



The Montrose Group, LLC

TRANSFORMING YOUR WORLD

# **BUILDING INDUSTRY ASSOCIATION OF CENTRAL OHIO**

OHIO HOUSING POLICY  
WHITE PAPER: STRATEGIES  
TO ADDRESS OHIO'S HOUSING  
AND ECONOMIC CHALLENGES

**FROM THE MONTROSE GROUP, LLC**

**12/20/2023**

# TABLE OF CONTENTS

Montrose Group Firm Bio	3
Executive Summary	4
Housing is a major corporate site location factor	7
Ohio's economic growth impacts housing development	8
Central Ohio is not meeting housing demand while rural markets face a housing shortage	13
Ohio tax and regulatory environment for housing development leaves much to be desired	20
Ohio tax incentives provide a bright spot for Ohio residential development	26
Ohio should adopt five public policy changes to support residential development	33



**About the Montrose Group, LLC.** The Montrose Group, LLC provides economic development planning, lobbying, marketing and public finance and incentive consulting services. The firm brings together some of the leading practitioners in economic development planning and strategy engaged in economic development planning at the state, local, and regional levels, and corporate site location. Nothing in this report should be considered legal advice as the Montrose Group LLC is not a law firm and does not provide legal advice. Competent legal counsel should be sought prior to relying on any strategy outlined in this report.



**Dave Robinson, Principal, and Founder, Montrose Team, LLC.** Dave Robinson serves clients based on 30 years of experience as an economic development executive, lobbyist, lawyer, and public relations executive. Dave is a national economic development author with *The Energy Economy*, and *Economic Development from the State & Local Perspective*, co-authored over 40 strategic economic development plans, negotiated \$500M in local, state, and federal financing for economic development projects, and advocated for three decades on public policy matters.



**Nate Green, Managing Director of Economic Development, Montrose Team, LLC.** Nate Green serves clients based upon his over 20 years of economic development experience which includes developing and negotiating \$1 B in economic development incentives. Nate advises local communities on economic development matters throughout Ohio, has co-authored over 40 ED Plans, and advocates on zoning, entitlement, and incentive matters for public and private sector clients.



**Wade Williams, Director of Economic Development.** Wade Williams serves clients based on his over 20 years of economic development, real estate, and corporate site location experience for leading regional economic development organizations and an investor-owned utility company. Wade has negotiated over two hundred corporate site location projects and currently advises communities and companies on economic development and corporate site location projects.



**Ryan Scribner, Director of Economic Development.** Ryan Scribner serves clients based on 20 years of economic development service. Ryan negotiated over \$2 billion in large-scale industrial projects, developed a respected workforce development program, guided community economic development planning for cities, counties, and townships, and supported Joint Economic Development Districts, port authorities as well as Transportation Improvement Districts.



**Tim Biggam, Director of Government Relations.** Tim Biggam serves clients based upon his 15 years of lobbying experience including service on staff in the Ohio Senate and in the Administration of Ohio Governor John Kasich. Tim advocates on local, state, and federal public policy matters that include economic development, education, energy, health care, higher education, federal budget earmarks, state transportation and capital project funding, and state procurement and funding awards.



**Harrison Crume, Manager of Economic Development.** Harrison Crume serves clients with economic development research and planning, including economic impact statements, housing market studies, industrial site development, Transformational Mixed Use District programs, Downtown Redevelopment District plans, corporate site location analysis, and regional comprehensive economic development plans and advising clients on economic development projects.

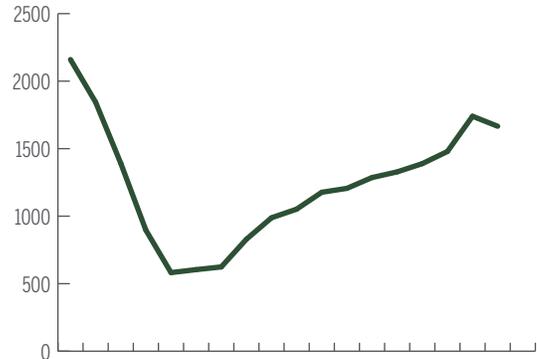


# MONTROSE GROUP OHIO HOUSING PUBLIC POLICY WHITE PAPER EXECUTIVE SUMMARY

## Availability of housing impacts a company's decision where to grow

- 1.5% drop in US labor participation rate after COVID is making the recruitment of workers an even tougher task
- Residential building permits remain below 2005 levels illustrating a housing shortage nationally

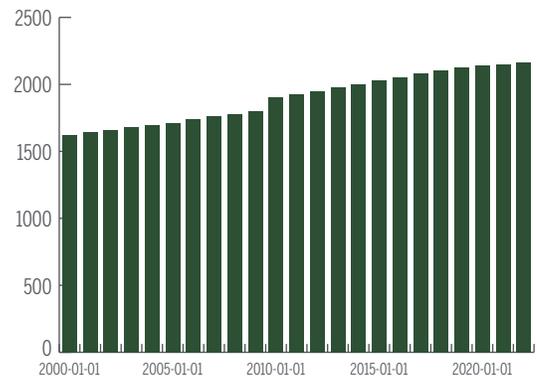
United States Residential Building Permits



## Central Ohio is driving Ohio's economic growth but is slowing down due to a lack of housing

- Central Ohio population grew by 17.4% over the last decade but is behind Austin at 40%, Indianapolis at 21%, Charlotte at 56% and Nashville at 28%
- Central Ohio population is slowing based upon the lack of available housing growing only 1% the last three years
- Ohio's population only grew 1.89% compared to nearly 20% for Texas, 10% for Tennessee and 11% for North Carolina
- Ohio GDP growth over the last decade is over 10% behind Tennessee, North Carolina and Texas

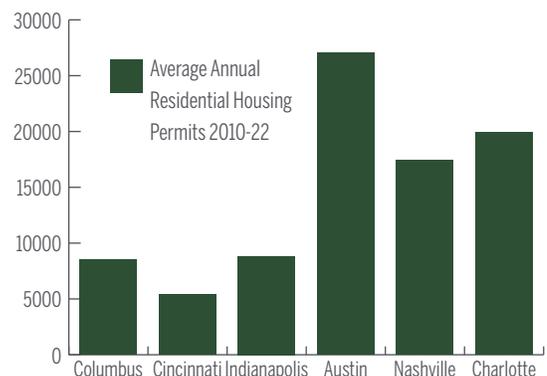
Columbus MSA Population



## Ohio is not meeting the current housing demand

- Central Ohio needs 18,000 new residential permits but only is creating 13,000 permits annually driving up housing costs with listing price increases higher than Austin, Nashville and Charlotte
- Rural Ohio counties have a 2.4% population decline creating challenges for recruiting housing developers even though they lead the state in manufacturing jobs

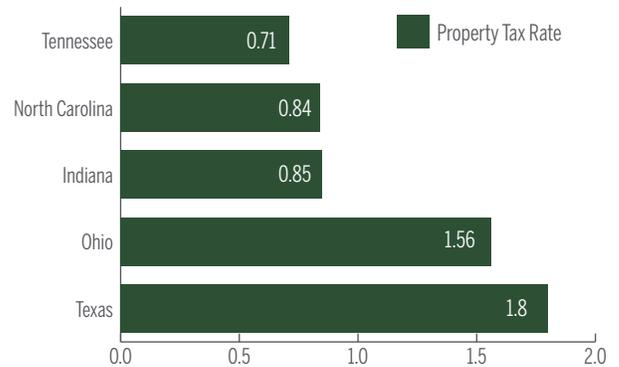
Average Annual Residential Housing Permits 2010-22



## Ohio's tax and land use regulation hurts residential development

- Ohio's property tax rates are almost double the rates of Indiana, North Carolina and Tennessee
- Columbus effective property tax rate is higher than Indianapolis, Nashville and Charlotte
- Ohio is among minority of states to have townships and to permit them to regulate zoning and to permit zoning referendums
- Ohio is strong Home Rule state that pushes land use regulation to Home Rule cities

## State Property Tax Rate Comparison



## Ohio offers residential economic development incentives but empowers local school boards to stop development

- Local Ohio communities can provide residential property tax abatements, public infrastructure development through Tax Increment Financing and New Community Authorities, and construction materials sales tax exemptions but requires schools approval for use of certain tax abatements and TIFs
- State of Ohio offers Opportunity Zone, New Markets, Historic, Low Income Housing, Single Family Housing, Transformational Mixed Use District tax credits

**Community Reinvestment Area Tax Abatement**

**Construction Materials Sales Tax Exemption**

**Downtown Redevelopment Districts**

**New Community Authority**

**Special Improvement Districts**

**Tax Increment Financing**



## Ohio should adopt a rational housing policy development agenda

### • Leadership

- Establish by a Governor's Executive Order the Governor's Housing Council consisting of housing developers, local government, business and community leaders to advise the Governor on how Ohio can meet the current housing crisis,, establish housing is a matter of statewide concern, and Ohio needs to adopt a comprehensive strategy for the development of housing in rural, suburban and urban communities.
- Coordinate an annual Governor's Housing Summit in partnership with local government, housing, and business trade associations to discuss the challenges, opportunities and solution for housing development in Ohio.

### • Federal Legislation

- Support passage of the Revitalizing Downtowns Act (S. 2511 and H.R.4759) that would create an office conversion tax credit for commercial office buildings built at least 25 years before their conversion, and federal legislation to promote the use of Community Development Block Grant (CDBG) for residential development.

### • Local Housing Funding

- Central Ohio should create a New Markets Tax Credit Community Development Entity focused on residential development.

### • State Housing Funding

- Ohio should renew the Transformational Mixed Use District Program and increase the tax credit spending cap to \$400 M annually to spur residential development.
- Ohio should expand the Ohio New Markets Tax Credit Program to \$50 M and focus the benefits of this program on residential development to catch up with states like Indiana that have a \$100 M NMTC program.
- Ohio should expand the Ohio Historic Preservation Tax Credit Program to \$50 M and focus the benefits of this program on residential development.
- Ohio should create the \$50M Ohio Rural Residential Development Loan program to provide forgivable loans to developers creating housing development in rural Ohio counties.

### • State Housing Tax Incentive Reform

- Ohio should create a 100%, 15-year property residential tax abatement program without requiring the approval of the local school boards as done in Indiana.
- Ohio should expand the authority of local Tax Increment Financing programs to directly funding housing development and not require school board approval as done in Indiana.

### • State Land Use Reform

- Permit residential development as a matter of right that meets density, setback, parking and other restrictions to be located with only an architectural review by local governments for sites that are currently zoned for office and retail
- Regulate non-Limited Home Rule townships zoning at state government or county level.
- Ohio should eliminate zoning referendums to build a predictable land use model as is done in Indiana, North Carolina, Texas and 22 total U.S. states.
- Ohio should create a state Zoning Density Bonus Infrastructure Program to fund public infrastructure for local governments for residential developments that meet zoning density and multi-family requirements.

### • State Property Tax Reform

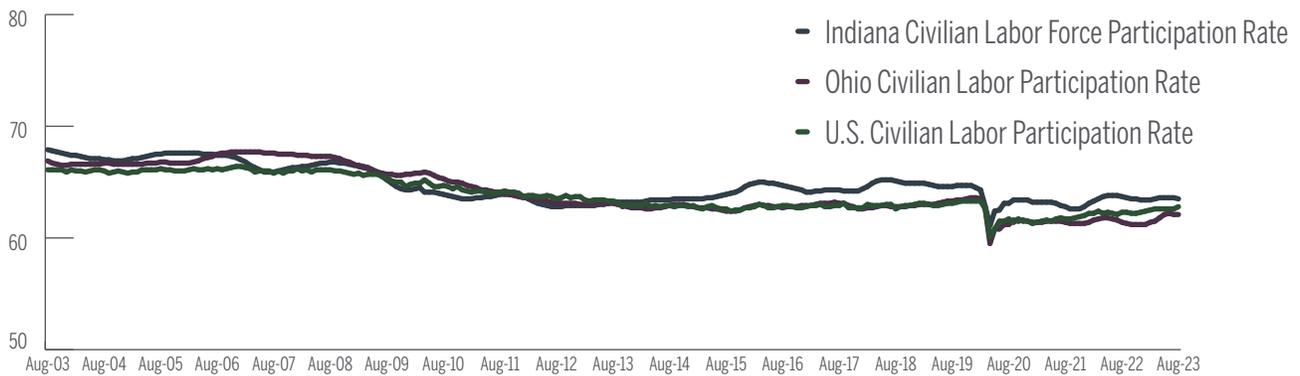
- Ohio needs to continue efforts to streamline the property value appraisal process to build a more predictable process to encourage economic investment by limiting property tax appeals to only property owners, not disclose the value of the land purchase, and exempt from property tax the value of unimproved land subdivided for residential development more than the fair market value of the property for up to eight years or until construction begins or the land is sold.



**Housing is a major corporate site location factor.** The development of housing is a solution to the U.S. workforce development crisis and has a major impact on a company’s decision about where to retain or attract high-wage jobs and to make a capital investment. Whether a region is growing or not, without the availability of housing a company’s workforce can afford, companies struggle to expand or locate in that region.

Workforce remains a major corporate site location factor driven by demographic changes and the long-term impact of COVID-19. Five million Americans have simply left the workforce since COVID-19. The U.S. Civilian Labor Participation rate is 1.5 points lower than prior to when COVID-19 began to impact the economy in February of 2020. Ohio’s labor participation rate has been consistently below the nation and neighbors such as Indiana as illustrated by the table below.

### Labor Participation Rate Comparison

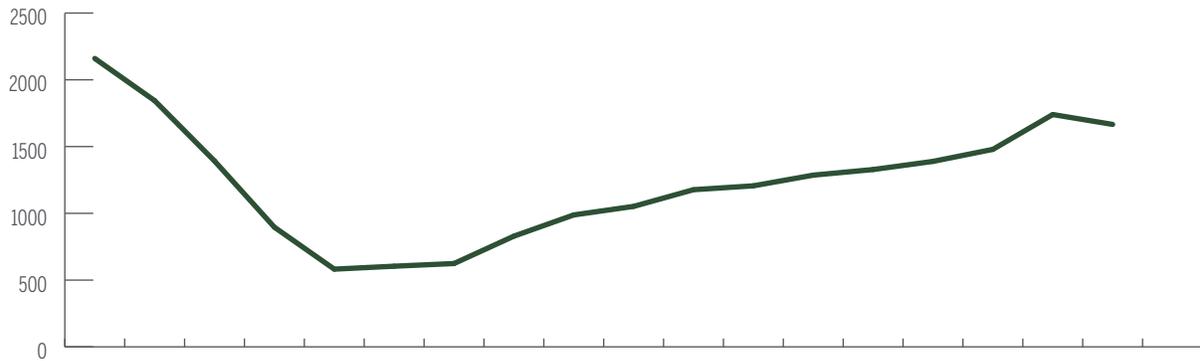


Record-high job openings, turnover, and low unemployment have sent companies scrambling to find creative attraction and retention strategies, and housing has become one of them. After the Great Recession, new home construction dropped like a stone. Fewer new homes were built in the 10 years that ended in 2018 than in any decade since the 1960s. By 2019, a good estimate of the shortage of housing units for sale or rent was 3.8 million. The pandemic-induced materials and labor shortage exacerbated the trend, however, as evidenced by the surge in rents and home prices in 2021. A Fannie Mae study found that the most housing-cost-burdened households are not just in coastal metros with high housing costs. Some of the nation’s most significant shares of housing-cost-burdened households are in less expensive metros such as Fresno, Charlotte, and Las Vegas, and, even many smaller metro areas, such as El Paso or McAllen, TX, do not have a housing supply that is affordable for large swathes of their populations. Retaining and recruiting workers is a top corporate site location strategy—communities big and small have found they cannot gain the workers they need if the workers cannot have access to housing they can afford.

The increase in residential development within an area can almost directly correlate to an increase in jobs, income, and economic development in general. As jobs and businesses are created and relocated within growing areas the housing stock necessary to support those businesses seems to follow in tandem. Residential building permits throughout the United States have been steadily increasing since hitting a low of 582,000 permits in 2009. Although, even with the level of residential building permits increasing for the previous decade there is still a chronic shortage of reasonably priced homes throughout the United States. Despite decades of policy and program intervention at federal, state, and local levels, this issue has persisted without significant mitigation. As a result, there is a disconcerting number of individuals who allocate more than 30% of their income towards housing expenses, falling under the category of housing cost burdened.



## United States Residential Building Permits



Source: U.S. Census Bureau

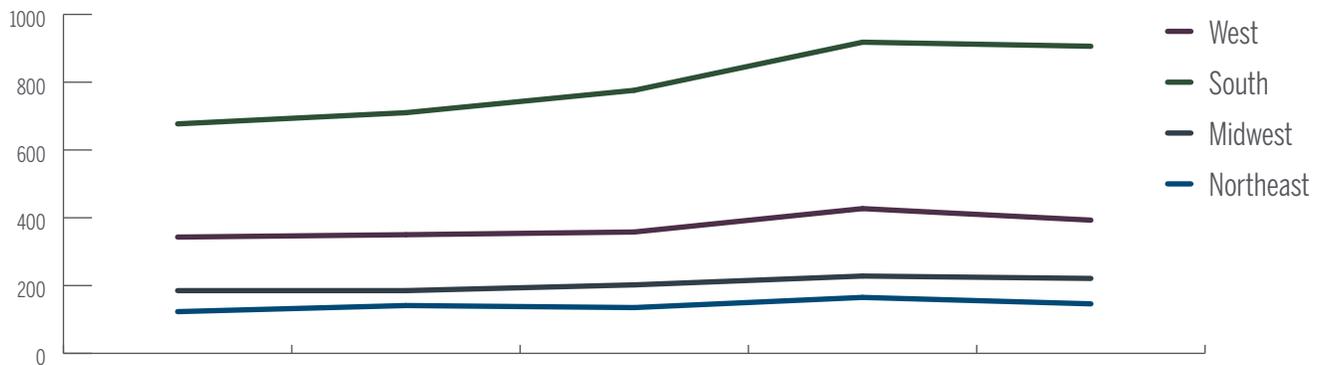
**Ohio’s economic growth impacts housing development.** Housing and economic development have become closely intertwined, forming a complex relationship that can significantly influence the prosperity of a region. Regions with faster-growing economies are more attractive to home builders. Central Ohio but not the rest of the state has been growing fast enough to compete economically in the Great Lakes States but is failing to keep up with Southern markets. Several measures of economic success exist ranging from a growth in housing, population, Gross Domestic Product (GDP), and Median Household Income.



