



Coalition on Homelessness
and Housing in Ohio
COHHIO

**Testimony before the House Financial Institutions, Housing & Urban Development
Committee**

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Chairman Terhar, members of the Financial Institutions, Housing & Urban Development Committee, thank you for giving me an opportunity to discuss Ohio's need for affordable housing and some of the things the state has been doing to address it.

I'm the executive director of the Coalition on Homelessness and Housing in Ohio, an organization that works with more than 600 local organizations and partners to address homelessness and promote safe, decent, fair, affordable housing. We feel strongly about our work, because without a safe place to call home, Ohioans cannot fully participate in the opportunities afforded by this great state.

Ohio has almost 1.5 million renter households in the state and more than 390,000 of those households are paying more than 50% of their income for their housing costs. These are 290,000 children in 141,255 families, 60,474 seniors, 72,330 disabled people, and 25,409 veterans. Workers in food service, office/administrative, building/maintenance, transportation, and retail businesses are among those with the highest housing costs burdens. Working full time no longer assures that you can meet your basic necessities. Last year 115,000 employees working for Ohio's largest 50 employers still needed emergency food aid to feed their families while another 141,000 qualified for Medicaid.

When families spend at least half of their income on rent, they are forced into a nearly impossible dilemma of making rent or paying for groceries, medicine, childcare and other essentials.

The foreclosure crisis of recent years forced many Ohioans back into the rental market, and with increased demand comes increased rents. Ohio's Fair Market Rent of \$978 for a modest three-bedroom apartment would require an hourly wage at a full-time job of \$18.80 an hour to avoid being rent burdened. This is way out of reach to a person earning the state's \$8.10/hour minimum wage – he or she would have to work 93 hours/week to avoid spending more than 30% of their income on housing.ⁱ To be considered affordable the long held national standard is that the cost of rent and utilities must not exceed 30% of household income.

Housing Improves Health, Stability and Opportunity

Research on a wide range of public policy issues have demonstrated that access to decent, safe affordable housing is an essential ingredient in alleviating a host of other challenges facing low-income people.

Education: Having a safe place to call home is an essential element of academic success. Research shows that children who experience housing instability and change schools are more likely to drop out, repeat grades, perform poorly in tests, disengage in the classroom, and suffer from learning disabilities and behavioral problems.

By contrast, providing affordable housing for low-income children has been shown to bolster family financial stability, reduce stress and problems associated with frequent moves, and improve academic test scores.ⁱⁱ

Health Care: Research shows that homelessness and unstable housing conditions can produce or exacerbate serious health conditions such as asthma, lead poisoning, food insecurity, chronic disease, mental health issues, and substance abuse. Decent housing is essential for children's health, including efforts to lower infant mortality – and can help lower spending on childhood health care costs.

Providing permanent supportive housing for adults who have been chronically homeless, institutionalized, or are at risk of these conditions also prevents far greater public expenditures at Ohio's hospitals, mental health institutions, Medicaid, substance abuse services, courts and jails and other public systems. For example, an evaluation focused on frequent users of health services found that the provision of supportive housing for chronically homeless people with disabilities reduced emergency room costs by 59% over two years, while inpatient hospitalization costs dropped 69%.ⁱⁱⁱ Similarly, programs that help seniors and disabled Ohioans maintain affordable housing or transition to affordable housing options prevent unnecessary spending on more costly institutional placements.

Child Welfare: Stable housing also alleviates strain on the child welfare system. The risk of foster care placement among children from homeless families is 34 times greater than the rate for children who are housed.^{iv}

Ensuring children have a stable place to call home also helps curb the cycle of adult homelessness. Studies have found that 40% of homeless adults were once in the foster care system as children.

Economic Development: Fortunately, the solution for Ohio's affordable housing problem actually grows the state's economy. The National Association of Home Builders estimates construction of a 100-unit family development through the federal Low-Income Housing Tax Credit program creates 80 construction jobs and indirectly supports an additional 72 jobs – virtually the same impact as a traditional market-rate apartment project.

Affordable housing development also generates state and local revenues through sales taxes on building materials, taxes on builders' profits and construction workers' income, and fees for zoning and inspections.

Background – Ohio's Response to Housing Crisis

As the crisis of homelessness grew throughout the 1980s in both urban and rural areas and more Ohioans found basic rental housing increasingly out of reach, it became clear that we could not depend on federal programs alone to meet the needs of those struggling in our communities.

In response, Ohio voters approved a constitutional amendment in 1990, the Ohio Housing Assistance Amendment, which declared housing a public purpose and required the legislature to implement affordable housing assistance programs for families and individuals. A year later, the General Assembly passed implementing legislation with broad bipartisan support, which among other things created the Ohio Housing Trust Fund.

