**Ohio Senate Ways and Means Committee**

**Testimony in Opposition to SB 36**

**Pleurat Dreshaj**

**CHN Housing Partners**

Thank you, Mr. Chairman.

My name is Pleurat Dreshaj. I am the assistant director of real estate development for CHN Housing Partners, formerly Cleveland Housing Network. CHN is a 501 (c)(3) nonprofit that is dedicated to unlocking the power of a permanent address.

We were founded in 1981 to help neighborhood families achieve homeownership. Then as now, many families were not able to qualify for a traditional bank loan, and this lack of capital continues to be a barrier to healthy market appreciation and wealth building for everyday Clevelanders. I am proud to say that CHN has helped 2,500 low-income families become homeowners.

Today, CHN’s work is all about housing stability. We know that helping to keep low-income families stable in their homes improves job performance among the parents, and educational outcomes for their children. CHN has been successful in leveraging public and private resources from the State of Ohio, Cuyahoga County, the City of Cleveland, utility companies, financial institutions, sister nonprofits and corporate partners to produce decent, safe and affordable homes for thousands of Ohioans.

We provide housing stability services to more than 30,000 people every year.

Pertinent to today’s hearing, in our 38 years, CHN has developed more than 6,000 units of affordable housing including 60 projects using the Low-Income Housing Tax Credit (LIHTC) administered by the Ohio Housing Finance Agency (OHFA).

Our opposition to SB36 is necessary because it significantly impairs our ability to produce new affordable housing and jeopardizes existing properties’ ability to remain financially solvent and in good repair.

If the proposed measures are enacted, owners of income- restricted properties will face two options: Either raise rents on low-income residents, or tap into reserves intended for maintenance and repairs that inevitably will be required.

The first is something we are legally prohibited from doing. The latter quickly results in insolvency and discourages future investment in the production of affordable housing in Ohio.

Let me be clear on this point: We are legally prohibited to charge the rents that SB36 would impute in valuing these properties.

The LIHTC program has historically enjoyed bipartisan support because of the partnership between public resources and private investment. Most LIHTC properties do not receive any rental subsidy, meaning the low income families and seniors pay the entire rent. The program is not about providing handouts, but giving low-income people a chance at housing stability – the kind of foundation for a decent life that most of us can easily take for granted.

The U.S. Government Accountability Office recently declared that more than half of seniors have no retirement savings. These are the residents we serve at buildings like Maple Park Place in Maple Heights, an apartment building for seniors which now faces a 300% increase in property taxes only three years after it opened.

Similarly, the recently renovated Westerly apartment complex in the City of Lakewood is home to nearly 500 seniors with an average age of 72. It could face property tax bills more than double its previous rate, despite the fact that rents have not materially increased as it continues to serve low income seniors. LIHTC properties serve some of the most vulnerable Ohioans who simply cannot afford to have their rents go up. And, as I said previously, even if these individuals could afford higher rents, we are prohibited by law from increasing rents to compensate for increased property taxes.

The need for affordable housing far surpasses our ability to build it, and this bill would further hinder that production. This would be incredibly harmful to our ability to house low-income families and individuals, and we ask that this committee help us by rejecting this bill.

Before I close, I want to take a moment to acknowledge two members of the committee who have been supportive of our work for many years, Senator Williams and Senator Antonio. Thank you both for your support and your commitment to affordable housing.

Thank you, Mr. Chairman and members of the committee. I’m happy to answer any questions you may have.