Following nearly a decade of lagging behind the pace of household growth, the residential construction industry has at last experienced a resurgence. In 2021, the number of single-family housing starts reached 1.1 million, surpassing the one-million-unit milestone for the first time in 13 years. In 2022, new single-family housing starts also eclipsed one million and is projected to be even higher in 2023.<sup>1</sup> However, not all regions throughout the United States are alike. Over the past five years, one area of the United States has had more residential building permits than the other three regions combined. The South has produced a significant portion of the residential growth throughout the United States for a variety of different reasons:

- **Affordability.** The cost of living, including housing costs, is often lower in the southern states compared to the northeastern and western regions. This affordability makes housing more accessible and appealing to a broader range of individuals and families.
- **Availability of Land.** The southern states generally have more available land for development compared to densely populated areas in the north. This availability of land encourages and expedites the housing construction process. This is especially relevant to densely populated areas like the northeast or parts of the west that have limited flat ground.
- **Regulatory Environment.** Some southern states have more lenient zoning and regulatory policies that facilitate housing development, attracting builders and developers to invest in these areas.
- **Natural Attractions.** The southern states boast diverse natural landscapes, from mountains to beaches, which contribute to their appeal as places to live and vacation.
- **Cultural Hotspots.** Many of America's fastest-growing cities are currently located in the South. Cities like Austin, Texas, Charlotte, North Carolina, and Nashville, Tennessee have all exploded in popularity creating a massive influx of residents.

**Building Permits by Region**



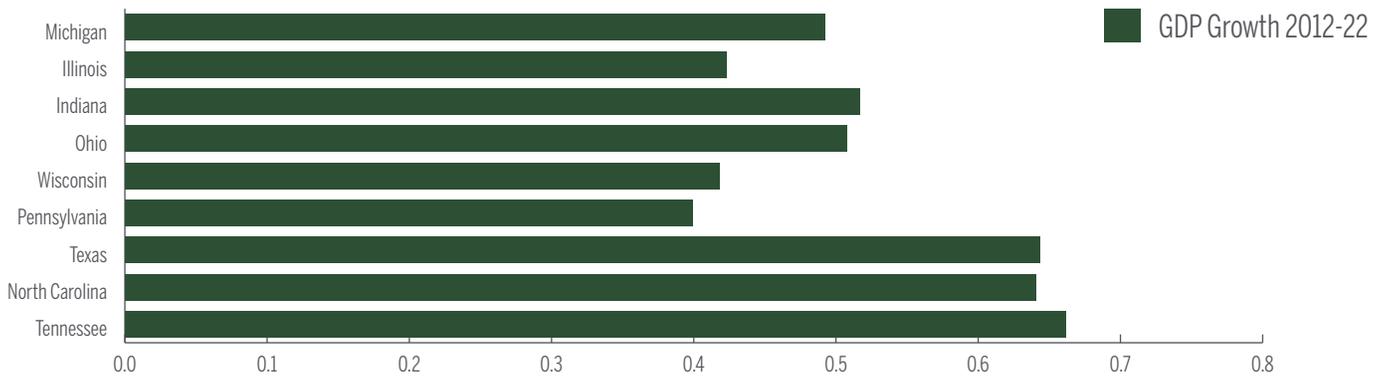
*U.S. Census Bureau*

Due to these reasons, home builders across the United States have flocked to the South while the Midwest has remained flat.

Measures of Gross Domestic Product (GDP) and population growth also provide two important data points to measure Ohio's overall economic success. Ohio has enjoyed recent macroeconomic gains but remains behind many states in the American South. As the table below illustrates, Ohio's GDP growth is on par with neighbors Michigan and Indiana and is faster than Great Lakes counterparts of Illinois, Pennsylvania, and Wisconsin but is substantially lower than the faster-growing states of Texas and North Carolina.



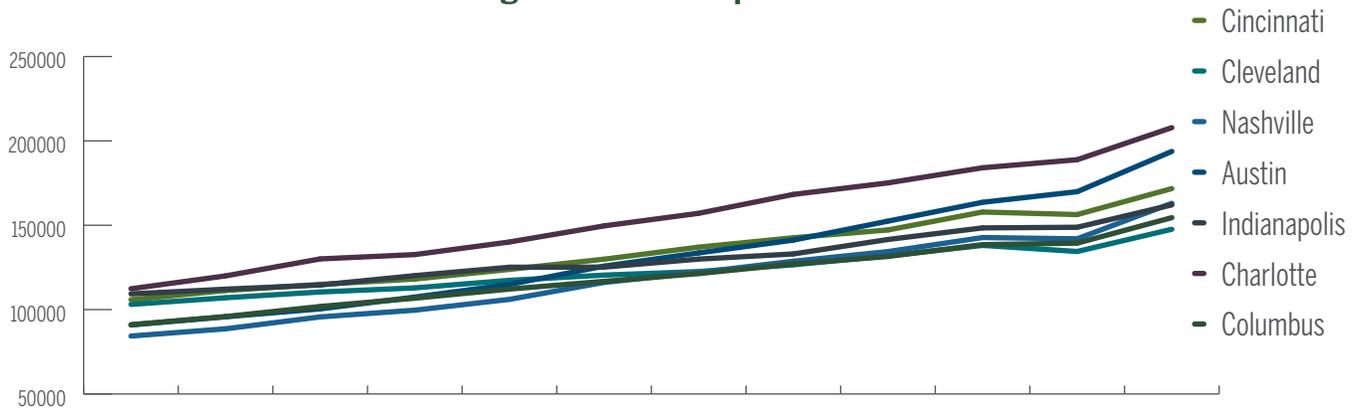
### GDP Growth 2012-22



Source: Federal Reserve Economic Data

Regional GDP growth is a critical measure of economic success that impacts residential development. Growing markets attract the people and capital that generally attract residential development. The Columbus region has enjoyed strong growth of 69.71% over the last decade while Charlotte’s GDP growth was at 85.00%, and Nashville is at 48.25%.

### Regional GDP Comparison



Source: Federal Reserve Economic Data

Median household income refers to the income level earned by a given household where half of the households in the geographic area of interest earn more and half earn less as measured by the U.S. Census Bureau. The chart below compares the median household income of Columbus to competitor metro regions. Columbus has a strong median household income compared to their major Ohio city counterparts, although they are lagging behind similar major markets.

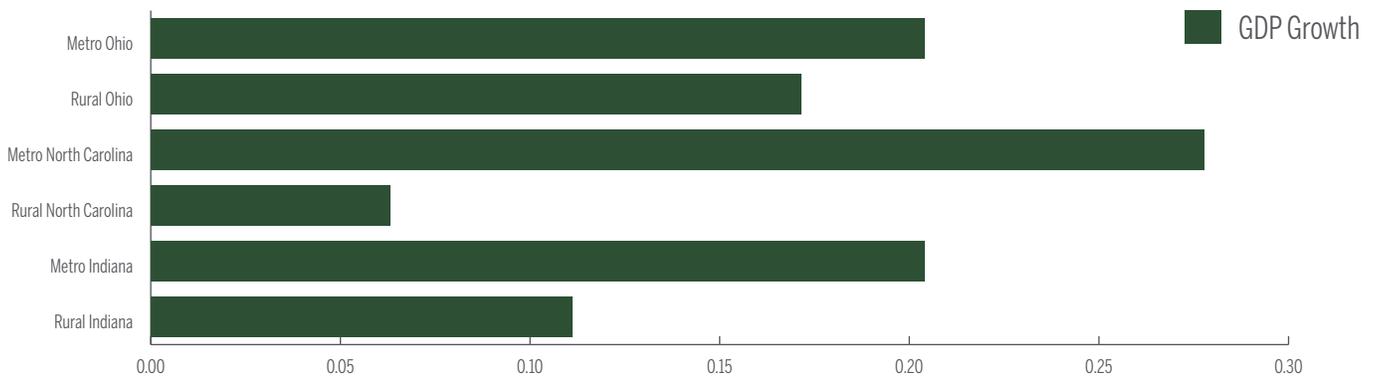


Median Household Income Comparison						
Year	Columbus	Cincinnati	Indianapolis	Austin	Nashville	Charlotte
2021	\$58,575	\$45,235	\$54,321	\$78,965	\$65,565	\$68,367
2020	\$54,902	\$42,663	\$50,813	\$75,752	\$62,087	\$65,359
2019	\$53,745	\$40,640	\$47,873	\$71,576	\$59,828	\$62,817
2018	\$51,612	\$38,542	\$46,442	\$67,462	\$55,873	\$60,886
2017	\$49,478	\$36,429	\$44,709	\$63,717	\$52,858	\$58,202
2016	\$47,156	\$34,629	\$43,101	\$60,939	\$49,891	\$55,599
2015	\$45,659	\$33,604	\$41,987	\$57,689	\$47,621	\$53,637
2014	\$44,774	\$34,002	\$42,076	\$55,216	\$46,758	\$53,274
2013	\$44,072	\$34,116	\$41,962	\$53,946	\$46,686	\$52,375
2012	\$43,992	\$33,708	\$42,144	\$52,431	\$45,982	\$52,916
2011	\$43,348	\$34,104	\$42,704	\$51,596	\$46,141	\$53,146
2010	\$43,122	\$33,681	\$43,088	\$50,520	\$45,063	\$52,446
Percent Change	35.84%	34.30%	26.07%	56.30%	45.50%	30.36%
Number Change	\$15,453	\$11,554	\$11,233	\$28,445	\$20,502	\$15,921

Source: U.S. Census Bureau

Where economic growth is happening in Ohio and competitor states is important to understand as well. As the table below illustrates, rural markets in nearly all states are not growing at the same rate from an economic standpoint as their urban counterparts. Ohio’s rural counties are growing at a faster economic pace than fast-growth markets like North Carolina and fellow industrial powerhouse Indiana. Much of that rural county’s economic output has been driven by the production of shale oil and natural gas in rural Eastern and Southeastern Ohio.

### GDP Growth



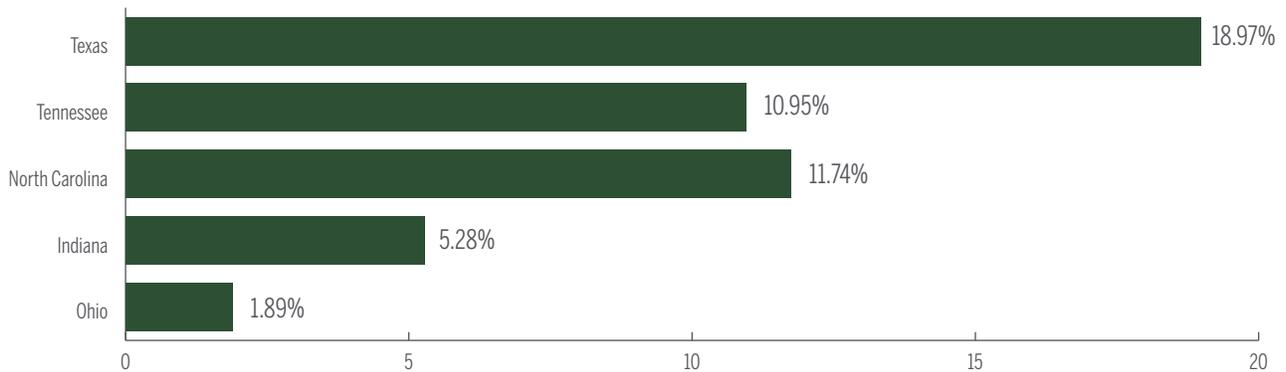
Source: U.S. Census Bureau

Population growth and size is a major driver for residential development. The population of Ohio, which is currently sitting at 11,756,058 according to a 2022 U.S. Census Bureau estimate, has seen steady growth over the 2010 to 2020 decade.<sup>2</sup> The population saw an increase of 2.3% from the 2010 to 2020 census. From 2020 to 2022 the population of Ohio decreased by approximately 0.4% or 43,390 residents. The state of Ohio follows the same trend that is seen throughout the Midwest which was the slowest growing region in the



United States. The Midwest grew by about 3.1% over the 2010 to 2020 decade. While the regional areas of the South experienced an increase of 10%, and the West saw an increase of 9%.

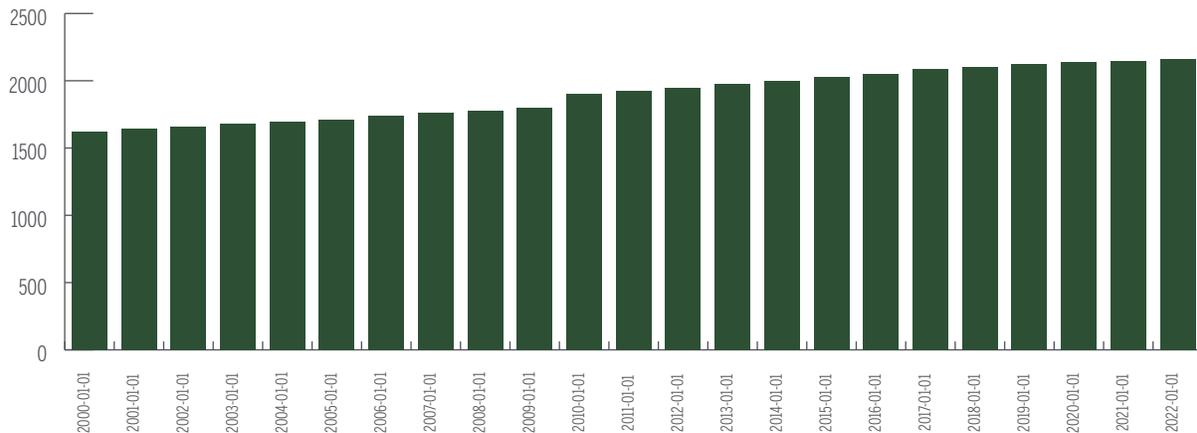
### Resident Population Change 2010-2022



Source: Federal Reserve Economic Data

As the chart above illustrates, Midwest states like Ohio and Indiana are not growing in population at the same rate as most Southern states including North Carolina, Tennessee, and Texas. This continues a longer-term, post-World War II trend of Southern Growth and Midwest population decline.

### Columbus MSA Population



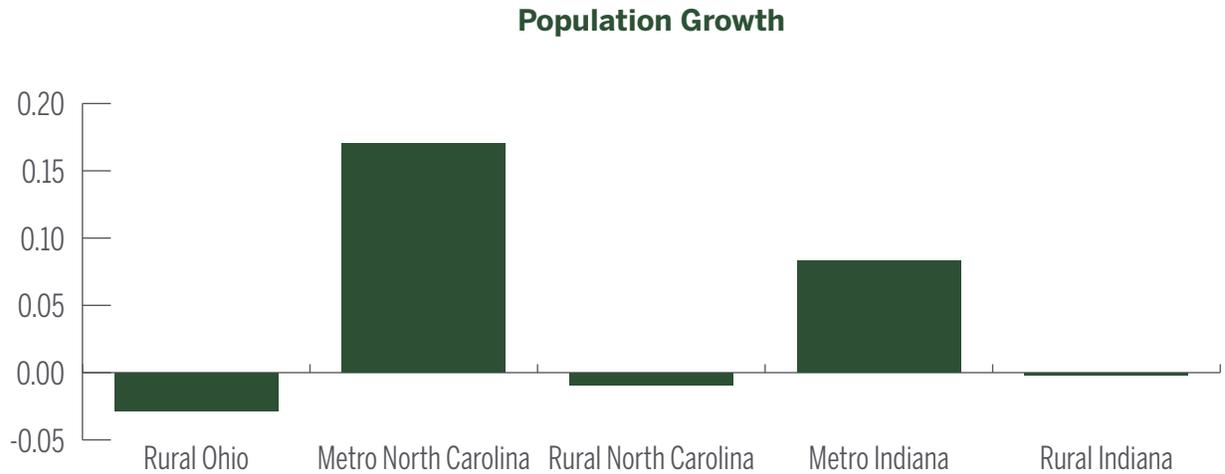
Source: U.S. Census Bureau

While Central Ohio has enjoyed long-term population growth, in recent years that population growth has slowed somewhat most likely based upon a lack of available housing. In fact, the population of Central Ohio has only grown by 1 % over the last three years.

If the rest of the state were growing in population like Central Ohio, the state would have fewer economic challenges. Rural Ohio illustrates the economic challenge that nearly all fifty states face. The largest challenge facing rural communities is the loss of population. As the table below illustrates, rural communities are in large part losing the population that is traveling close by to their urban counterparts. Rural Ohio experienced a population loss of 2.8% from 2010 to 2023 and it appears most of them have moved to the growing urban center in Columbus or Cincinnati. The continued depopulation of rural regions will have a dramatic impact on the economic future of rural communities across the United States. Not only are rural areas less densely



populated, but their populations are also getting older, on average, due to both outmigration of younger people, and, in some cases, older adults retiring to rural areas.<sup>3</sup>



Columbus remains an economic star in the Midwest but is also facing heavy competition from faster-growing Southern markets as rural Ohio continues to struggle.

**Central Ohio is not meeting housing demand while rural markets face a housing shortage.** If Ohio is a tale of two states with fast-growing urban markets like Columbus driving economic and population growth and rural communities struggling to survive, the housing markets illustrate challenges in both of those two states. Ohio is not meeting the housing demand in the fast-growth market of Central Ohio and failing to develop housing in slower-growth rural markets at the same time.

**Central Ohio's economic growth is being impacted by a lack of housing supply harming the state's economic success.**

Areas with low residential building permits often face significant challenges when it comes to growth and development. Residential building permits are essential indicators of construction activity and new housing supply within a region. Based on estimated job growth projections, the Columbus MSA will average 14,300 to 21,227 new jobs every year through the year 2050.<sup>4</sup> A lack of housing options will also lead to demographic imbalances. For instance, young professionals and families might be deterred from moving to an area with limited housing, resulting in an aging population. This demographic shift can impact the demand for various services and amenities tailored to different age groups. Many central Ohio communities are currently facing this very issue. Wealthier areas of central Ohio like Worthington and Upper Arlington face the issue of rising home costs while also dealing with a limited availability of suitable building space. While other areas like Delaware also have increased home prices, their ability to build a new supply of homes allows them to grow.



Regional Residential Building Permit Comparison						
Year	Columbus	Cincinnati	Indianapolis	Austin	Nashville	Charlotte
2022 (Preliminary)	12,289	6,204	13,493	44,019	18,833	27,113
2021	12,062	8,351	13,451	51,679	32,322	30,062
2020	12,358	7,239	10,998	42,839	27,242	26,493
2019	8,090	5,977	9,721	32,037	22,812	24,590
2018	9,440	6,076	8,894	30,670	19,159	26,209
2017	8,892	6,465	9,079	26,700	20,631	22,869
2016	8,637	5,867	7,773	21,861	20,182	20,574
2015	7,555	4,661	8,735	22,370	18,291	19,543
2014	7,052	5,206	8,006	20,276	15,040	18,537
2013	8,401	4,301	8,244	20,865	11,610	16,844
2012	6,846	3,588	5,062	19,595	8,789	13,228
2011	4,757	3,348	5,334	10,239	5,819	7,122
2010	4,479	3,180	6,001	8,786	5,433	6,102
Total	110,858	70,463	114,791	351,936	226,163	259,286
Yearly Average	8,528	5,420	8,830	27,072	17,397	19,945

Source: HUD.gov

The age and composition of a state's housing stock play a significant role in shaping its economic landscape. The timeline of when homes were built can have a profound impact on various economic aspects, including job markets, property values, infrastructure development, and the overall well-being of its residents. Older housing stock may require more extensive infrastructure upgrades and maintenance, including roads, utilities, and public transportation. The age of housing stock can affect property tax revenues for local governments. Older homes may have lower assessed values, resulting in lower property tax collections. Currently, 19.1% of Ohio's housing stock was built before 1939, meaning that at a minimum that housing unit is 84 years old. The number of housing units built in Ohio has been steadily decreasing since the 1990 to 1999 decade when approximately 571,897 housing units were built. The following decade, 2000 to 2009 saw 514,358 total housing units built. The 2010 to 2019 decade saw the lowest number of housing units built since before 1939, with only 300,215 units built. Finally, the current decade we are in, 2020 to 2029, is on pace to build even fewer housing units than in 2010 to 2019. The decreasing number of homes being built throughout Ohio is creating a significant strain on all aspects of Ohio's social, economic, and demographic standing.

