an alternative funding mechanism for the grant programs, rather than eliminating the 10% nonbusiness property credit for Class I residential properties, as eliminating this credit would place an additional tax burden on low-to-moderate income households. Lastly, we also recommend looking at policies to increase the supply of available lots.

Thank you again to Representatives Isaacsohn and Mathews for their work on HB 499 and thank you to the committee for the opportunity to provide proponent testimony today. The Ohio Chamber of Commerce is supportive of this legislation, and I welcome any questions at this time.