Initially the General Assembly appropriated funding for the new Housing Trust Fund through the state general fund and other temporary sources, but the plan was always to create a dedicated revenue stream. Three separate study committees convened by Governor Voinovich, Governor Taft, and another established by the legislature all recommended creating a Housing Trust Fund Fee that would mirror the county recorder fee as the best source. That proposal garnered consensus and was finally adopted through the state budget bill in 2003.

Ohio Housing Trust Fund – A record of Success for almost 25 years

Since 1992, the Ohio Housing Trust Fund (OHTF) has been the primary state housing resource that has delivered roughly \$670 million to address critical housing needs for seniors, veterans, people with mental illness and physical disabilities and working families who are struggling to make ends meet. Furthermore each Trust Fund dollar leverages more than \$6 in private and federal matching funds and generates nearly \$15 in overall economic activity.^v

Funds are awarded to locally driven housing solutions and priorities through several distinct competitions focused on homelessness assistance, housing development assistance, home repair programs and other focused initiatives. By statute, rural areas of the state must receive at least 50% of the available funds on an annual basis.

Programs that construct and preserve affordable rental housing have received \$235 million and leveraged another \$2.2 billion, which is more the \$9 in federal and private sector investments to every \$1 of state funding. Through local for-profit and non-profit developers, these projects have created nearly 63,000 housing units serving low-income seniors, lower-income working families and disabled Ohioans over the past 23 fiscal years. OHTF dollars that flow through the Ohio Housing Finance Agency are often a critical factor in attracting the necessary capital to make a project viable and ensure that rental rates are actually affordable for residents.

Another significant portion of OHTF funding has gone to homeless assistance programs. Between fiscal years 1992 and 2015, the Trust Fund has disbursed \$243 million to local emergency shelters, rapid rehousing as well as permanent supportive housing programs that keep families and individuals off the street and back into housing as quickly as possible. That money

has leveraged another \$752 million in federal and private funds and benefitted more than 1 million Ohio households during that period.^{vi}

Another \$92.1 million from the OHTF has been invested in local home repair and accessibility programs to help 85,000 Ohioans with disabilities and low-income seniors remain in their own homes. These projects are operated by Area Agencies on Aging, community action programs and other groups, which leveraged another \$298 million from local, charitable and federal sources for these local efforts.

Suggestions and advocacy opportunities

Given the proven success of the Ohio Housing Trust Fund, an important step the state could do to address the need for affordable housing would be to expand the Ohio Housing Trust Fund. Funding has been flat for the past 12 years and at times revenues have dropped below the initial goal of at least \$50 million annually because it is currently subject to changes in the housing market. That means the OHTF receives less funding when the market slumps and need for assistance actually increases.

The Kasich administration has utilized federal dollars, state appropriations and state capital dollars to make targeted investments to provide expanded housing opportunities for people with mental illness, those in need of recovery housing and community based housing options to avoid unnecessary and costly institutionalization. Similar efforts are needed to address the critical housing needs for other vulnerable populations in the state, like very low-income seniors, low-income pregnant moms in targeted areas with the highest infant mortality rates, those with physical disabilities, and transition age youth.

For the past 25 years Ohio has a strong history and record of success of helping those in need of housing assistance. But much more remains to be done and by properly targeting housing resources we can also help solve other serious problems we face.

ⁱ National Low Income Housing Coalition. "Out of Reach 2015, Low Wages and High Rents Lock Renters Out." http://nlihc.org/sites/default/files/oor/OOR_2015_FULL.pdf

ⁱⁱ Brennan, Maya. "The Impacts of Affordable Housing on Education: A Research Summary." Center for Housing Policy, 2011, <http://www.nhc.org/#!2014-impacts-of-aff-housing-education/cp0d7>

ⁱⁱⁱ Karen W. Linkins. "Frequent Users of Health Services Initiative: Final Evaluation Report." The Lewin Group, 2008. <http://www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/PDF%20F/PDF%20FUHSIEvaluationReport.pdf>

^{iv} Torrico, Roxana. 2009. "From Poverty to Child Welfare Involvement: The Critical role of Housing in Family Stability."

^v *Economic and Job Creation Impact Study* by Vogt Santer Insights, 2011

<http://www.cohio.org/files/Economic%20Impact%20Study%20Vogt%20Santer.pdf>

^{vi} Development Services Agency. "Ohio Housing Trust Fund Lifetime Report State Fiscal Years 1992-2015."