Housing Stock by Year Built			
Year Built	Ohio	Columbus MSA	Cincinnati MSA
Built 2020 or later	23,868	6,446	5,202
Built 2010 to 2019	300,215	92,140	66,706
Built 2000 to 2009	514,358	133,755	113,542
Built 1990 to 1999	571,897	131,637	126,879
Built 1980 to 1989	477,488	102,383	106,089
Built 1970 to 1979	745,571	124,688	131,551
Built 1960 to 1969	630,729	95,063	103,270
Built 1950 to 1959	697,072	86,730	106,177
Built 1940 to 1949	300,403	31,217	46,257
Built 1939 or earlier	1,007,897	111,058	159,363
Total housing units	5,269,498	915,117	965,036

Source: U.S. Census Bureau



Rising median listing prices often signify a housing affordability crisis. As homes become more expensive, a larger portion of the population, particularly low and middle-income families, may find it increasingly challenging to purchase homes. This can lead to a growing gap between those who can afford homeownership and those who cannot, exacerbating socioeconomic disparities. High median listing prices can also create an impact on the rental market. As potential homebuyers are priced out of the market, demand for rental properties tends to surge. This can drive up rental prices, making it difficult for renters to find affordable housing options. It may also encourage some property owners to convert homes into rental units to capitalize on the demand, further reducing the available housing stock for sale. The state of Ohio has seen a significant shift in many of the measured metrics within its residential sales data. From 2016 to 2023, the median listing price for residential units in Ohio increased by 82.4%, going from \$137,958.83 to \$251,631.25. The average monthly active listing count has simultaneously decreased over this same time. In 2016 there was an average of 42,749 active listings per month and so far in 2023, this number has plummeted to 11,726, a decrease of 72.6%. Homes in Ohio are also selling at faster rates than ever. In 2016, the median days on the market for a residential unit in Ohio was 69.2 days. So far in 2023, a residential unit's median days on the market is only 40.6, a decrease of 41.3%. In conclusion, supply and demand dynamics play a fundamental role in shaping the housing market in Ohio, and their interaction has a profound impact on various aspects of the real estate industry, as well as on individuals and communities.

Ohio Residential Sales Overview			
Year	Median Listing Price	Active Listing Count	Median Days on Market
2023	\$251,631.3	11,726	40.6
2022	\$216,721.9	13,002	38.1
2021	\$203,314.6	12,501	39.3
2020	\$199,157.8	17,976	54.8
2019	\$183,730.9	27,913	57.8
2018	\$167,802.1	30,592	59.0
2017	\$147,858.3	34,546	63.7
2016	\$137,958.8	42,749	69.2
Percent Change	82.4%	-72.6%	-41.3%

Source: U.S. Census Bureau, Realtor.com

Housing affordability, or the ability of individuals and families to access and afford suitable housing, is a critical issue that has widespread impacts throughout an area. When housing becomes increasingly unaffordable, it affects not only the individuals struggling to find adequate housing but also has ripple effects that touch upon various aspects of a state's economy, social fabric, and overall well-being. In 2020, the percentage of households experiencing housing cost burdens at the national level reached 30 percent, with more than 30 percent of their income dedicated to housing expenses. Furthermore, a substantial 14 percent of all households found themselves in severe financial distress, as they allocated over half of their incomes toward covering their housing costs.<sup>5</sup>

The change in median listing prices for residential units in Ohio's metropolitan statistical areas (MSA) has undergone significant increases over the past seven years. The largest increase was felt in the Dayton MSA market, which increased by 104% from 2016 to 2023. Following the Dayton MSA was the Cincinnati MSA, 97%, the Columbus MSA, 80.5%, the Toledo MSA, 58.8%, and the Cleveland MSA, 52.8%. While this increase benefits current homeowners, new homebuyers are facing a significant affordability issue. The largest median income changes out of these five metropolitan statistical areas from 2016 to 2023 was in the Columbus MSA, which only increased by 25.2%. The issue being presented in this data is a significant increase in the unaffordability of homes across the state of Ohio. The price-to-income ratio assesses the overall cost of a home in relation to the median yearly income. Historically, the standard median home in the United States typically amounted to 2.6 times the median annual income. For example, in an area with a median income of



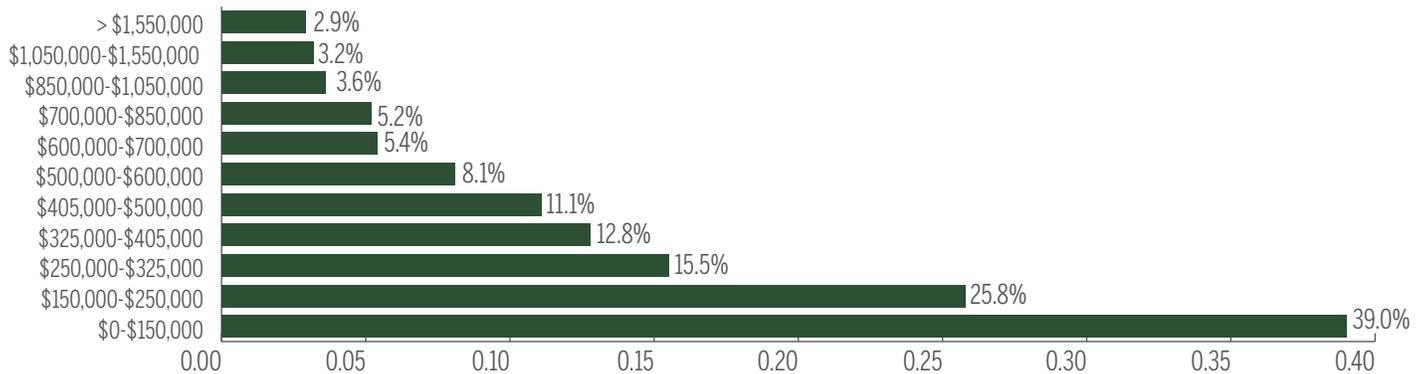
\$75,000, the median home price would typically hover around \$195,000 ( $\$75,000 * 2.6$ ). However, wage appreciation has failed to keep up pace with the recent rapidly rising home prices. Overall, every single measured metropolitan statistical area in Ohio experienced a significant increase in the unaffordability of residential units. The area with the largest increase in unaffordability was the Toledo MSA with an increase of 55.7% in their price-to-income ratio, due to having the smallest increase in median household income from 2016 to 2023. The Columbus MSA experienced an increase of 44.3%, followed by the Dayton MSA at 39.8%, the Cincinnati MSA at 29.8%, and the Cleveland MSA at 24.2%.

Ohio MSA Housing Affordability			
Area	Median Listing Price Change (2016 - 2023)	Median Income Change (2016 - 2023)	Price to Income Ratio (2023)
Columbus MSA	80.5%	25.2%	\$5.05
Cincinnati MSA	97.0%	24.3%	\$4.07
Cleveland MSA	52.8%	23.0%	\$3.52
Dayton MSA	104.0%	22.8%	\$3.72
Toledo MSA	58.8%	21.2%	\$3.67
Austin MSA	43.0%	33.2%	\$5.91
Indianapolis MSA	82.9%	33.6%	\$4.32
Charlotte MSA	35.2%	28.6%	\$5.45
Nashville MSA	70.8%	33.3%	\$7.01

Source: U.S. Census Bureau, Realtor.com

The median residential listing price is another important measure of the strength of the regional housing market. This is an indicator of the current and future strength of the housing market. Also, from a corporate site location standpoint, lower median residential listing prices illustrate markets where a company's employees can afford to buy a home. Many fast-growing markets are simply not keeping up with the housing demand which is dramatically increasing the price of housing. The National Association of Home Builders estimates that about 72.9% of the 132.5 million U.S. households cannot afford to buy a new home at the national median price.<sup>6</sup>

### U.S. Households by Highest Price Home They Can Afford



Source: National Association of Home Builders



Since the second half of 2016, Columbus and Cincinnati have been two of the fastest-growing markets in this comparison, increasing by 78.7% and 95.8% over that time frame. While major markets like Nashville, Charlotte, and Austin's median listing prices have increased at a slower rate it is important to note that their starting listing prices were significantly higher than and Ohio market. For example, in the second half of 2016 Austin's median listing price was 85.3% higher than Columbus, Nashville was 55.5% higher, and Charlotte's was 47.6% higher.

Median Listing Price						
Year	Columbus	Cincinnati	Indianapolis	Austin	Nashville	Charlotte
H1 2023	\$377,337	\$369,576	\$321,975	\$555,982	\$548,447	\$415,121
H2 2022	\$337,887	\$322,796	\$304,886	\$556,838	\$530,474	\$413,631
H1 2022	\$331,463	\$317,777	\$301,333	\$600,802	\$512,033	\$411,479
H2 2021	\$295,161	\$306,896	\$276,925	\$546,509	\$452,557	\$391,392
H1 2021	\$308,261	\$332,401	\$270,567	\$479,841	\$407,567	\$377,906
H2 2020	\$310,657	\$309,259	\$280,907	\$413,663	\$396,660	\$371,528
H1 2020	\$306,324	\$300,275	\$282,575	\$372,369	\$378,227	\$347,968
H2 2019	\$291,188	\$268,689	\$265,348	\$358,686	\$371,261	\$340,134
H1 2019	\$291,064	\$268,651	\$267,905	\$361,191	\$367,243	\$343,357
H2 2018	\$273,667	\$253,207	\$252,335	\$356,505	\$363,184	\$335,908
H1 2018	\$283,858	\$255,205	\$263,433	\$370,756	\$383,995	\$347,449
H2 2017	\$251,983	\$230,661	\$226,621	\$370,787	\$385,552	\$337,369
H1 2017	\$234,424	\$216,099	\$208,309	\$394,380	\$362,735	\$332,194
H2 2016	\$211,117	\$188,792	\$179,025	\$391,206	\$328,367	\$311,065
Percent Change	78.7%	95.8%	79.8%	42.12%	67.0%	33.5%

Source: [fred.stlouisfed.org](http://fred.stlouisfed.org)

Rising rental costs have emerged as a significant issue that impacts individuals, families, and communities on various levels. This issue has gained widespread attention recently due to its rapid increase and far-reaching consequences, including housing affordability challenges, economic disparities, and social implications.

Columbus's residential renting costs are like most major markets in this comparison. Columbus rental housing costs are still rising, increasing by 48.9% from 2015-2022. From 2015 to 2022, the average residential rent price in Cincinnati increased by 53.6%, Cleveland increased by 41.3%, Austin increased by 46.6%, Nashville increased by 49.9%, and Charlotte increased by 59.4%. A major issue with rising rental costs is that local communities also receive the brunt of rising impacts. As a result, by 2022, approximately 48.2% percent of renters in Columbus were spending more than 30 percent of their income on rent, meeting HUD's definition of "rent burdened."<sup>7</sup>



Rental Value Cost Growth						
Year	Columbus	Cincinnati	Indianapolis	Austin	Nashville	Charlotte
2022	\$1,360.18	\$1,275.32	\$1,440.08	\$1,826.09	\$1,825.32	\$1,726.56
2021	\$1,230.22	\$1,147.33	\$1,284.98	\$1,597.86	\$1,587.99	\$1,495.10
2020	\$1,143.06	\$1,074.01	\$1,165.89	\$1,420.07	\$1,462.06	\$1,339.73
2019	\$1,088.69	\$1,021.15	\$1,107.45	\$1,419.51	\$1,425.33	\$1,320.04
2018	\$1,042.84	\$957.03	\$1,062.08	\$1,350.14	\$1,368.46	\$1,249.91
2017	\$989.14	\$907.24	\$1,021.70	\$1,308.79	\$1,337.87	\$1,193.50
2016	\$943.95	\$861.25	\$991.97	\$1,277.25	\$1,287.42	\$1,135.07
2015	\$913.19	\$830.44	\$969.63	\$1,245.80	\$1,218.04	\$1,082.98
Percent Change	48.95%	53.57%	48.52%	46.58%	49.86%	59.43%

Source: Zillow.com

Rural Ohio is not faring well from a housing standpoint. Driven by a population loss Rural Ohio is not meeting the housing demand that could be created to recruit a younger generation to stay in that community.

Building Permits Per Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023 (Forecast)	Average Per Year (2015-2023)
BIA Region	7,616	8,778	9,029	9,566	8,220	12,487	12,403	12,611	11,285	10,222
Delaware County	950	1,522	1,319	1,629	1,927	1,902	2,359	1,883	1,904	1,711
Fairfield County	342	454	671	682	551	744	875	610	380	590
Franklin County	5,373	5,770	5,854	5,575	4,335	8,108	6,652	8,117	6,872	6,295
Knox County	121	148	132	133	137	131	351	319	571	227
Licking County	280	291	263	261	262	292	363	272	133	269
Madison County	41	45	43	135	163	145	89	205	205	119
Marion County	31	39	49	35	37	49	49	42	35	41
Morrow County	27	38	69	78	84	105	150	130	91	86
Pickaway County	55	84	202	175	157	157	262	217	180	165
Union County	396	387	427	863	567	854	1,253	816	915	720

Source: US Housing and Urban Development

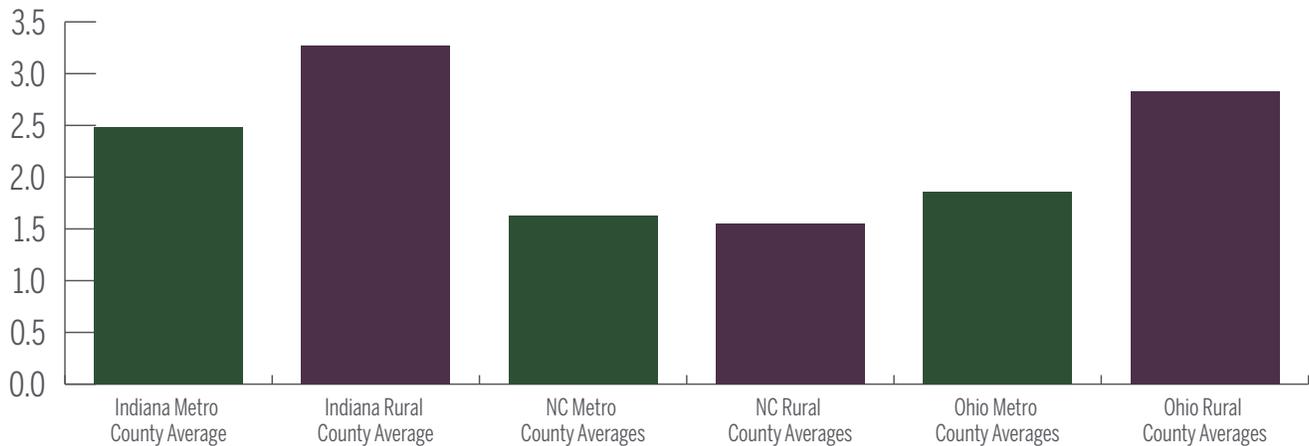
As the table above illustrates, even in the growing Central Ohio marketplace rural counties such as Marion, Morrow, Pickaway, and Madison do not compare well to other more urban and suburban counties from a residential development standpoint. This lack of supply is also driving up the cost of housing beyond the income of the workers in Central Ohio—in both urban, suburban, and rural counties. A recent Central Ohio BIA Housing Study found that within all geographic areas of study, the increase in median home sale prices has far outpaced the median household income growth. In the BIA Region (aggregate of all 10 counties of study), the compounded annual growth rate in home price is more than three times the compounded annual growth rate in the median household income. These trends will further exacerbate affordability housing challenges in the Columbus region and will limit the Columbus market from realizing job growth projections.

The growth of rural housing is tied to the continued success rural communities enjoy in retaining and attracting global manufacturing. Rural communities present substantial economic opportunities. Manufacturers in the United States account for 11.39% of the total output in the economy, employing 8.51% of the workforce.<sup>8</sup> Total output from manufacturing was \$2,334.60 billion in 2018.<sup>9</sup> In addition, there were an average of 12.8 million manufacturing employees in the United States in 2018, with an average annual compensation of \$84,832.13 in 2017.<sup>10</sup> The table below illustrates that rural counties in Ohio, North Carolina, and Indiana all have a higher concentration of manufacturing workforce wages than their metro counterparts. All these



markets are strong manufacturing centers as they are above a location quotient of 1. Measures of location quotients are a statistical tool to indicate whether a particular industry cluster is strong or weak in a region. Based on national averages, a location quotient of 1 defines the region as meeting the national average for that industry. A location quotient below 1 indicates the region does not have a particular industry cluster strength in that market and above 1 illustrates the industry's relative strength.

### Concentration of Manufacturing Jobs Rural v. Metro

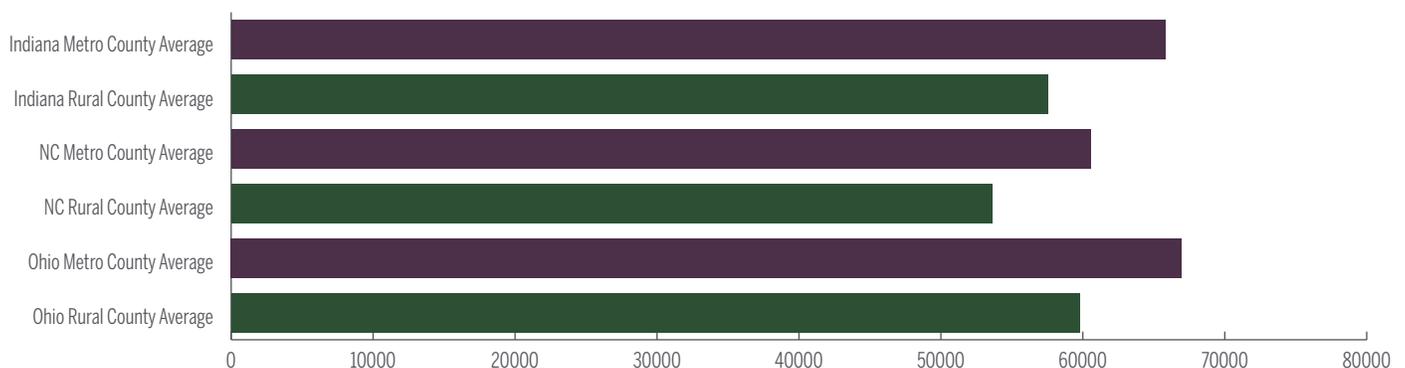


Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Rural markets in Indiana and Ohio far outweigh their urban counterparts with a concentration of manufacturing jobs while the metro regions in North Carolina edged out their state rural counterparts.

