



STATEHOUSE REPORT

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Budget creates new programs aimed at providing workforce housing

House Bill 96, the recently enacted state operating budget, created new housing programs that focus on providing workforce high-density housing. These programs were added in the Senate and made it across the finish line.

The Residential Economic Development District (REDD) Grant Program will provide grants to counties, townships, and municipalities within 20 miles of a “major economic development project” that adopt pro-housing development policies and approve major workforce housing projects. A major economic development project is defined as a project that creates 700 or more permanent jobs, or where \$700 million in private investment is used towards a designated project site.

This program will receive \$10 million in FY 2026 and \$15 million in FY 2027. Grant recipients can use funds for the following:

- Providing capital for housing development through grants or loans;
- Acquiring and readying sites for development;
- Providing financial assistance for housing related infrastructure projects; or
- Addressing additional service or public safety needs

An applicant must demonstrate that they have adopted or plan to adopt “pro-housing policies” and approve a major workforce housing project that includes 100 or more separate units. These units will be single family homes with at least two units per acre.

Additional consideration will be given to projects with higher density, smaller lots, and lots with smaller setbacks, among other factors. The program will encourage higher density housing in newly formed workforce areas. The Department of Development will finalize and publish initial application procedures and scoring metrics by December 31, 2025.

The other newly formed housing program in the budget is the Residential Development Revolving Loan Program. Also under the Ohio Department of Development, this program will receive \$100 million in FY 2026 and able to reallocate funds for FY 2027 if funds go unused.

This program encourages higher density single-family residential units and requires at least four single-family residential dwellings per acre and must be zoned exclusively for single family residential use. Funds will only be made available to municipalities, townships, and counties with a county population under 75,000 and that issued fewer new construction permits for single-family homes than the average number of permits for a county in Ohio within the most recent calendar year.

Currently, 53 counties appear to be eligible for this program.

Eligible recipients will be able to use awarded funds for a project involving the development, repair, or upgrade of water, sewer, road, electric, or gas infrastructure necessary to construct a single-family residential dwelling. The loan request is capped at the lesser of 50% of the total cost of the project or \$30,000 per dwelling that will be served by the project.

Loans for the program will be made on a rolling basis whenever funding is available and must be set at the effective federal funds rate in effect at the time the loan agreement is made. The Department of Development must open the first round of funding no later than January 1, 2026.

The Department of Development will release rules and guidelines in the upcoming months for applicants. Additional information on these two programs, along with other budget related housing programs, will be available in CCAO's forthcoming County Advisory Bulletin for the state operating budget.

Please contact CCAO Policy Analyst James Kennedy at jkennedy@ccao.org with any questions concerning these programs.

Legislative Activity

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- [House Bill 413](#) (Representatives Tom Young and Bob Peterson): To create the Ohio Local Government Expenditure Database and require political subdivision participation, to require the state retirement systems to participate in the Ohio State Government Expenditure Database, and to make an appropriation.