



Deborah Collins
House Bill 499 Opponent Testimony
House Government Oversight Committee
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Chairman Peterson, Vice Chair Thomas, Ranking Member Humphrey, and Members of the Committee, my name is Deborah Collins. I am an active member of the Ohio Real Estate Investors Association (OREIA) as well as OREIA's Administrative Assistant. OREIA represents 15 local associations with over 4,000 members across Ohio. My background includes being an investor and independent housing provider in the Cincinnati area for over 20 years now. Thank you for the opportunity to provide our perspective on HB 499.

OREIA appreciates that the sponsors are working to address the housing and crisis in Ohio and we commend them for taking action on the issue. However, there are several major changes that need to be made to the bill for it to be truly effective.

OREIA has serious concerns with the funding mechanism included in the bill. Increasing taxes on housing providers only serves to increase the cost of housing. While we support the intended uses of the grants provided through the bill and the mechanism for political subdivisions to earn eligibility for those grants, this tax increase funding scheme actually works against the intended purpose of the bill. According to LSC, over 780,000 dwellings would face a tax increase, impacting each and every one of those households and investors. Nearly \$300 million in grant funding to support housing efforts sounds great, but not on the backs of the very same people the bill seeks to incentivize and support to achieve its housing goals.

If funding is not available without increasing taxes, perhaps there are other ways to approach this issue that would achieve the same results without burdening the industry. Pro-housing policies are good for municipalities and their residents already, so it is not clear that we need to waive such a costly carrot in their direction. Perhaps using press opportunities to publicly support these measures would encourage such changes. The city of Cincinnati recently made similar changes and did it without publicly promising any financial benefits. Removing tax benefits and directly raising costs on rental housing will have an opposite reaction as to the intent of this legislation.

Despite the glaring issue of funding these grants by increasing housing costs, there are other concerns with the bill. Much of the language in the legislation is too broad and could result in unintended consequences. Examples include having a housing plan to cover 10 years, having a plan to preserve low-income housing, "support" first time home buyers, enforcing code and discrimination laws. All of these are open to a wide range of definitions and could result in a city saying they are doing something while actually funding a pet project that will not help address the housing crisis.

OREIA has some suggestions for the Committee to consider to limit the qualifications and the grant uses to very specific items. Consider adding the following to be eligible for the grants: allow modular, container, or "tiny" homes; remove set back restrictions to allow a home built on a vacant lot to match the footprint of the home that was demolished; allow mid-density up to a 1/2 mile of a business district. For eligible grant uses, consider adding the following: 50% reduction in property taxes for those over the age of 70; funding for same day

eviction mediation services. We believe these changes will significantly improve the intended outcome of the legislation.

Again, while OREIA supports the sponsors' intent to increase housing supply and promote pro-housing policies, we strongly urge the legislature to identify a different funding source, one that does not worsen the housing crisis that HB 499 is trying to address. In addition, tightening the grant program language will help ensure that effective pro-housing policies are established and grant money is used appropriately. With these changes, OREIA believes this bill could make a significant impact on addressing Ohio's housing crisis.

Mr. Chairman, thank you and members of this committee for the opportunity to provide comments on House Bill 499. OREIA looks forward to continuing to work with you and the sponsors on this legislation.