Rural communities' costs of doing business are substantially lower than their urban counterparts. The largest cost for nearly every company is labor. As the table below illustrates, rural counties in Indiana, North Carolina, and Ohio pay manufacturing workers a substantially lower wage compared to their metro-urban counterparts in the same states. The same factor in an urban setting costs substantially more to operate which quickly adds up to millions of dollars in costs. From a public policy standpoint, all these manufacturing jobs in metro and rural communities pay far above the average wage in the state—these are still high-wage jobs communities should continue to chase.

### Manufacturing Average Annual Wage



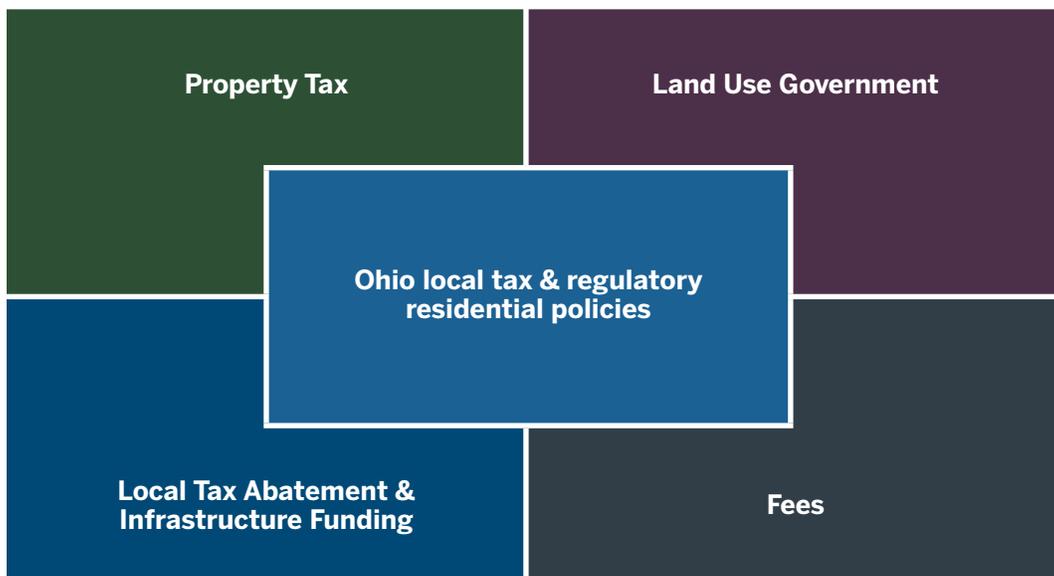
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



While most rural communities are projected to lose population over the coming decades, rural communities have an opportunity to attract residential development tied to their continued strength in the manufacturing industry. These jobs create an opportunity to foster residential development but these jobs too are under threat by a lack of housing for workers.

Urban, suburban, and rural communities all need to understand that the availability of housing is a critical corporate site location factor. Central Ohio is leading the state's economic renaissance, but a lack of Central Ohio housing threatens the state's states growth while rural communities continue to have strong economic prospects for manufacturing jobs but lack the development of housing needed to retain their younger workers and attract new companies.

**Ohio tax and regulatory environment impact housing development.** Taxes, fees, land use policy, funding of infrastructure, and other regulations impact the growth of residential development. While labor wage rates and the cost of real estate are major factors impacting the cost and availability of residential development, the government generally cannot control those costs. Instead, how residents are taxed and how residential development is regulated are two factors local and state governments do control that can impact new residential development.

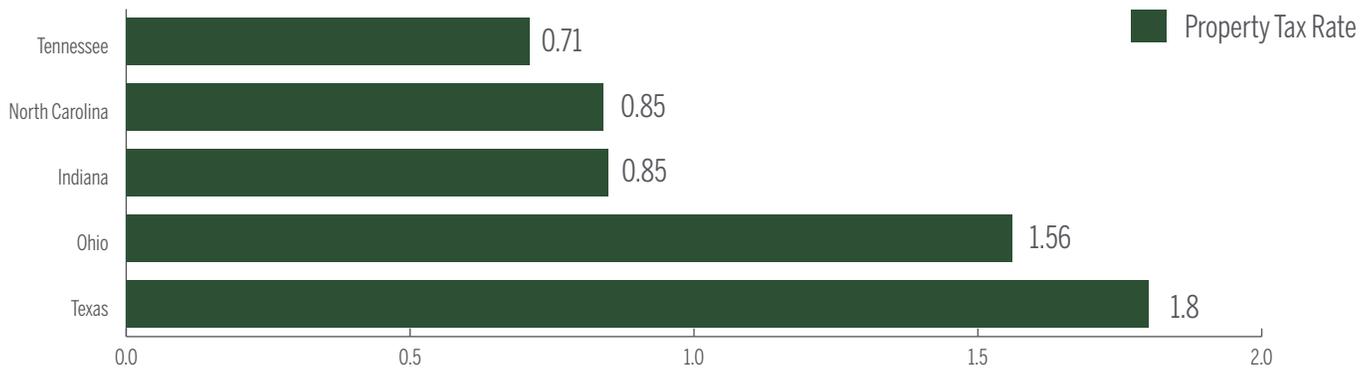


Property taxes have a large impact on residential development. Property taxes, or real estate taxes, are paid by a real estate owner to county or local tax authorities. The amount is based on the assessed value of your home and varies depending on your state's property tax rate. Most U.S. homeowners must pay these fees, usually monthly, in combination with their mortgage payments. If you pay off your loan, you receive a bill for the tax from the local government occasionally during the year. The money used for the property tax goes toward the community and supports infrastructure improvements, public services, and local public schooling.

According to a 2022 Council on State Taxation report, taxes on both real and personal property are the largest source of state and local tax revenue. Property taxes can make up a sizable portion of homeowners' budgets, particularly in certain markets. While owners in some locations pay less than \$1,000 a year, that bill can top \$9,000 in other areas according to the National Association of Realtors. In general, property taxes are increasing nationwide, doubling in some markets between 2021 and 2022, according to a recent study from ATTOM Data Solutions, a real estate research firm. The average tax amount on single-family homes nationwide jumped by 3% in 2022, averaging \$3,901 annually. That follows a 1.8% increase on the previous year, according to the report. In general, low property taxes can create a more favorable environment for residential development by reducing financial barriers for both developers and homeowners.



## State Property Tax Rate Comparison



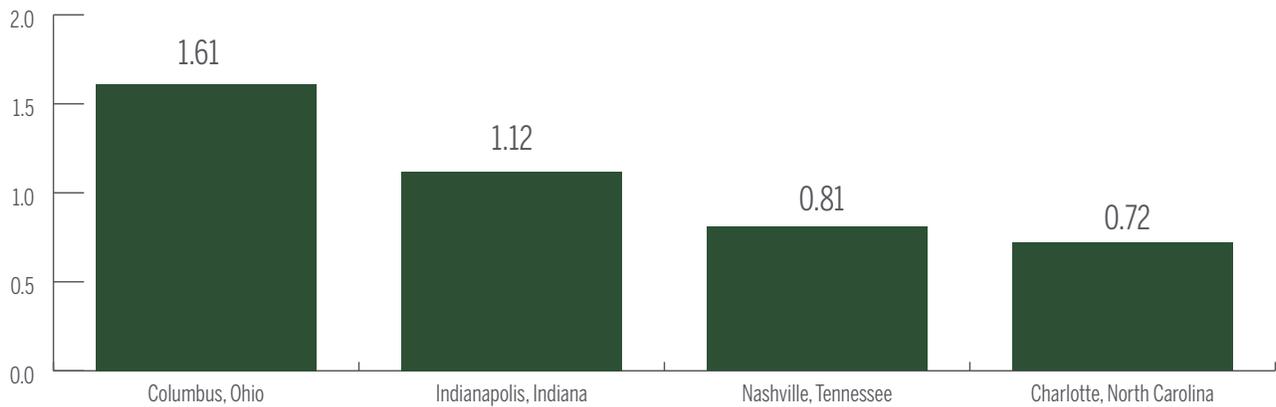
Source: Rocket Mortgage

Ohio has a property tax rate that is about double the rates of competitors in Indiana, North Carolina, and Tennessee as illustrated by the chart above. Texas has a higher property tax rate, but the state and cities do not use an income tax which increases the rates of other taxes such as the property tax to pay for essential local and state government services.

A critical determinant of property tax rate disparities is home values. Cities with higher property values have the flexibility to impose lower tax rates while still generating comparable property tax revenue to cities with lower property values. Lower property taxes can encourage real estate investors and developers to allocate more resources to residential projects. This can lead to the construction of new housing developments or the renovation of existing properties, which can benefit both the local housing market and the economy. The data in the figure below provides information about property taxes for owner-occupied primary residences in the largest city of each state, focusing on homes with median values. The average effective tax rate for these median-valued primary residences among the 53 cities depicted in Figure 2 is 1.321 percent. To illustrate, if a home is valued at \$200,000, it would incur property taxes of \$2,642 calculated as follows:  $1.321\% \times \$200,000$ .<sup>11</sup> Columbus ranks 12th out of the 50 biggest cities in each state when comparing the effective property tax rate. The effective tax rate bill paid by Columbus residents ranks 12th out of the 50 cities measured below, placing their tax bill higher than many benchmark cities like Charlotte, North Carolina (45th), Indianapolis, Indiana (33rd), and Nashville, Tennessee (41st) according to the Lincoln Institute of Land Policy.



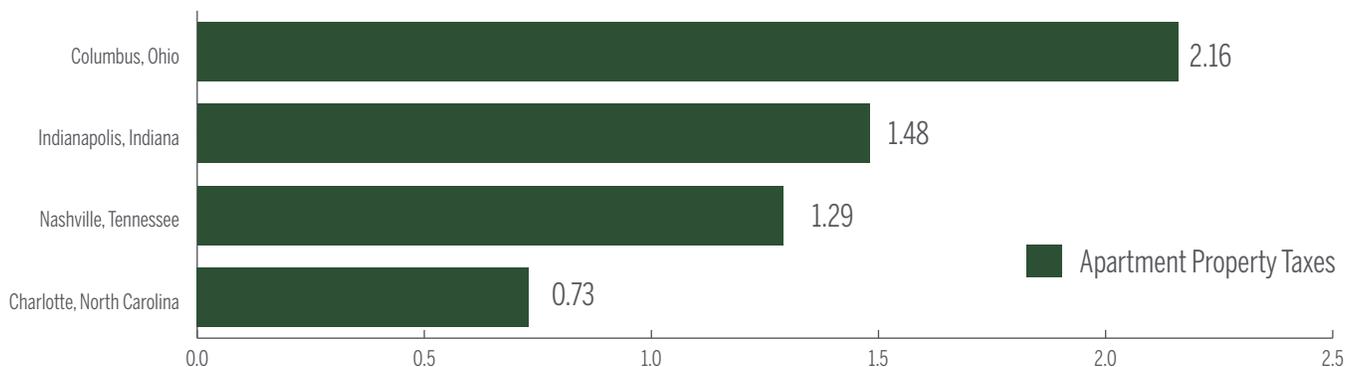
## Effective Property Tax Rate



Source: Lincoln Institute of Land Policy

The chart below illustrates effective property tax rates for apartment buildings valued at \$600,000 in the largest city of each state. This analysis considers that each property includes an additional \$30,000 worth of fixtures, encompassing items like stoves, refrigerators, garbage disposals, air conditioners, drapes, and lawn care equipment. The average effective tax rate on apartment properties for the state's largest 53 cities is 1.577 percent.<sup>12</sup> A property worth \$600,000 with \$30,000 in personal property would thus owe \$9,935 in property taxes (1.577% x \$630,000 total parcel value).<sup>13</sup> On average, property tax rates for apartments in rural communities are approximately 6 percent lower than those in the largest cities of each state. Specifically, for apartment properties valued at \$600,000, the average effective tax rate stands at 1.490% for rural cities, while it's slightly higher at 1.577% for larger cities. It's noteworthy that in 26 states, the effective tax rate for a \$600,000-valued apartment property is lower in the chosen rural municipality than in the state's largest city. The effective tax rate for Columbus, Ohio is one of the highest across the measured cities at 2.13%, which ranks them 11th out of the 50 measured cities. Columbus, Ohio has a higher effective tax rate than many benchmark cities like Indianapolis, Indiana (1.98%, 16th), Charleston, South Carolina (1.62%, 20th), Nashville, Tennessee (1.29%, 32nd), and Louisville, Kentucky (1.16%, 41).

## Apartment Property Taxes

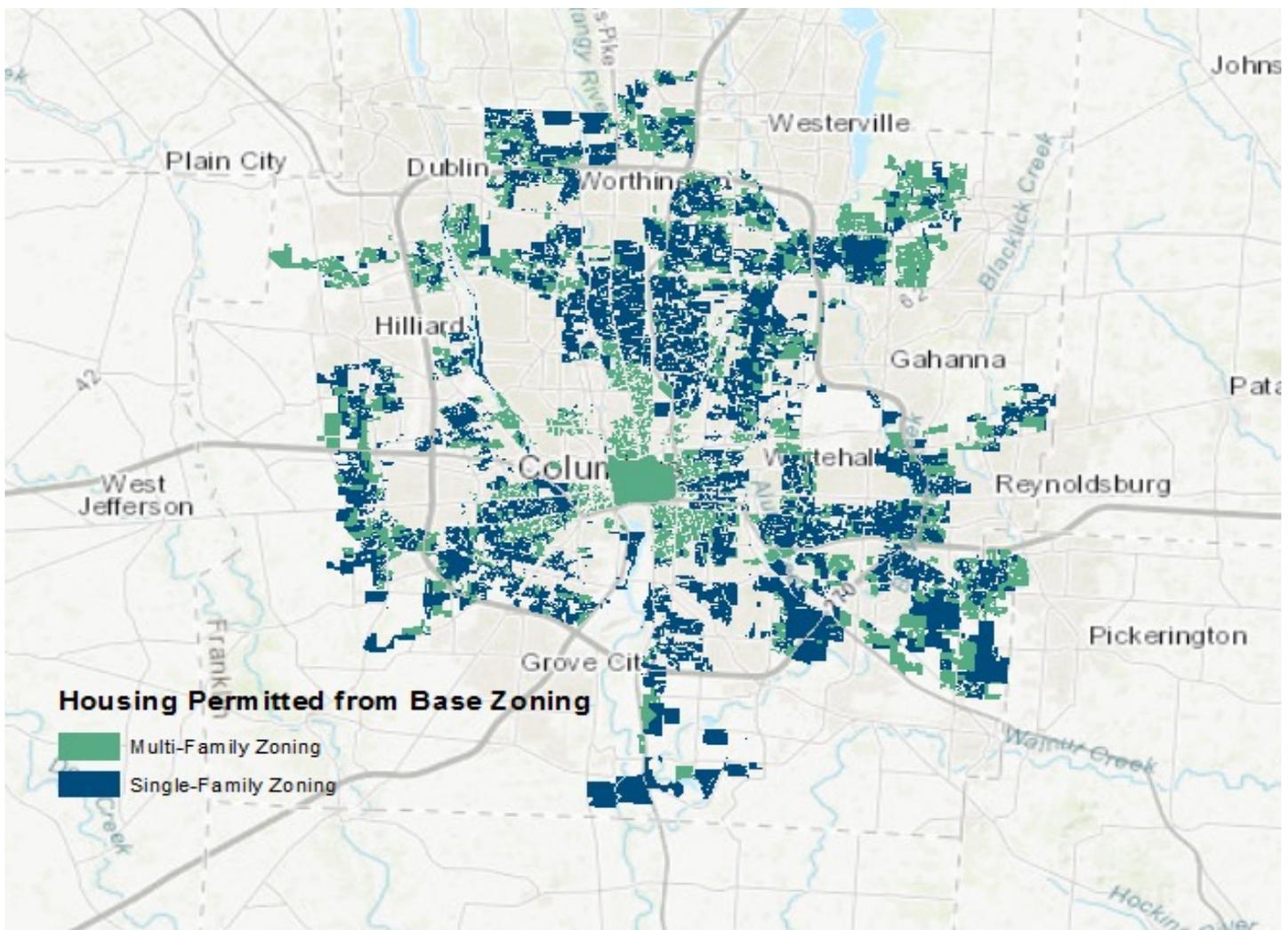


Source: Lincoln Land Institute of Land Policy



No matter the measure, Ohio's property tax rates are higher than most economic competitors in the United States. Of greater concern is the current rise in property tax rates. In Franklin County, assessed values (which determine property taxes) will likely increase by 30% to 40% in January 2024, Butler County expects to see increases reach 42%, Clermont County could hit 43%, according to data from the Ohio Department of Taxation while Athens was pegged at 20%, and Summit County residents could see their values rise by 34%.<sup>14</sup>

*Land Use Governance.* Land use government generally implemented through zoning regulation is a tool used by local governments to control and dictate the use of land, including how housing is developed and utilized within their jurisdictions. It is a fundamental aspect of urban and regional planning that helps shape the character of communities, manage growth, and balance the needs of different stakeholders. Zoning regulations often include density controls that dictate how many housing units can be built per unit of land area. The city of Columbus spans just over 225 square miles of land. The map below shows the comparison of land that is zoned multi-family versus single-family. The map below shows nearly 50 square miles more single-family zoning than multifamily zoning within Columbus city limits. In U.S. cities, approximately 75% of the land is zoned exclusively for detached single-family homes, while in areas where multifamily buildings are permitted, stringent height and lot size regulations can adversely impact the economic feasibility of development.<sup>15</sup>

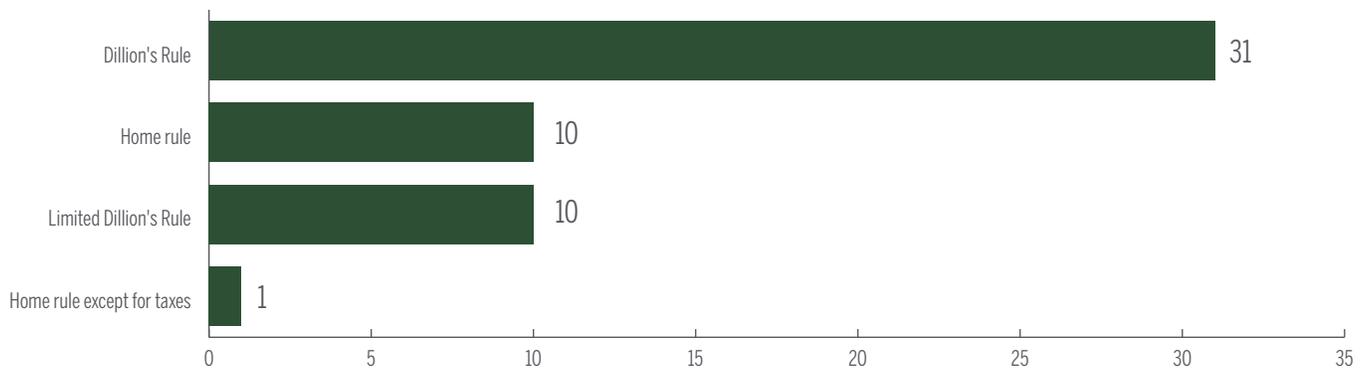


Source: ESRI Demographics

Local governments manage design, growth, and development typically through a comprehensive plan that can serve as a legally binding document that sets the overall goals, objectives, and policies to guide the local legislative body's decision-making regarding the development of a region or community. However, how a local government manages this land use regulation can be a major challenge to developing residential projects.

