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Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. A. Mathews and Isaacsohn

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SUMMARY

- Establishes a grant program, administered by the Department of Development, for townships and municipal corporations that adopt pro-housing policies.
- Appropriates \$50 million in each of FY 2026 and FY 2027 for the grant program.
- Limits the amount of the grant received by any township or municipal corporation to 15% of the available funds.
- Reserves approximately 75% of the available funds for the first 50 applicants and reserves approximately 25% of the available funds for applicants that adopt six or more pro-housing policies.
- Requires a township or municipal corporation to use at least half of the grant funds received for certain housing-related purposes.

DETAILED ANALYSIS

Grant program for pro-housing policies

The bill establishes a grant program within the Department of Development (DEV) to award money to townships and municipal corporations that adopt at least three pro-housing policies identified by the bill. Grants are awarded from the newly created Housing Accelerator Fund,¹ to which the bill appropriates \$50 million in each of FY 2026 and FY 2027.²

¹ The bill requires the money in the fund also be used to provide grants under Section 175.42, but Section 175.42 does not exist. A technical amendment is necessary to correct this error.

² R.C. 122.635(B) and (I); Sections 2 to 4.

Pro-housing policies

The bill provides three categories of pro-housing policies, which are described below. In order to qualify for a grant, a township or municipal corporation must adopt and implement at least one policy from each category.³

Pro-housing policies

Category 1: density

- No parking requirements or minimal parking requirements for developments that include residential units;
- Allow “quadplex housing,” i.e., a parcel with four dwelling units designated for occupancy by four independent individuals or families, in at least 75% of the territory of the township or municipal corporation;
- Repeal minimum lot size requirements;
- Reduce, by at least 50%, the portion of territory within the township or municipal corporation that is zoned for single-family use only, as compared to the portion of territory zoned for that purpose ten years before the application date.

Category 2: site readiness

- Subsidize or decrease costs related to water or sewer connections for “major workforce housing projects,” i.e., a project that reserves at least 20 units, designed for residential occupancy by at least 20 independent individuals or families, for households earning between 60% and 100% of the median income for the county where the project is located, as determined by the DEV Director;
- Acquire and ready sites that are ready to be financed and built upon by housing developers;
- Provide incentives related to increased density to developers that provide low-income housing and workforce housing;
- Provide incentives for modular housing or manufactured homes;
- Adopt road regulations and specifications for county roads recommended by the Department of Transportation for all roads constructed for the purpose of housing projects;
- Adopt a building code that does not mandate a specific style of exterior cladding or finish materials for residential buildings.

Category 3: building code enforcement

- Have a process in place to reduce the time it takes to review and complete all regulatory approvals for housing developments by at least 30% or that reduces the time it takes to review and grant permits to four months or less;

³ R.C. 122.635(D).

Pro-housing policies

- Have a pre-approval process in place to create an expedited review and granting of permits for a diverse range of developers;
- Have an expedited approval process for development plans sharing 90% of the elements of a development plan that was previously approved;
- Have a housing plan adopted within the five years preceding that application date, that tracks the needs, gaps, and potential strategies for increasing housing across all income levels within the township or municipal corporation for at least the next ten years and identifies opportunities to reduce the regulatory burden on housing development;
- Have policies that preserve existing moderate and low-income housing;
- Allow accessory dwelling units.⁴

Application and distribution

The bill allows a township or municipal corporation to apply for a grant in the form and manner prescribed by DEV. The grant application must include, at minimum, documentation or other evidence showing the township or municipal corporation has adopted at least one pro-housing policy from each of the categories described above. The application must also provide a description of how the township or municipal corporation intends to utilize the grant funds received.⁵

Under the bill, DEV is required to annually review applications and award grants to the extent that grant funds are available. The bill prohibits any applicant from receiving more than 15% of the total funds available, regardless of the number of applicants. The first 50 townships and municipal corporations that submit a complete application each fiscal year and demonstrate eligibility for the grant are guaranteed to receive a portion of the available funds. Approximately 75% of the funds are reserved for those first 50 townships and municipal corporations and are allocated based on population. Additionally, approximately 25% of the available grant funds are reserved for townships and municipal corporations that adopt and implement six or more of the pro-housing policies described above (subject to the prohibition against any applicant receiving more than 15% of the total grant funds).⁶

Use of funds

At least half of the grant funds received by a township or municipal corporation must be used for one or more of the following purposes:

- Providing capital for housing development through grants or loans;

⁴ R.C. 122.635(A) and (F); R.C. 174.04, not in the bill.

⁵ R.C. 122.635(B).

⁶ R.C. 122.635(C), (D), and (E).

- Supporting first-time home buyers;
- Providing funds for home repairs for low-income homeowners;
- Providing funds for multi-family building improvements for low- and middle-income landlords;
- Enforcing zoning and residential building regulations;
- Enforcing anti-discrimination housing regulations;
- Providing funds for tenant protection and empowerment;
- Acquiring and readying sites for housing development;
- Funding a conversion under the rental assistance demonstration program;
- Providing long-term housing for difficult to house populations.⁷

The grant recipient must provide DEV with documentation sufficient to prove, to the satisfaction of DEV, that at least half of the grant funds were used for those purposes. A township or municipal corporation that is unable to provide sufficient documentation is prohibited for receiving funds under the program for five years following the date that the funds were improperly expended.

The bill imposes no required uses for the percentage of grant funds that are not used for the above purposes.⁸

HISTORY

Action	Date
Introduced	05-28-25

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⁷ R.C. 122.635(G).

⁸ R.C. 122.635(H).