Zoning regulation in municipalities is directly impacted by whether the state Constitution operates under Dillon's Rule and Home Rule. These two different approaches to local governance have a significant impact on the kind of laws and ordinances municipalities can pass in each state. Dillon's Rule takes a narrow approach to local authority, essentially stating that local governments only have the powers expressly granted to them by the state. Home Rule gives local governments greater autonomy and limits the power of states to interfere in local affairs. The National League of Cities identifies 31 Dillon's Rule states, 10 home rule states, 8 states that apply Dillon's Rule only to certain municipalities, and one state (Florida) that applies home rule to everything except taxation. Each state defines for itself what powers it will grant to local governments.

### Local Government Authority



The second power granted in Section 3 of Article XVIII is the power to adopt and enforce local police, sanitary, and other similar regulations that are not in conflict with general laws.<sup>16</sup> "Police power" has been defined as the authority to make regulations for the public health, safety, and morals and the general welfare of society, and examples of regulations found to be police regulations include those about zoning, animal control, traffic, and "bait and switch" advertising.<sup>17</sup> Municipal laws for the exercise of municipal police powers may not conflict with general laws, and "General laws" for purposes of home rule analyses are not all laws enacted by the General Assembly.<sup>18</sup>

Home Rule v. Dillion Rule State	
Home Rule	Dillion's Rule
Ohio (Strong)	Texas
North Carolina (Weak)	Tennessee
Indiana (Weak)	

Local governments in Indiana have all the powers they need for effective government, but they cannot regulate conduct already regulated by the state.<sup>19</sup> County commissioners cannot pass a zoning ordinance that conflicts with a state regulation. However, local land use planning and zoning is implemented by counties, cities, and towns. Indiana's 1005 townships do not have jurisdiction over zoning matters. North Carolina is a weak home rule state: cities and counties have broad police powers and limited authority to impose taxes but there are few constraints on the state's ability to preempt local laws or restructure local governments.<sup>20</sup> North Carolina



Const. Article. VII, § 1 allows the General Assembly to establish home rule for local governments, but it does not guarantee municipal home rule, and the Legislature has chosen to provide municipal home rule to cities and counties by statute.<sup>21</sup>

The Tennessee Constitution offers home rule to both cities and counties, though only two counties and 14 cities have adopted home rule charters.<sup>22</sup> Municipalities that adopt home rule can generally enact any legislation that is not in conflict with state law but the Tennessee General Assembly retains the sole power to enlarge or increase the taxation power of municipalities, through general acts.<sup>23</sup> Nashville/Davidson County's consolidated government has adopted a Home Rule form of government.<sup>24</sup>

The authority of a Texas city to enact and enforce ordinances is conditioned on the type of city as an ordinance is defined as "a local law of a municipal corporation, duly enacted by the proper authorities, prescribing general, uniform, and permanent rules of conduct relating the corporate affairs of the municipality."<sup>25</sup> In other words, an ordinance is the equivalent of a municipal statute, passed by the city council, governing matters not already covered by federal or state law.<sup>26</sup> Many Texas cities began operating under the general laws-- a general law city has no specific act that governs it, nor does it have an individual charter, but the duties and powers of a general law city are governed by statutes, otherwise known as "general laws."<sup>27</sup> Once a general law city reaches the 5,001 inhabitants mark, it is authorized by Article XI, section 5 of the Texas Constitution to hold an election to adopt a home rule charter.<sup>28</sup> Once a home rule charter is adopted, a city thereafter has the full power of local self-government, the power to govern itself so long as charter provisions or ordinances are not inconsistent with state or federal law.<sup>29</sup>

Ohio offers an example of how land use is regulated at the local government level under strong Home Rule authority. Article XVIII, Section 3 of the Ohio Constitution, known as the home-rule amendment, allows municipalities to adopt a home-rule charter. This charter is the functional equivalent of a constitution and establishes in broad strokes how the municipality will be organized and how it will exercise its powers of self-governance, including planning and zoning regulation.<sup>30</sup> Municipalities that have such charters are not required to follow the Revised Code concerning enacting, amending, or administering zoning ordinances. Instead, they follow the procedures set out in their charter.<sup>31</sup> When there is no charter or ordinance or a city's charter is silent on zoning regulation, however, the city must follow the specifics of the law as established by Ohio Revised Code Chapter 713.<sup>32</sup> Zoning is a key component of the basic system of land use regulation. Zoning regulations provide for orderly growth, in furtherance of comprehensive plans; limit the interaction of incompatible uses; and protect the public health, safety, and welfare. Traditional zoning divides land within a jurisdiction into districts, or zones, with varying restrictions on uses that may be established and conducted in the different zones and standards (such as size and location of buildings, yard areas, and intensity) such uses must meet. The local legislative body may divide the municipality into districts of such number, shape, and area as may be best and within such districts, it may regulate and restrict the erection, construction, alteration, repair, or use of buildings, structures, or land.<sup>33</sup>

Most Ohio townships do not have the protection of the Ohio Home Rule Constitutional Amendment as they have not voted to adopt a Home Rule Charter. Thus, state law dictates whether and how townships adopt zoning ordinances. Ohio permits township governments to regulate zoning. Ohio not only empowers its townships to perform zoning functions, but the Buckeye State is among a minority of the states that operate with a township form of government at the local level as the graphic below illustrates. It is worthy of note that competitor states in the South like North Carolina, Tennessee, and Texas do not operate with a township form of government.



States that operate with Townships		
Connecticut	Minnesota	Ohio
Illinois	Missouri	Pennsylvania
Indiana	Nebraska	Rhode Island
Kansas	New Hampshire	South Dakota
Maine	New Jersey	Vermont
Massachusetts	New York	Wisconsin
Michigan	North Dakota	

As the graphic above outlines, most states do not permit townships to regulate zoning. Ohio permits townships to implement a lengthy and, at times, confrontational zoning process. Ohio requires the creation of a rural township zoning commission that acts as an advisory body to recommend changes to a township zoning code. The township zoning commission holds public meetings to make recommendations to the Township Trustees regarding changes sought to the township zoning code, Township Trustees vote to support a zoning change, and township zoning amendments are subject to voter referendum if 15% of the township voters' signatures are gathered in the last Governor's election on a valid petition within 30 days, and the zoning ordinance is set if no referendum is filed or is defeated by the voters.



**Ohio Local Residential Economic Development Incentives.** Local governments and residential developers incentivize residential development and provide infrastructure such as roads, water, sewer, and utilities have a substantial impact on housing development across the Buckeye state. Ohio offers a wide range of local residential economic development incentives.

**Community Reinvestment Area Tax Abatements** permits local governments to provide property tax abatements on new investments up to 100% through the Community Reinvestment Area (CRA) program that does not require local school board approval for districts created before 1994. The Ohio CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements. The program is delineated into two distinct categories, those created before July 1994 (“pre-1994”) and those created after the law changes went into effect after July 1994. The Ohio CRA Program is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new buildings. This program permits municipalities or counties to designate areas where investment has been discouraged as a CRA to encourage the revitalization of the existing housing stock and the development of new structures. Local municipalities or counties can determine the type of development to be supported by the CRA Program by specifying the eligibility of residential, commercial, and/or industrial projects.

CRA Program Benefits Exemption Levels		
Exemption Levels	Pre-July 1, 1994, CRA	Post-July 1, 1994 CRA
Real Property	Must be 100%	Up to 100%**
Personal Property	None	None
Inventory	None	None

The exemption percentage and term for commercial and industrial projects are to be negotiated on a project-specific basis. If the proposed exemption exceeds 50%, local school district consent is required unless the legislative authority determines, for each year of the proposed exemption, that at least 50% of the amount of the taxes estimated that would have been charged on the improvements if the exemption had not taken place will be made up by other taxes or payments available to the school district. Upon notice of a project that does not meet this standard, the board of education may approve the project even though the new revenues do not equal at least 50% of the projected taxes prior to the exemption.

Term Exemptions	Pre-July 1, 1994, CRA	Post-July 1, 1994 CRA
Residential Remodeling (2 units or less; minimum \$2500)	Up to 10 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential Remodeling (more than 2 units; minimum \$5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Commercial and Industrial Remodeling (minimum \$5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Commercial and Industrial New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA

*Construction Materials Sales Tax Exemption* program permits Ohio port authorities to offer a sales tax exemption on construction materials used for economic development projects. An Ohio port authority such as the Columbus-Franklin County Finance Authority issues taxable bonds to finance the project, they hold the title to the building and enter into a long-term lease with the client (typically five years), the bonds may be purchased by the client's bank or a related entity of the client itself, the port authority could place the bonds in the capital markets, at the end of the lease term, the building's title would be transferred to the client for a nominal amount, and the client would be viewed as the building's owner for federal tax purposes and therefore would be able to take depreciation on the building.

*Downtown Redevelopment Districts* is an Ohio program that permits a municipality to capture of up to 70% of the future property tax growth around 10 acres of a historic structure for public infrastructure, historic groups, building renovations, and innovation districts. Ohio's Downtown Redevelopment District (DRD) program is a critical tool for municipalities in Ohio to use for redeveloping important historic structures. Downtown Redevelopment Districts work like Tax Increment Financing in that they capture new growth in property taxes in a defined 10-acre district continuous to a certified historic structure. Unlike a TIF which is generally restricted to public infrastructure improvements, a DRD can be used to redevelop historic buildings, encourage economic development in commercial, mixed-use, and residential areas, build public infrastructure, or fund local economic development groups associated with the projects.

*New Community Authority (NCA)* is a special unit of government authorized under Chapter 349 of the Ohio Revised Code. NCAs permit landowners to create a special assessment known as a Community Development Charge to finance and construct community facilities that include any kind of public improvement within the district and include facilities that are used in furtherance of community activities such as cultural, educational, governmental, recreational, residential, industrial, commercial, distribution and research activities. NCAs do present a challenge for future buyers of residential development as they create a fee that is on top of the price and taxes that need to be paid for the house.



*Special Improvement Districts (SIDs)* permit Ohio property owners in a defined area through a majority vote to create a special assessment to fund area public infrastructure improvements and provide services. A SID is established when owners representing 60% of the front footage or 75% of the land area of the district sign a formal petition to establish it. Services must be for the public good and may include maintenance, physical improvements, cleaning, and additional safety among a variety of activities. The services are chosen by the property owners themselves, through a Board of Directors, and cannot replace city services.

*Tax Increment Financing (TIF)* Program funds public infrastructure through the capture of future property tax growth of a defined district or site. An Ohio local political jurisdiction may exempt from real property taxes the value of private improvements up to 75 percent for a term of up to 10 years for a General Purpose TIF or an Incentive District TIF. Incentive District TIFs cannot be larger than 300 acres and must be designated as blighted. Local governmental bodies seeking to offer greater amounts of assistance under the TIF must first obtain the concurrence of the affected local board(s) of education. With the concurrence of its school board(s), a local political jurisdiction may exempt the value of improvements up to 100 percent for a term of up to 30 years. Funding for a general-purpose TIF can be used for public infrastructure improvements that include: public roads and highways; water and sewer lines; the continued maintenance of those public roads and highways and water and sewer lines; environmental remediation; land acquisition, including acquisition in aid of industry, commerce, distribution, or research; demolition, including demolition on private property when determined to be necessary for economic development purposes; stormwater and flood remediation projects, including such projects on private property when determined to be necessary for public health, safety, and welfare; the provision of gas, electric, and communications service facilities, including the provision of gas or electric service facilities owned by nongovernmental entities when such improvements are determined to be necessary for economic development purposes; the enhancement of public waterways through improvements that allow for greater public access; and off-street parking facilities, including those in which all or a portion of the parking spaces are reserved for specific uses when determined to be necessary for economic development purposes.<sup>34</sup> In limited cases, Ohio TIF funds can be used to improve private property if both of the following apply: the municipal corporation or township held fee title to the parcel before the adoption of the ordinance or resolution; and the parcel is leased, or the fee of the parcel is conveyed, to any person either before or after adoption of the ordinance or resolution.<sup>35</sup> Improvements used or to be used for residential purposes may be declared a public purpose under this section only if the parcel is located in a blighted area of an impacted city, in the case of a municipal corporation, or in a blighted area, in the case of a township, as those terms are defined in section 1728.01 of the Revised Code.<sup>36</sup> For this purpose, “parcel that is used or to be used for residential purposes” means a parcel that, as improved, is used or to be used for purposes that would cause the tax commissioner to classify the parcel as residential property in accordance with rules adopted by the commissioner under section 5713.041 of the Revised Code.<sup>37</sup>



## Ohio Residential Economic Development Incentive Programs

<b>Building Demo Fund</b>	<b>Brownfield Redevelopment Fund</b>	<b>Construction Materials Sales Tax Exemption</b>
<b>First-time Homebuyer Savings Account</b>	<b>Historic Preservation Tax Credit</b>	<b>Low-Income Housing Tax Credit</b>
<b>New Markets Tax Credit</b>	<b>Opportunity Zone Tax Credit</b>	<b>Prohibition of Rent Control</b>
<b>Single Family Affordable Housing Tax Credit</b>	<b>Transformation Mixed Use Tax Credit</b>	<b>Water and Waste Water Infrastructure Grant Program</b>
<b>Welcome Home Ohio Program</b>		

*Brownfield Remediation Program* is a \$350 M Ohio Department of Development program that can be used to help plan, assess, and remediate brownfields throughout the state. Properties applying for the program must meet the definition of brownfield. A brownfield is defined as an abandoned, idled, or under-used industrial, commercial, or institutional property where expansion or redevelopment is complicated by known or potential releases of hazardous substances or petroleum. Units of local government, including counties, townships, municipal corporations, port authorities, conservancy districts or park districts, or other similar park authorities, are eligible to apply. Other eligible applicants include county land reutilization corporations, nonprofit organizations, or profit organizations. These entities must have agreed with a unit of local government to work in conjunction on the project for this program. A brownfield is a piece of property whose redevelopment is complicated by the potential presence of environmental contaminants such as hazardous substances, asbestos, lead-based paint, and petroleum.

*Building Demolition and Site Revitalization Program* is designed to provide grants for the demolition of commercial and residential buildings and revitalization of surrounding properties on sites that are not Brownfields. This program provides \$150 million with \$500,000 set aside per county. The remaining funds will be provided on a first-come, first-served basis until June 30, 2024. After that date, any remaining funds in the county set aside will be added to the general fund and made available for grants throughout the state on a first-come, first-served basis. Set-aside funds are reserved for one calendar year from the date of appropriation (July 4, 2023). After one calendar year, the funds will become available for grants throughout the state (July 1, 2024). Blighted, vacant, or abandoned commercial and residential buildings on sites that are not brownfields are eligible for demolition. Commercial properties include buildings that were used for retail, office, manufacturing, industrial, industrial warehousing, institutional, or other non-residential or mixed-use purposes. Structures that are affixed to the land and used for either commercial or residential uses can participate. Counties must designate one “lead entity” that will be the applicant and award recipient. A county land reutilization corporation shall be the lead entity if one is established. A sub-recipient agreement between the lead entity and other end users (i.e., other local governments, nonprofit organizations, community



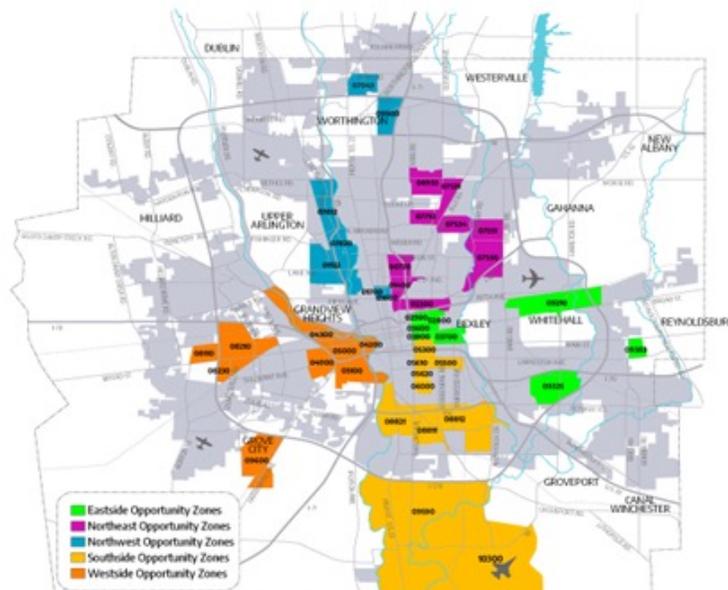
development corporations, regional planning commissions, community action agencies, etc.) must be submitted as part of the application, if applicable.

*First-time Homebuyer Savings Accounts* is a new Ohio program to support the growing cost for a first-time homebuyer through the creation of a new tax deduction for saving into a linked-deposit account designated for the cost of a first-time home buyer. Ohioans who create an account are eligible for a deduction of up to \$10,000 per year per account for couples filing jointly and \$5,000 per year per account for individuals, with a lifetime maximum per account of \$25,000. The budget authorizes, for account owners, an income tax deduction for interest earned on savings in, and employer contributions to, homeownership savings linked deposit accounts.

*Historic Preservation Tax Credits* are a state of Ohio tax credit program awarded by the Ohio Department of Development twice annually for designated historic properties (structures 50 years or older) that can provide direct building funding for historically consistent remodeling costs. State Historic Preservation Tax Credits are awarded twice annually. The Ohio Historic Preservation Tax Credit Program provides a state tax credit of up to 25% of qualified rehabilitation expenditures incurred during a rehabilitation project, up to \$5 million. Recent changes in state law do not permit an Ohio Historic Preservation Tax Credit and Low-Income Housing Tax Credit to be used on the same project.

*Low-Income Housing Tax Credit* is a state of Ohio Low Income Housing Tax Credit providing up to \$100 million in FY24-25 for the new Ohio Housing Finance Agency (OHFA) Tax Credit program. The new program is meant to support the construction of new housing projects in the state. Throughout Ohio the need for quality new housing is at an all-time high, development has not been able to keep pace with population and job growth in certain regions, while in others the need to replace outdated housing stock with newer units has hampered the ability to attract and retain people and jobs. This program along with other tools is a step in the right direction to helping to solve what is quickly turning into a crisis that impacts the state's affordable living environment.

*New Markets Tax Credit Program* is an Ohio Department of Development program that provides an incentive for investors to fund businesses in low-income communities in federal government-certified New Markets Tax Credit census tracts. The Ohio New Markets Tax Credit Program awards tax credit allocation authority to Community Development Entities (CDE) serving Ohio that serves as an intermediary between investors and projects. The investor provides cash to a CDE in exchange for the tax credit (39 percent of their investment claimed over seven years). The CDE uses the cash for projects in low-income communities. Ohio offers \$10 million in tax credit allocation authority available to CDEs each year.



*Opportunity Zone Tax Credit* provides an incentive for Taxpayers to invest in projects in economically distressed areas known as “Ohio Opportunity Zones”. The Ohio Opportunity Zone Tax Credit is applied to the individual income tax, as outlined in the Ohio Revised Code Section 5747.02, and the tax credit may be claimed for the Taxpayer’s qualifying taxable year or the next consecutive taxable year.[i] For the 2022-2023 biennium, a total of \$50 million in tax credit allocation is available, and taxpayers that have invested in an Ohio QOF must apply directly to the Ohio Department of Development (“Development”) for the tax credit during the established application period, occurring annually in January.

*Single-Family Affordable Housing Tax Credit* is a new single-family affordable housing credit that will allow up to \$100 million in available credits each fiscal year for the development and construction of new Single-Family Homes. Created in the FY 2024-2025 State Budget bill, the new Single-Family Housing Tax Credit program provides \$50 million a year in ten-year tax credits, for four years, to incentivize the construction of new single-family homes for Ohio’s growing workforce.<sup>38</sup> Established as a public-private partnership, the Single-Family Housing Tax Credit will bring together local government entities with a project development team (homebuilders, investors, and realtors) to identify the location and scope of construction of single-family homes in a community.<sup>39</sup> The local government entity and the development team apply tax credits to help finance the construction of the houses, applications will be scored based on the criteria outlined in the Allocation Plan and tax credits will be competitively awarded, and the tax credits may then be claimed over ten years.<sup>40</sup> The homes will be sold to qualified Ohio homebuyers at the construction cost.<sup>41</sup>

*Transformational Mixed-Use District (TMUD)* is a \$100 M premium insurance tax credit program for large-scale mixed-use developments in major and non-major cities over the next four years awarded by the Ohio Department of Development. A project within a major city (100,000 or more in population) is eligible for a TMUD tax credit if it exceeds \$50 million, includes the renovation, rehabilitation, or construction of at least one new or previously vacant building; is 15 stories in height, or is at least 350,000 sq. ft., or is a project which creates \$4 million in annual payroll. A project not within a major city (100,000 or more in population) is eligible for TMUD tax credits if the project includes at least one new or previously vacant building that is two or more stories in height, or is at least 75,000 sq. ft. TMUD is only funded for operation for one more fiscal year.

*Water and Wastewater Infrastructure Grant* program will provide \$250,000,000 to help Ohio communities make necessary investments in water and wastewater infrastructure through awards from the Ohio Department of Development. provided grants to improve access to clean drinking water and wastewater infrastructure. Grants are up to \$250,000 for design projects and up to \$5 million for construction projects for Ohio communities. Public entities within a political subdivision with the authority to own and operate public water and sewer systems and nonprofit, non-community public water systems could apply. Public entities within a political subdivision with the authority to own and operate public water and sewer systems and nonprofit, non-community public water systems may apply. Political subdivision means a county, township, municipal corporation, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state. There are two types of eligible projects, design or construction. Design projects should be submitted after an eligible applicant has completed the preliminary planning phase of a project. Eligible design projects can receive a maximum award of \$250,000. Eligible construction projects can receive a maximum grant amount of \$5 million. At the discretion of the Director of the Ohio Department of Development, additional grant funding may be awarded for an individual project due to a lack of matching funds and other inhibiting factors. Maximum project awards in these circumstances shall not exceed \$10 million and are solely at the discretion of the Director of the Ohio Department of Development.

*Welcome Home Ohio Program* will provide \$150 M for the development of single-family homes. The Welcome Home Ohio Program creates a grant program by which land banks may apply for funds to purchase residential property, for sale to income-eligible owner-occupants and creates a grant program by which land banks may apply for funds to rehabilitate or construct residential property, up to \$30,000, for income-restricted owner occupancy. Qualifying residential property that benefits from any of the incentives offered by the program must be sold, for \$180,000 or less, to an individual, or individuals, with annual income that is no more than 80% of the median income for the county where the property is located. Buyers must also agree, in the

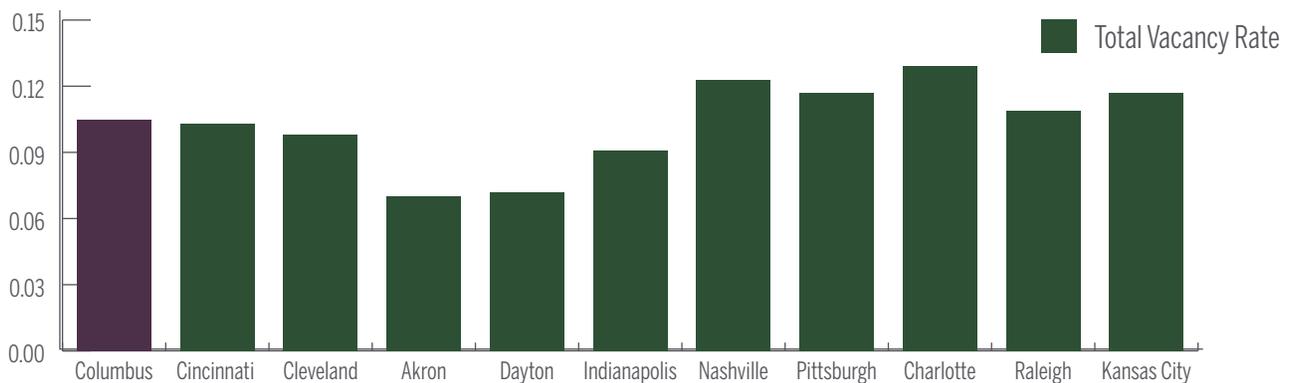


purchase agreement, to maintain ownership of the property as a primary residence, not to sell or rent the property at all for five years, and not to sell the property to anyone who does not meet the income requirements for twenty years. Land banks and developers are required to include deed restrictions with these requirements when selling property that benefits from the Ohio Welcome Home Program, and the act grants ODOD the authority and standing to sue to enforce those requirements. The buyer must annually certify to ODOD, during the five years following their purchase of the property, that the buyer still owns and occupies the property and has not rented it to another individual for use as a residence. The Ohio Welcome Home Program also authorizes up to \$25.0 million in tax credits in each of FY 2024 and FY 2025 for the rehabilitation or construction of income-restricted and owner-occupied residential property. The tax credits are nonrefundable tax credits against the income tax and financial institutions tax. Credits equal the lesser of one-third of the cost of construction or rehabilitation or \$90,000 per qualified residential property.

Ohio offers a wide range of economic development incentive programs designed to encourage the development of housing throughout the Buckeye State.

**The office market is primed for conversion to residential development.** The office market is in substantial economic trouble. The chart below illustrates an office market in dismal shape.

**Office Vacancy Rate Benchmark Comparison**



Source: CoStar

JLL reports that despite record office vacancy rates nationally, disjointed performance since 2020 has driven the older-vintage “commodity” segment of the office market to bear an outsized proportion of impact—today, 30% of existing office buildings comprise more than 90% of total vacancy on the market. The Downtown office vacancy rates illustrate substantial struggles with the current office markets but present opportunities for office conversion into residential units. Converting offices into residential units is not easy or cheap. This analysis includes building an understanding of the age, style, footprint, location, current use, current tenants, size, vacancy rate, connection to parking and other critical amenities, current owners, and their background, and understanding how those buildings are most likely to be redeveloped based upon their age, style, footprint, floor plan, access to parking, and ability of the owner to transition their potential use. Not all buildings were born alike for reuse purposes. Leading edge urban architects like the Design Group suggest three typical types of Downtown office buildings that impact their potential reuse: Pre-World War 11 buildings constructed in the 1920s, 1930s, and 1940s, Mid-Century buildings constructed in the 1950s, 1960s, and 1970s, and Contemporary buildings constructed in the 1980s, 1990s, and 2000s. No matter the age of the office building, converting an office tower into an apartment building takes a public-private partnership that may include local, state and federal funding.



**Ohio should adopt a Housing Reform agenda focused on state leadership, zoning, local, state and federal economic development incentives, and residential property tax reform.** Housing is a critical corporate site location factor for communities across the nation, but the supply of housing in growing regions as well as rural communities is simply not meeting the demand and putting major corporate site location victories such as the Ohio Intel project in jeopardy. Montrose Group recommends the state of Ohio adopt public policies focused on zoning reform, infrastructure incentives, property tax reform, and tax abatement reform.



The Ohio housing policy reform agenda consists of fourteen specific recommendations to address the growing crisis facing urban, suburban, and rural communities to keep the Ohio economy running.

1. The Governor by Executive Order should create the Governor’s Housing Council consisting of housing developers, local government, business, and community leaders to advise the Governor on how Ohio can meet the current housing crisis, and establish housing as a matter of statewide concern, promote the adoption of a comprehensive strategy for the development of housing in rural, suburban and urban communities, and coordinate an annual Governor’s Housing Summit in partnership with local government, housing, and business trade associations to discuss the challenges, opportunities and solution for housing development in Ohio.
2. Ohio should directly regulate small, non-limited Home Rule Township zoning at the state government level.
3. Ohio should eliminate zoning referendums to build a predictable land use model.
4. Ohio should permit as a matter of right residential development where land is zoned for retail requiring specific density, set back, parking, environmental, signage, and other state of Ohio land use requirements developed based upon the guidance of local governments, require local governments provide an architectural review approval as is done for new land uses in Downtown Columbus.
5. Ohio should create a state Zoning Density Bonus Infrastructure Program to fund public infrastructure for local governments for residential developments that meet zoning density and multi-family requirements.
6. Ohio should renew the Transformational Mixed Use District Program and remove the tax credit spending cap to provide an additional \$400 M annually to spur residential development in urban and rural communities.
7. Ohio should expand the Ohio New Markets Tax Credit Program to increase the funding to \$50 M and focus the benefits of this program on residential development.
8. Central Ohio should create a New Markets Tax Credit Community Development Entity focused on residential development.
9. Ohio should expand the Ohio Historic Preservation Tax Credit Program to increase the funding for this important program to \$50 M and focus the benefits of this program on residential development.
10. Ohio should create the Ohio Rural Residential Development Loan program to provide forgivable loans to developers creating housing development in rural Ohio counties.



11. Ohio needs to continue efforts to streamline the property value appraisal process to build a more predictable process to encourage economic investment.
12. Ohio should create a 100%, 15-year property residential tax abatement program without requiring the approval of the local school boards.
13. Ohio should expand the authority of local Tax Increment Financing programs to directly fund housing development.
14. Ohio should support the passage of federal legislation that will support the conversion of office space into residential development, and encourage greater use of the federal Community Development Block Grant program for housing projects.

**Boost state housing leadership.** State leadership promoting the development of housing is not the total solution to Ohio’s housing challenge but more formal state leadership focusing on the issue can help bring attention to the housing shortage in the state and define critical opportunities for future growth. The Governor by Executive Order should create the Governor’s Housing Council consisting of housing developers, local government, business, and community leaders to advise the Governor on how Ohio can meet the current housing crisis, establish housing as a matter of statewide concern, promote the adoption of a comprehensive strategy for the development of housing in rural, suburban and urban communities, and coordinate an annual Governor’s Housing Summit in partnership with local government, housing, and business trade associations to discuss the challenges, opportunities and solution for housing development in Ohio.

### Ohio Housing Policy Reform Recommendation #1

- Create the Governor's Housing Council to advise on addressing the housing crisis, establish housing as a matter of statewide concern, promote the adoption of a housing development state comprehensive strategy, and host an annual Governor's Housing Summit

The Ohio General Assembly is more likely to act on housing initiatives and local communities can be engaged more effectively if the power and profile of the Governor is behind the effort.

**Reform Ohio’s township zoning model.** A predictable land use and property tax assessment process is critical for the development of residential projects in urban and rural markets. Ohio’s local land use process is not an asset to residential development in the state, but, at times, operates to interfere with residential development in urban, suburban, and rural communities.

### Ohio Housing Policy Reform Recommendation #2

- Regulate small non-limited Home Rule township zoning at the state level

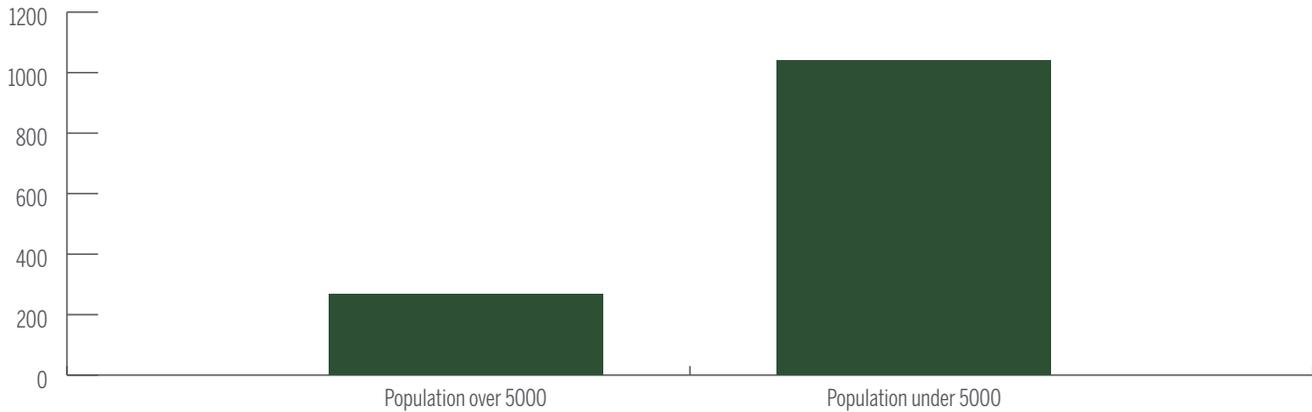
Zoning reform for smaller townships is clearly within the powers of the state of Ohio. Small townships cannot operate local land use programs and zoning should be in the hands of county government to ensure professional staff are in place to administer state zoning laws. Ohio only requires 15% of the registered voters for a referendum on a local government ordinance or resolution to be placed on the ballot and this threshold should be substantially increased to 35% as required for the petition for a local liquor option.

According to the Ohio Township Association, Ohio has 1,308 townships across the state. Townships with populations of 2,500 or more may adopt the limited home rule form of government, which provides a township with authority more similar to a municipal corporation’s home rule authority, as opposed to a statutory township, which as a creature of statute has only the authority provided to it by law.<sup>42</sup> A township with a population less than 5,000 is required to appoint a township administrator, and must have estimated resources



of at least \$3.5 million; for townships with a population of 5,000 or more, there are no such qualifications.<sup>43</sup> Currently, 33 of Ohio's townships have adopted the limited home rule form of government, and, if the population of a limited home rule township is 15,000 or more, it is referred to as an "urban township."<sup>44</sup> Most Ohio townships contain less than 5,000 residents and are primarily rural in nature as the table below illustrates. Townships in Ohio, unless they are included in a Joint Economic Development District, have few of the powers of municipalities and are unable to collect income tax on residents and businesses.

### Total Ohio Township Population



Source: Ohio Secretary of State

Smaller townships generally lack the tax revenue to have a substantial number of professional staff to regulate zoning and other governmental services related to residential development. The power to zone any land in a township with a population of under 5,000 residents should be governed by statewide regulation of small township zoning by creating statewide zoning for townships of less than 5,000 residents that outlines what residential, industrial, commercial, and retail zoning will be permitted in these communities through the Ohio Department of Development.

**Zoning referendum elimination.** Ohio is among the few states that permit a local referendum by voters of local zoning decisions. Zoning referendums should be eliminated in the state of Ohio to create a more predictable land use process for residential development.

### Ohio Housing Policy Reform Recommendation #3

- Eliminate Referendums for Zoning Decisions

Local zoning decisions in Ohio involve a substantial amount of time, public input, public hearings, and ultimately a vote by local government officials. Permitting a referendum vote on the zoning decision among voters the majority of which will not have access to any of the facts related to the zoning decision creates an unpredictable business model for the creation of residential development.



## Permits Zoning Referendum

- Ohio
- North Carolina

## Do Not Permit Zoning Referendum

- Indiana
- Tennessee
- Texas

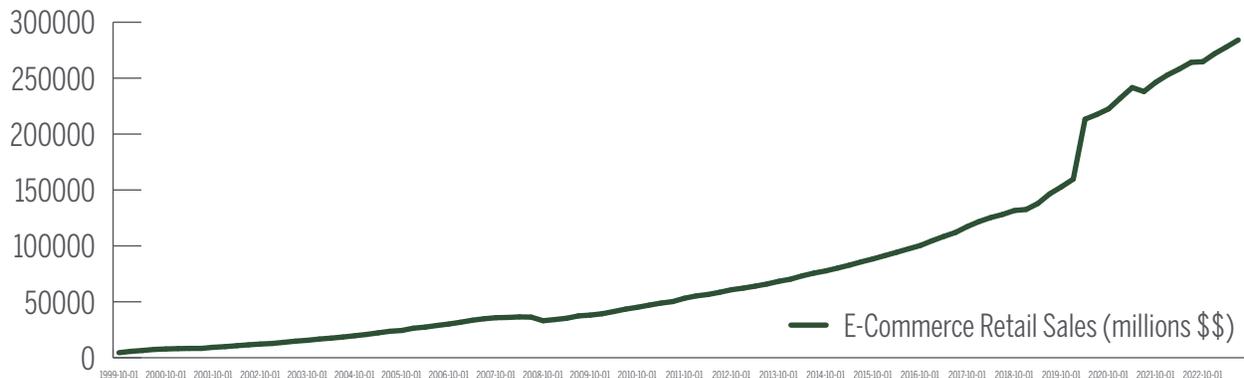
States like Indiana, Tennessee, and Texas do not use the referendum for local zoning decisions. In fact, according to Ballotopedia, 22 states do not have any initiative or referendum process.

Ohio's Constitution establishes the referendum authority, but that power is not unlimited. Section 1 of the Ohio Constitution does not guarantee referendum authority at every level of government. That authority rests with the Ohio General Assembly. Ohio not only permits the referendum of local zoning decisions but only requires the signatures of 15% of registered voters in the jurisdiction that voted in the last Gubernatorial election. Local elected officials should be empowered and held accountable through their election or defeat by the voters not through separate referendum votes on issues the public has little background and knowledge about.

**Simplify the land use and zoning process to redevelop aging retail centers into housing.** Ohio is filled with struggling retail strip centers whose higher and better use is housing. However, Ohio's local land use process is unpredictable and cumbersome for developers and community leaders seeking additional housing investments to replace community eyesores.

The expansion of e-commerce is killing the once mighty shopping centers and malls that defined the post-World War II shopping experience and suburban development model. As the chart below illustrates, the growth in consumer's use of e-commerce continues to increase.

### E-Commerce Retail Sales



Source: St. Louis Federal Reserve Bank FRED, US Census Bureau

The impact of e-commerce and other shifting demographic and economic trends have resulted in the closure of shopping centers throughout the United States. From the Randall Park Mall in Northeast Ohio to Eastland Mall in Central Ohio to Forest Fair Mall in Southwest Ohio and everywhere in between has struggling retail centers that could be transformed into much-needed housing.

Zoning reform is a hot topic nationally. The changes being discussed include banning single-family-only zoning; allowing multifamily housing in more places, including adjacent to transit stops; reducing or eliminating costly minimum parking requirements; and lifting prohibitions on accessory dwelling units (ADUs).<sup>45</sup> In Virginia, Republican Governor Glenn Youngkin has been speaking out against NIMBYism, the “not in my



backyard” opposition by established residents to new housing development, and, to address the rising costs residents face, he said shortly after taking office in 2022, “we must tackle the root causes: unnecessary regulation, overburdensome and inefficient local governments, restrictive zoning policies, and an ideology of fighting tooth and nail against any new development.”<sup>46</sup> California, which is facing a 1.2 M unit housing shortage in the state, took a big step toward promoting the redeveloping of existing commercial sites into housing with the recent passage of AB 2011 and SB 6. AB 2011 and SB 6 are intended to permit residential development on sites currently zoned and designated for commercial or retail uses, and both bills were signed into law on September 29, 2022.

#### Ohio Housing Policy Reform Recommendation #4

- Enact legislation that permits as a matter of right from a land use standpoint the development of residential projects where retail zoning currently exists

Ohio should enact legislation that permits from a land use standpoint as a matter of right residential development where land is zoned for retail requiring specific density, setback, parking, environmental, signage, and other state of Ohio land use requirements developed based upon the guidance of local governments but permit local government regulatory review through an architectural review approval as is done for new land uses in Downtown Columbus. State land use regulations will protect local communities from poorly designed and planned residential projects, give the local communities an opportunity for input on these projects, and provide a clear pathway for transforming struggling retail centers into desperately needed housing.

**Boost Ohio’s residential economic development incentives.** Ohio has started the process of supporting the development of housing through state government funding.

#### Ohio Housing Policy Reform Recommendation #5

- Create a state of Ohio Housing Density Bonus Infrastructure Program

The state of Ohio should create several programs to promote the development of residential development in dense clusters. State funding should be provided for the infrastructure of densely developed residential development for both large and small cities. The Ohio Housing Infrastructure Fund should provide \$250 M in state funding for both large and small cities through competitively awarded grants for residential development projects that meet required density standards.

**TMUD Extension and Tax Credit Cap Removal.** Ohio’s TMUD program is highly successful and popular, and its only weakness is that the program is capped at \$100 M per fiscal year. TMUD is also set to expire at the end of the 2024 fiscal year. Ohio should renew the TMUD program and increase the tax credit cap for the total amount that can be spent by the state. First, Ohio’s TMUD program is very popular. In the first TMUD funding round, 42 applicants sought almost \$420,000,000—more than four times the available funding. Of the 37 eligible applications in the first round, 5 of the 28 Major City Project applications were awarded credits, but 8 of 9 General Pool applications were certified. Round 1 of TMUD funded 13 projects expected to bring \$1.2B in new Ohio payroll and spur \$1.4B. In Round 2 of the TMUD program 12 mixed-use development projects were awarded \$100 M in tax credits that are expected to create more than \$1.29 billion in new payroll and \$2.3 billion in investments across Ohio. Also, Round 2 of TMUD spread investments in rural and urban markets. The \$100 million in awards was split between 12 major city and general or non-major city projects, totaling \$74,102,497.90 and \$25,897,502.10 respectively.



## Ohio Housing Policy Reform Recommendation #6

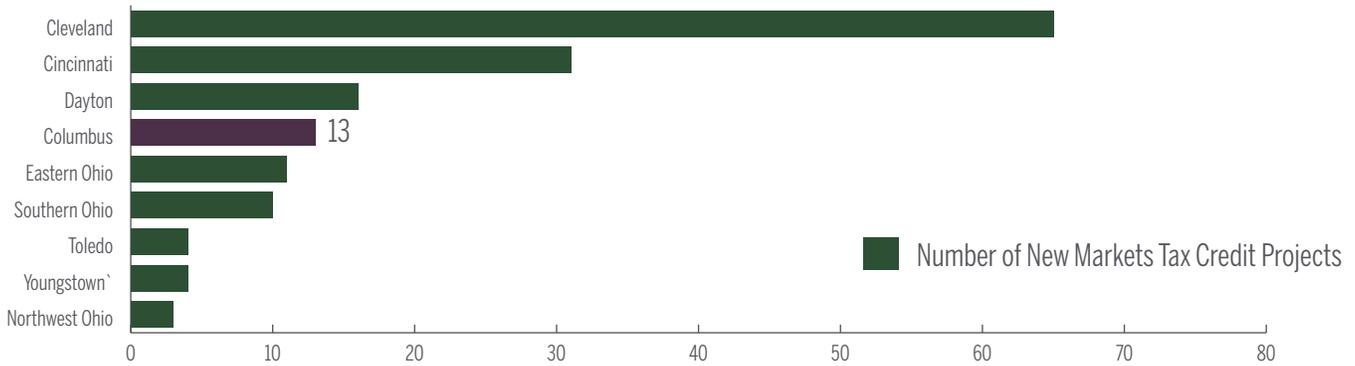
- Extend TMUD Tax Credit Program and Increase Funding Cap

TMUD is a state of Ohio Premium Tax credit program, and Ohio has plenty more Premium Tax to spend to support housing growth. A total of \$689 million in state of Ohio premium and franchise taxes were certified in 2021 and is forecasted to grow to over \$700 M annually by fiscal year 2025.<sup>47</sup> Ohio's Premium Insurance tax on both foreign and domestic insurance companies has most of its revenue flow to support the Ohio General Revenue Fund. The operation of the Ohio Department of Insurance is supported by the state Premium Tax as well but the department's budget for FY-24-25 is \$43 M and \$44M respectively.<sup>48</sup> The current \$100 M from the TMUD programs and an additional \$200 M of the Premium Tax allocated to the GRF covers the costs of the TMUD and new housing tax credits; thus, well over \$300 M is available in each fiscal year alone for additional spending. The state of Ohio should renew the TMUD program and allocate \$1 B for the support of the program over the next three years- \$200 M in FY 24 with an additional \$100 M from the state budget surplus, \$400 M in FY 25, and \$400 M in FY 26.

**Expansion of Ohio New Markets Tax Credit Program.** The twenty-year history of the federal New Markets Tax Credit Program illustrates success in economic development and housing projects. Regions across Ohio should look to Cleveland to increase New Markets Tax Credit success. Cleveland Development Advisors (CDA), an affiliate of the Greater Cleveland Partnership, was established in 1989 to support and serve developers, businesses, and community groups in Cleveland and Northeast Ohio.<sup>49</sup> CDA identifies, positions, and invests in projects across the city, especially in neighborhoods that may not otherwise attract investment, and thereby help to prove the market, build wealth, and lead to additional private sector investment.<sup>50</sup> The CDA provides real estate financing, technical expertise, and specialized tools to advance projects in Northeast Ohio.<sup>51</sup> Most importantly, CDA also manages the CDA-Community Reinvestment Fund (CDA-CRF), a certified Community Development Financial Institution (CDFI), and has extensive experience securing and deploying New Markets Tax Credits (NMTC) allocations through its Community Development Entity (CNMIF II).<sup>52</sup> CDA has a successful track record of investing its NMTC allocation in projects that have the highest impact in the areas of greatest need, and, to date, CNMIF and CNMIF II have closed 43 NMTC transactions using \$215 million of allocation. These projects represent more than \$1 billion of investment in severely distressed Low-Income Communities in Cuyahoga County.<sup>53</sup>



## Number of New Markets Tax Credit Projects



Regions or even from a statewide standpoint address this lack of New Markets Tax Credit investment by forming a CDE to focus solely on New Markets Tax Credit residential investments in their region or the state. The substantial real estate, economic development, and financial resources can be a major asset to drive up federal investment through this important tax credit program.

### Ohio Housing Policy Reform Recommendation #7

- Regional or a statewide CDE should be formed to focus on housing

The state of Ohio also could be doing more to capitalize on this successful federal economic development program. Other states offer substantially more than Ohio for New Markets Tax Credit CDEs making investments in their states as outlined by the graphic below.

State New Market Tax Credit Funding Caps	
\$25 M Illinois	\$60 M Minnesota
\$50 M Alabama	\$74 M Florida
\$50 M Utah	\$100 M Indiana
\$55 M Louisiana	\$200 M Nevada

Ohio's \$10 M in New Market Tax Credit Program could be a stronger asset for residential development if the funding for the state program were increased. Substantial funding increases such as \$50 M for the state New Markets Tax Credit program would put it more in line with competitor states for this critical federal government program that can support housing development in struggling communities- both urban and rural.

## Ohio Housing Policy Reform Recommendation #8

- Expand to \$50 M annually funding for the Ohio New Market Tax Credit Program

*Ohio Historic Preservation Tax Credit.* Like the federal New Markets Tax Credit program, the Ohio Historic Preservation Tax Credit has been a major success focused on redevelopment in urban and rural areas. 40 states operate a state historic preservation tax credit to match the federal historic preservation tax credit.<sup>54</sup> State programs offer a wide range of tax benefits for the redevelopment of certified historic properties and cap the total amount of tax credit spending at different rates.

Indiana allocates \$10 M in state historic tax credit spending, caps the amount of tax credits allowed to not exceed \$250,000 in a state fiscal year beginning July 1, 2001, and the tax credit is equal to 20% of the QREs that the taxpayer makes for the preservation or rehabilitation of the historic residential property.<sup>55</sup> North Carolina has a \$4.5 million historic preservation tax credit cap, based on a \$20 million project of the vacant mill in a distressed county, and provides 15% of QREs of up to \$10 million for historic income-producing properties; 10% for \$10 million to \$20 million; no credit for more than \$20 million., and 5% additional credit with \$20 million project cap for projects located in either Tier One or Tier Two areas or on an eligible targeted investment site on expenditures made before Dec 31, 2016.<sup>56</sup> The QREs for the preservation or rehabilitation of the historic property must exceed \$10,000.<sup>57</sup> Texas has no project or state spending cap for their HTC and provides a 25% tax credit against franchise and insurance premium taxes for certified historic structures rehabilitated and put in service on or after Sept. 1, 2013.<sup>58</sup> The Ohio Historic Preservation Tax Credit Program received a bump in funding to \$120 M for 2023 that in 2024 drops down to \$60 million with a transaction cap of \$5 M that provides a 25% credit for owners and long-term qualified lessees of certified historic buildings.<sup>59</sup> Properties in county, township, or municipal corporation with a population of 300,000 or less receive 35% credit for 2023 and 2024 but that returns to 25% thereafter.<sup>60</sup>

## Ohio Housing Policy Reform Recommendation #9

- Expand to \$120 M annually funding for the Ohio Historic Preservation Tax Credit and Prioritize Development of Housing

Ohio should increase the state spending cap for the Ohio Historic Preservation Tax Credit and prioritize the development of housing in their scoring system to support development in communities in Central Business Districts. The success of the program in Ohio and nationally will produce a substantial return on investment for the state of Ohio.

*Ohio Rural Housing Development Loan Program.* Rural Ohio is facing a housing shortage that is bringing into question whether many rural Ohio communities will exist in a decade. Ohio needs to address the rural housing crisis directly and should create a rural housing loan program to support developers' efforts to fund rural housing developments in rural counties.



The Ohio Rural Housing Development Loan Program should be created and modeled after the successful Ohio Rural Industrial Park Loan Program. The Rural Industrial Park Loan Program (“RIPL”) promotes economic development by providing low-interest direct loans to assist eligible applicants in financing the development and improvement of industrial parks and related off-site public infrastructure improvements.<sup>61</sup> Eligible RIPL applicants include counties, municipalities, townships, non-profit organizations, port authorities, community improvement corporations, and private developers willing to develop and improve industrial parks in rural areas of the state. Eligible rural areas include distressed, labor surplus, and situational distressed counties as defined by the Ohio Revised Code.<sup>62</sup> The loan may be used to finance up to 75% of allowable project costs with loan amounts from \$500,000 to \$2,500,000.<sup>63</sup> A minimum of 10% equity contribution from the borrower is required, and at least 50% of the outstanding loan balance may be forgiven upon successful completion of the project as described in the application and loan agreement.<sup>64</sup>

## Ohio Housing Policy Reform Recommendation #10

- Create a state of Ohio Rural Housing Loan Program

Ohio’s Rural Housing Development Loan Program should replicate the model used by the Ohio Department of Development RIPL program but for residential developments in designated rural counties, awarded \$50 M in loan funding and program requirements should replicate the RIPL program but for residential development in these same rural or workforce distressed communities.

*Ohio Property Tax Reform.* Ohio operates an expensive and complicated property tax program that hurts the development of housing in all parts of the state.

Ohio operates with a complicated, complex, and costly property tax assessment process that can impede residential institutions from predicting property tax costs. In Ohio, county auditors must reappraise every real estate parcel in their county once every six years, and those property values, multiplied by local tax rates, result in the amount that property owners pay in real estate taxes.<sup>65</sup> Avenues are available to both residential and commercial property owners and other taxpayers to challenge the values of their properties through a County Auditor’s Board of Revision with appeals to their decisions going to the Ohio Board of Tax Appeals and ultimately to the Ohio Supreme Court. Ohio’s local school districts and their trial lawyers are professionals at challenging property tax assessments. If the school district decides to become involved with the owner’s case, its attorneys are allowed to cross-examine the owner (and the owner’s witnesses) at the BOR hearing and present its evidence of the property’s value.<sup>66</sup> The process may become adversarial and resembles a trial requiring property owners to hire legal counsel.

The Ohio General Assembly passed what was thought to be significant reform that would make sweeping changes to the state’s real property tax law. HB 126 was designed to end practices that have impacted Ohio property owners for years such as permitting Ohio school districts to be able to challenge property values to increase the assessed value or fight property owners’ attempts to lower their assessed values.

Ohio was one of only a few states in the country that permits school districts to challenge the county auditor’s valuations. Answering the concerns of property owners regarding the Ohio property tax assessment process, the Ohio General Assembly enacted HB 126. HB 126 hoped to fix this issue by changing the structure of Ohio real property tax valuation contests such as:

- Limiting the filing of property tax complaints by boards of education and other subdivisions to instances where (i) the property was sold in a recent arm’s length transaction in the year before the tax year for which the complaint is filed, (ii) the sale price of the property is at least 10% and \$500,000 more than the auditor’s value, and (iii) the subdivision first adopts a resolution authorizing the complaint with notice sent to the property owner at least seven days before adopting the resolution. These limitations would end the practice of retroactive tax increases attributable to years in which a sale occurs. The \$500,000 threshold is also indexed to increase each year with inflation.



- Ending private pay settlement agreements between a property owner and a board of education after the effective date of the bill. Currently, property owners would make a settlement payment to the board of education to dismiss, not file, or settle a complaint by agreeing to a new value for the property that is not reflected on the tax list. HB 126 would also prohibit a subdivision's standing to appeal a Board of revision decision to the Board of Tax Appeals. Although the bill is silent on whether a subdivision could enter as an appellee in a BTA appeal from a BOR decision.
- Removing the requirement that school districts receive notice of a complaint.
- Modifying the timeline in which school districts can file a counter-complaint to 30 days after the initial complaint is filed. Currently, a school district may file a counter-complaint within 30 days after receiving notice of the owner's complaint.
- Requiring that a county Board of Revision dismiss a complaint filed by a subdivision within one year after the complaint was filed if the Board of Revision does not render a decision within that timeframe.

HB 126 specifies that most of its changes will apply to complaints or counter-complaints filed for tax year 2022 and thereafter, except for provisions regarding private payment agreements which will apply on or after the bill's effective date. The simple fact is the goals of HB 126 are not being met. Instead of the Columbus City Schools filing a property tax appeal, the school district Treasurer as a "taxpayer" has filed the appeals according to recent news reports.<sup>67</sup> The Ohio property valuation process also illustrates flaws in the valuation of properties. Recently, nearly empty Downtown Columbus office buildings have seen substantial valuation increases which will force them to appeal these values even though many of these buildings are close to bankruptcy.<sup>68</sup>

### Ohio Housing Policy Reform Recommendation #11

- Streamline Ohio's Property Tax Appraisal System

Ohio should limit property tax appeals to only property owners, not disclose the value of the land purchase, and exempt from property tax the value of unimproved land subdivided for residential development more than the fair market value of the property for up to eight years or until construction begins or the land is sold.

**Local Residential Economic Development Incentive Reform.** State of Ohio programs are not the only venue where policy changes are needed to spur additional residential growth. Local communities need improved economic development incentive tools to meet the growing housing need.

**TIF Reform.** Ohio, like nearly all fifty states, permits local governments to utilize a TIF program to generally support the development of public infrastructure and permits residential developments to utilize TIFs. However, Ohio should look to expand how TIF operates and what TIF funds can pay for based on the programs of competitor states.

Other states use TIF programs to effectively develop residential products. Illinois uses programs to aggressively promote economic development. Illinois permits the creation of TIF districts to dedicate sales tax revenues and additional property tax revenues generated within the TIF for improvements within the district to encourage new economic development and job creation.<sup>69</sup> Illinois TIF funds may be used for costs associated with the redevelopment of substandard, obsolete, or vacant buildings, financing public infrastructure improvements, including streets, sewer, and water, in declining areas, cleaning up polluted areas, and improving the viability of downtown business districts, rehabilitating historic properties, and providing the infrastructure needed to develop a site for new industrial or commercial use.<sup>70</sup> The eligible uses for Illinois TIF funds are the administration of a TIF redevelopment project, property acquisition, rehabilitation or renovation of existing public or private buildings, construction of public works or improvements, job training, relocation, financing costs, including interest assistance, studies, surveys and plans, marketing sites within the TIF, professional services, such as



architectural, engineering, legal and financial planning, and demolition and site preparation.<sup>71</sup> Illinois TIFs must be in designated blighted areas, and the city must also prepare a plan laying out the actions that the municipality intends to take to improve the area, and a budget for the TIF district that includes the total TIF-eligible costs.<sup>72</sup> Municipal officials and a Joint Review Board, made up of representatives from local taxing bodies, must review the plan for the redevelopment of the TIF area, allowing the various taxing bodies to provide their input and opinion on the matter to the municipal authorities, and, following this, a public hearing must be held so that residents and other interested parties can express their thoughts on the subject.<sup>73</sup> It is important to note that Illinois does not require local school districts to vote to approve TIFs or gain compensation from developers in exchange for approving the TIF. The Chicago Multi-Family TIF Purchase-Rehab Program allocates TIF revenues to support the redevelopment of vacant and foreclosed apartment buildings within specified TIF districts as affordable housing.<sup>74</sup> Private developers are eligible to receive grant funding of up to 50 percent of the total project cost, and eligibility is limited to the purchase and rehabilitation of buildings with six or more units where “substantial rehabilitation” is required, but the redeveloped units must remain affordable to households earning up to 50 percent of the area median income for a period of at least 15 years.<sup>75</sup>

Minnesota authorizes cities and counties to create housing TIF districts in which incremental tax revenue may only be used to finance housing projects for low- and moderate-income individuals that include covering costs such as acquisition, construction, or rehabilitation of affordable housing, and professional costs and public improvements directly related to the affordable housing developments.<sup>76</sup> Massachusetts’ Urban Center Housing Tax Increment Financing (UCH-TIF) program allows cities and towns to use TIF financing to build affordable housing in commercial centers used primarily for commerce and must have a lower population density during non-business hours.<sup>77</sup> At least 25 percent of the new housing built using TIF financing must be affordable for 40 years or the useful life of the housing, whichever is longer.<sup>78</sup> Utah cities that have adopted TIF districts on or after May 1, 2000, and generate at least \$100,000 in new revenue through the district must allocate at least 20 percent of the funds for affordable housing development, construction, or retention.<sup>79</sup> Texas cities can create Tax Increment Reinvestment Zones (TIRZ) that do not need to meet minimum criteria for blight and permits the TIF funds can be used to help preserve affordable housing.<sup>80</sup> Private property owners can petition for the creation of a TIRZ when they own at least 50 percent of the appraised property value within the proposed TIRZ, and, to support affordable housing in large cities, privately-initiated TIRZ zones are required to allocate at least one-third of the area to housing, and one-third of tax revenues to low-income housing.<sup>81</sup>

Ohio should follow the lead of other states and permit local governments to use TIF proceeds for the construction of private sector housing and not require school district approval for the creation of residential TIFs.

### Ohio Housing Policy Reform Recommendation #12

- Permit TIF proceeds to be used for housing construction

*Tax Abatement Reform.* Ohio should permit local governments to provide residential real property tax abatements without interference from local school districts or other taxing authorities. School districts are often the biggest opponents of residential growth even though they are in the business of serving residents.

Understanding how other states and cities incentivize housing development is instructive for why Ohio is not developing the volume and geographic spread of housing the state demands. Austin, Texas offers a residential incentive program that is driven to permit greater density and reduced parking mandates for development based on the availability of more affordable residential units. In Indiana, tax abatement is technically referred to as an economic revitalization area (ERA) deduction.<sup>82</sup> The process begins with the designation of a certain piece of real estate as an ERA, and subsequent investment on that real estate, within state guidelines, is then eligible for tax abatement.<sup>83</sup> Two types of property can receive tax abatement - real and personal. For real property, land cannot qualify only a structure or building, and the abatement is only for the increase in assessed value and does not apply to the value of existing structures.<sup>84</sup> Activities eligible for abatement include the



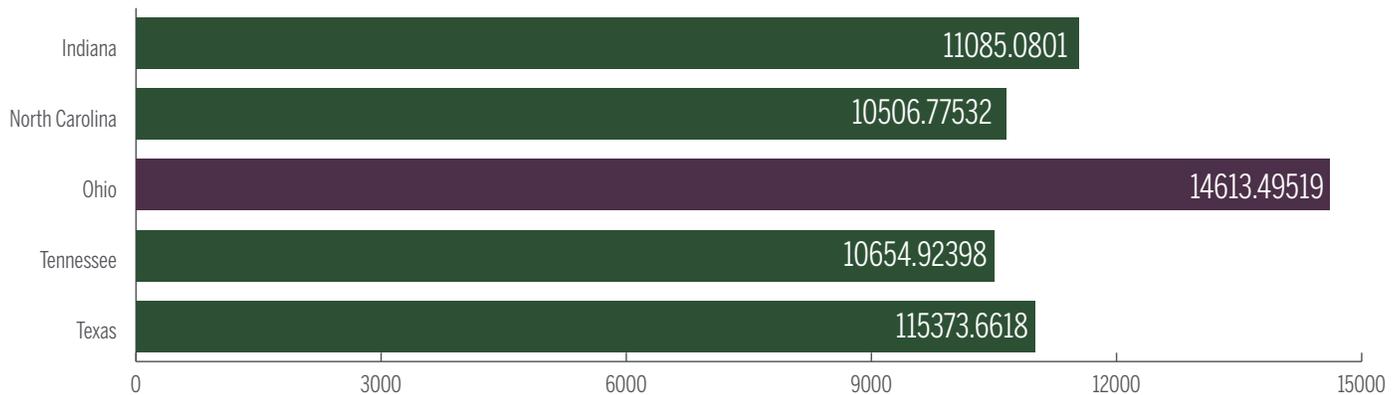
construction of new structures, additions on existing structures, and the remodeling or repair of a structure.<sup>85</sup> Deductions for real property can be approved for up to ten years and for 100% of the increase in assessed value abated.<sup>86</sup> Personal property abatements are for equipment or machinery used for the production, manufacture, fabrication, assembly, or processing of other personal property, as well as research and development purposes.<sup>87</sup> Most importantly, Indiana does not require cities or counties to gain local school board approval for the award of a property tax abatement. Instead, school districts are generally on a local committee that can provide input to the city or county for consideration of property tax abatements.

### Ohio Housing Policy Reform Recommendation #13

- Empower cities and counties to approve residential tax abatements without school board approval

News reports are full of local school boards denying approval for large-scale economic development projects all over the state of Ohio.<sup>88</sup> In some cases, these school districts are in Licking County and are denying residential development that could build workforce housing needed for workers at the planned Intel facility. Powerful local interest groups such as the teacher’s union regularly call for the end of economic development incentives such as property tax abatements that encourage the development of workforce housing.<sup>89</sup> Finally, many local school districts demand multi-million-dollar compensation packages from businesses seeking to make substantial economic development packages and demand a share of a city’s income tax in hostage-like negotiations over property tax abatements.<sup>90</sup> Many of Ohio’s K-12 public school systems actively oppose economic development incentives even though state funding for these schools is at record levels and Ohio blows away competitor states when it comes to per-pupil educational spending. Ohio’s K-12 public education advocates were successful in getting the Ohio General Assembly to adopt a new school funding formula that will drive state spending up for schools to over \$15 B in the coming year.

### Per Pupil K-12 Education Spending



Ohio should modify its current CRA property tax abatement to permit cities and counties to adopt full 100%, 15-year real property tax abatements for housing projects without gaining local school board approval. This shift back to a Pre-1994 CRA model would reduce Ohio’s substantial property tax impact on residential drive, reduce housing costs for consumers, and create a substantial incentive for housing development.

*Federal Housing Legislation.* Congress is responding to the call to address the “doom loop” crisis and start to solve the residential challenge in one fell swoop.



## Ohio Housing Policy Reform Recommendation #14

- Support the adoption of federal legislation to convert struggling office buildings into residential uses and promote the use of Community Development Block Grant (CDBG) for residential development.

The Revitalizing Downtowns Act (S. 2511 and H.R.4759), introduced in both the House and Senate during the 117th Congress, would create an office conversion tax credit for commercial office buildings built at least 25 years before their conversion. The proposed tax credit would apply to new uses beyond purely residential, including mixed-use buildings, which are essential for creating resilient neighborhoods and typically include some residential units. The bill previously garnered only Democrat support and has not yet been reintroduced in the 118th Congress. This bill expands the investment tax credit to add a qualified office conversion credit. The amount of such credit is 20% of the qualified conversion expenditures concerning a qualified converted building. The bill defines a qualified converted building as any building if (1) before conversion, the building was a nonresidential real property that was leased, or available for lease, to office tenants; (2) the building has been substantially converted from office use to a residential, retail, or other commercial use; (3) the building was initially placed in service at least 25 years before the beginning of the conversion, and (4) straight-line depreciation is allowable concerning the building.

Congress also is debating the Yes In My Backyard (YIMBY) Act, legislation to help overcome barriers to increasing home construction, including outdated zoning, slow permitting, and discriminatory land use policies. The YIMBY Act, in response to this issue, ensures that recipients of the Community Development Block Grant (CDBG) program report on policies that could potentially impact housing affordability.<sup>91</sup> The Act requires these recipients to monitor and report on the progress of certain land use policies promoting housing production, and this includes the introduction of high-density single-family and multifamily zoning, modifications to height limitations, and efforts to both encourage and reduce minimum lot sizes.<sup>92</sup> The CDBG program annually awards grants to states and local governments to develop communities by providing decent housing and expanding economic opportunities.<sup>93</sup> Recognizing the vital role of CDBG funds in local development, the bill aims to foster collaboration between local governments and CDBG practitioners, and the ultimate goal is to address the severe housing underproduction issue and enhance the lives of families and individuals affected by the lack of affordable housing.<sup>94</sup> The YIMBY Act also encourages localities to eliminate discriminatory land use policies and remove barriers that prevent needed housing from being built around the country and achieves these goals by requiring CDBG recipients to report periodically on the extent to which they are removing discriminatory land use policies and implementing inclusive and affordable housing policies detailed by the bill.<sup>95</sup> The YIMBY Act increases transparency in land use, zoning, and housing decisions; sheds light on exclusionary policies; and ultimately encourages localities to eliminate barriers to much-needed housing, and increases transparency and encourages more thoughtful and inclusive development practices by requiring localities to fully examine and disclose their housing policy decisions.<sup>96</sup> The bill provides localities with a framework for smart policymaking and regulatory practices, thus promoting more inclusive development principles, and is an important first step in decreasing the barriers to smart, inclusive growth and reducing the negative and cumulative impact of exclusionary housing policies.<sup>97</sup>



# ENDNOTES

- <sup>1</sup> <https://fred.stlouisfed.org/series/HOUST1F>
- <sup>2</sup> <https://www.census.gov/quickfacts/fact/table/OH/PST045222>
- <sup>3</sup> <https://www.investinwork.org/-/media/Files/reports/strengthening-workforce-development-rural-areas.pdf>
- <sup>4</sup> <chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://regionalplanning.co.delaware.oh.us/wp-content/uploads/sites/17/2020/09/BIA-Housing-Study-2018.pdf>
- <sup>5</sup> <https://www.census.gov/library/stories/2022/12/housing-costs-burden.html>
- <sup>6</sup> <chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2023/special-study-nahb-priced-out-estimates-for-2023-march-2023.pdf>
- <sup>7</sup> <https://data.census.gov/table?q=DP04+Columbus+Ohio&tid=ACSDP1Y2022.DP04>
- <sup>8</sup> <https://www.nam.org/state-manufacturing-data/2019-united-states-manufacturing-facts/#:::text=Manufacturers%20in%20the%20United%20States,was%20%242%2C334.60%20billion%20in%202318.>
- <sup>9</sup> Ibid.
- <sup>10</sup> Ibid.
- <sup>11</sup> [https://go.lincolnst.edu/50-state-property-tax-comparison-for-2022.pdf?\\_ga=2.104092032.1832625702.1696441027-454279510.1696441027&\\_gl=1\\*990ix5\\*\\_ga\\*NDU0Mjc5NTEwLjE2OTYONDEwMjc.\\*\\_ga\\_26NECLE3MM\\*MTY5NjQ0MTAyNy4xLjEuMTY5NjQ0MTAzNC4wLjAuMA.](https://go.lincolnst.edu/50-state-property-tax-comparison-for-2022.pdf?_ga=2.104092032.1832625702.1696441027-454279510.1696441027&_gl=1*990ix5*_ga*NDU0Mjc5NTEwLjE2OTYONDEwMjc.*_ga_26NECLE3MM*MTY5NjQ0MTAyNy4xLjEuMTY5NjQ0MTAzNC4wLjAuMA.)
- <sup>12</sup> Lincoln Institute for Land Policy
- <sup>13</sup> [https://go.lincolnst.edu/50-state-property-tax-comparison-for-2022.pdf?\\_ga=2.104092032.1832625702.1696441027-454279510.1696441027&\\_gl=1\\*990ix5\\*\\_ga\\*NDU0Mjc5NTEwLjE2OTYONDEwMjc.\\*\\_ga\\_26NECLE3MM\\*MTY5NjQ0MTAyNy4xLjEuMTY5NjQ0MTAzNC4wLjAuMA.](https://go.lincolnst.edu/50-state-property-tax-comparison-for-2022.pdf?_ga=2.104092032.1832625702.1696441027-454279510.1696441027&_gl=1*990ix5*_ga*NDU0Mjc5NTEwLjE2OTYONDEwMjc.*_ga_26NECLE3MM*MTY5NjQ0MTAyNy4xLjEuMTY5NjQ0MTAzNC4wLjAuMA.)
- <sup>14</sup> <https://www.cincinnati.com/story/news/politics/2023/05/24/historic-increase-ohio-property-taxes/70249669007/>
- <sup>15</sup> <https://www.brookings.edu/articles/to-improve-housing-affordability-we-need-better-alignment-of-zoning-taxes-and-subsidies/>
- <sup>16</sup> <chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://www.lsc.ohio.gov/assets/organizations/legislative-service-commission/files/members-briefs-volume-134-municipal-home-rule.pdf>
- <sup>17</sup> Ibid.
- <sup>18</sup> Ibid.
- <sup>19</sup> <https://www.aglaw.us/schroeder-ag-law-blog/2019/5/16/home-rule-indiana-planning-and-zoning>
- <sup>20</sup> Ibid.
- <sup>21</sup> Ibid.
- <sup>22</sup> <chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://static1.squarespace.com/static/5ce4377caeb1ce00013a02fd/t/6059598578b57d5cd9010238/1616468357982/TN+Home+Rule+Summary+3.10.21.pdf>
- <sup>23</sup> Ibid.
- <sup>24</sup> Ibid.
- <sup>25</sup> <chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://www.tml.org/DocumentCenter/View/244/Types-of-Texas-Cities-PDF>
- <sup>26</sup> Ibid.
- <sup>27</sup> Ibid.
- <sup>28</sup> Ibid.
- <sup>29</sup> Ibid.
- <sup>30</sup> See Ohio Attorney General's Economic Development Manual, 2017.
- <sup>31</sup> Ibid.
- <sup>32</sup> Ibid.
- <sup>33</sup> Zoning Guide (Washington, DC, U.S. Department of Commerce, rev. ed. 1926, §1-§2).
- <sup>34</sup> <https://codes.ohio.gov/ohio-revised-code/section-5709.40>
- <sup>35</sup> Ibid.
- <sup>36</sup> [chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://development.ohio.gov/static/business/stateincentives/TIF\\_Summary.pdf](chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://development.ohio.gov/static/business/stateincentives/TIF_Summary.pdf)
- <sup>37</sup> Ibid.
- <sup>38</sup> <https://ohiohome.org/singlefamilytaxcredit.aspx>
- <sup>39</sup> Ibid.
- <sup>40</sup> Ibid.
- <sup>41</sup> Ibid.
- <sup>42</sup> <chrome-extension://efaidnbmnnnibpcjpcglclefindmkaj/https://www.lsc.ohio.gov/assets/organizations/legislative-service-commission/files/members-briefs-volume-134-limited-home-rule-townships.pdf>
- <sup>43</sup> Ibid.
- <sup>44</sup> Ibid.
- <sup>45</sup> <https://www.lincolnst.edu/publications/articles/2022-12-state-local-zoning-reform>
- <sup>46</sup> Ibid.
- <sup>47</sup> <https://www.lsc.ohio.gov/assets/legislation/135/hb33/in/files/hb33-baseline-forecast-as-introduced-135th-general-assembly.pdf>
- <sup>48</sup> <https://www.lsc.ohio.gov/assets/legislation/135/hb33/en0/files/hb33-ins-greenbook-as-enacted-135th-general-assembly.pdf>
- <sup>49</sup> <https://www.clevelanddevelopmentadvisors.com/about/>
- <sup>50</sup> Ibid.
- <sup>51</sup> Ibid.
- <sup>52</sup> Ibid.
- <sup>53</sup> Ibid.
- <sup>54</sup> <https://www.novoco.com/resource-centers/historic-tax-credits/state-htcs/state-htc-program-descriptions>
- <sup>55</sup> Ibid.
- <sup>56</sup> Ibid.
- <sup>57</sup> Ibid.
- <sup>58</sup> Ibid.
- <sup>59</sup> <https://www.novoco.com/resource-centers/historic-tax-credits/state-htcs/state-htc-program-descriptions>
- <sup>60</sup> Ibid.
- <sup>61</sup> <https://development.ohio.gov/business/state-incentives/rural-industrial-park-loan-program>
- <sup>62</sup> Ibid.
- <sup>63</sup> Ibid.
- <sup>64</sup> Ibid.
- <sup>65</sup> <https://www.ohioabar.org/public-resources/commonly-asked-law-questions-results/housing-and-real-estate/ohios-system-for-challenging-property-values-and-taxes/>
- <sup>66</sup> Ibid.
- <sup>67</sup> <https://www.dispatch.com/story/business/real-estate/2023/06/01/columbus-schools-circumvent-law-meant-to-prevent-tax-value-challenges/70188774007/>
- <sup>68</sup> <https://www.bizjournals.com/columbus/news/2023/10/27/tower-valuation-cover-story.html>
- <sup>69</sup> <https://dceo.illinois.gov/expandrelocate/incentives/taxincrementfinancing.html>
- <sup>70</sup> Ibid.
- <sup>71</sup> <https://illinois-tif.com/about-tif/>
- <sup>72</sup> Ibid.
- <sup>73</sup> Ibid.
- <sup>74</sup> <https://localhousingsolutions.org/housing-policy-library/tax-increment-financing/#:::text=Depending%20on%20state%20regulations%20and,or%20preservation%20of%20affordable%20housing.>



<sup>75</sup> Ibid.  
<sup>76</sup> Ibid.  
<sup>77</sup> Ibid.  
<sup>78</sup> Ibid.  
<sup>79</sup> Ibid.  
<sup>80</sup> Ibid.  
<sup>81</sup> Ibid.  
<sup>82</sup> <https://www.jaspercountyin.gov/topic/subtopic.php?topicid=26&structureid=13#:~:text=In%20Indiana%2C%20tax%20abatement%20is,then%20eligible%20for%20tax%20abatement.>  
<sup>83</sup> Ibid.  
<sup>84</sup> Ibid.  
<sup>85</sup> Ibid.  
<sup>86</sup> Ibid.  
<sup>87</sup> Ibid.  
<sup>88</sup> See <https://www.newarkadvocate.com/story/news/local/pataskala/2021/01/03/etna-sw-l-schools-officials-chilly-relations-challenge-developers/3988729001/>  
<sup>89</sup> See <https://news.wosu.org/news/2022-04-20/columbus-educators-call-for-an-end-to-tax-abatements-for-developers>  
<sup>90</sup> See <https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/tax-policy/columbus-property-tax-abatements-transparency-and-accountability-to-schools-and-community#:~:text=Under%20the%20terms%20of%20the,that%20revenue%20exceeds%20%241%20million.>  
<sup>91</sup> Ibid.  
<sup>92</sup> Ibid.  
<sup>93</sup> Ibid.  
<sup>94</sup> Ibid.  
<sup>95</sup> Ibid.  
<sup>96</sup> Ibid.  
<sup>97</sup> Ibid.

