

Senate Ways & Means Committee Written Proponent Testimony S.B. 57 February 16, 2021

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways & Means Committee, thank you for the opportunity to offer written testimony on behalf of National Church Residences in support of Senate Bill 57.

Summary

In furtherance of a mission to serve some of our communities' most vulnerable, National Church Residences has spent the past twenty years building a robust portfolio of Permanent Supportive Housing (PSH). We currently own, operate, and/or service eighteen PSH properties, two of which exclusively serve formerly-homeless veterans, and all of which operate on extremely narrow margins. Losing the property tax exemption upon which these properties have always relied would cost this portfolio **over \$1 million per year**. This would not only decimate the service offerings required by these high-need resident populations, but would threaten the ability to continue operations and to develop any new PSH in the State of Ohio, just at the moment when the homeless continuum of care is in most need of additional support.

Introduction

National Church Residences, an Ohio-based nonprofit organization, has a 60-year history of working successfully with communities to develop housing to serve people with low incomes and other barriers to housing retention. We've developed more than 22,000 units of housing nationally to meet the needs of low-income seniors and formerly-homeless and disabled adults across the United States. We have a strong, mission-based commitment to developing and operating housing and services of the highest quality that also serve our most vulnerable neighbors.

Originating in Columbus, Ohio and expanding throughout the state, National Church Residences' innovative PSH program empowers residents to be healthy, stable, and productive members of the community. Our PSH model has a successful track record of assisting individuals to maintain housing, obtain employment, build income, and increase involvement in the community through social interaction, individualized supportive services, and positive approaches to physical and mental health.

What is Permanent Supportive Housing?

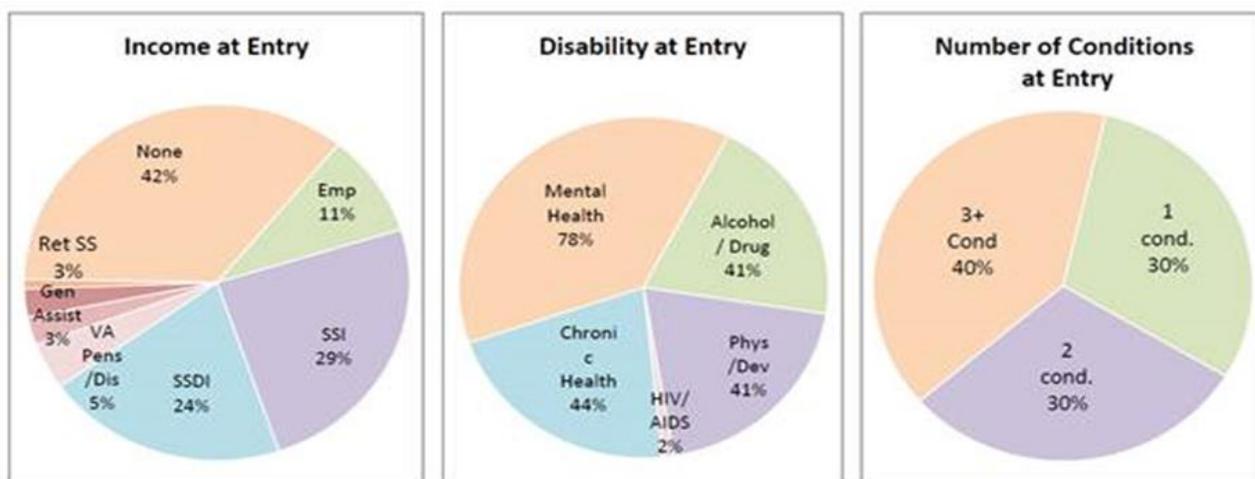
Permanent Supportive Housing is a cost-effective housing model that combines safe, affordable housing with on-site supportive services aimed at helping residents achieve housing stability while addressing health and wellness issues and increasing their personal and economic independence.

What Services are Offered at Permanent Supportive Housing?

National Church Residences utilizes a “Housing First” approach, which emphasizes housing as the platform for improving the physical, mental, and financial health of the resident. Our model is based on the basic premise that if people have a stable home first, they are in a better position to achieve other goals, including health, recovery, and wellbeing. Person-centered, strengths-based services connect people to the types of services and care they need and want to improve their quality of life. Our PSH programs have achieved the highest level of accreditation from the Commission on the Accreditation of Rehabilitative Facilities (CARF) to ensure the highest standards and quality of care, offering 24-hour front desk services, on-site case management, support by licensed social workers, integrated on-site behavioral and medical health care, vocational services, and social and educational activities.

Who Lives in Permanent Supportive Housing?

PSH offers permanent housing with supportive services targeting the most fragile members of the community, including formerly homeless and disabled individuals, veterans, seniors, and/or persons living in nursing homes or other institutional settings. Our PSH programs target low-income adults with disabling conditions such as physical/medical/developmental disabilities, mental illness, and/or co-occurring disorders. All applicants are screened by a qualified mental health professional to assure the individual’s appropriateness for supportive housing, including the ability to live safely and independently while maintaining stable, productive lives.



How is a Permanent Supportive Housing Community Designed?

National Church Residences’ PSH is typically designed as a multifamily apartment community generally ranging from 80-100 living units. Each semi-furnished apartment unit includes a full-size kitchen with appliances, a bathroom, a bedroom, and a living space. Each resident signs a 12-month lease and is issued an electronic key to access their individual

apartment. The building's spaces include offices for property management, property maintenance, social services, 24-hour front desk, and common areas, including a laundry room, multipurpose classroom, fitness center, medical home suite, community meeting room, and a resource center with computer and internet access.

What are the Outcomes of Permanent Supportive Housing?

- **Employment:** Our Community Engagement Program requires residents to become engaged in employment, education, and/or volunteer service within 12 months of moving into our PSH Community. Over 60% of our residents are employed or engaged in pre-employment activity. Additionally, 43% of our residents list employment as their primary income source.
- **Access to Health Care:** Case Managers work with residents to enroll them in available health insurance and to minimize EMS runs, emergency room visits, and hospital stays by promoting a healthy lifestyle and coordinating care with multiple providers. Between 2013 and 2014, the percentage of our PSH residents without insurance was reduced from 51% to 16%.
- **Integrated Primary and Behavioral Health Care:** Many of our PSH sites offer accessible, onsite primary health care and psychiatric services. This has resulted in a decrease in the use of costly services such as emergency room visit, and inpatient hospital stays.

How Would Loss of Tax Exemption Affect PSH in Ohio?

All of National Church Residences' PSH developments undergo extensive and rigorous financial underwriting processes at the inception phase, projecting financial performance for years into the future. The ongoing stability of these properties relies heavily on the assumption that certain factors can be relied upon into the future. The taxation status of the property is one such significant assumption. Furthermore, even under ideal circumstances, these properties typically operate on extremely narrow margins and often have to be supplemented with philanthropic and other funding sources.

Estimates indicate that loss of property tax exemption would cost National Church Residences' PSH portfolio **over \$1 million per year**. Losses this significant would threaten the ability of even large housing providers to keep the doors open, and would most certainly mean an immediate and severe reduction in the services that are necessary to achieve the desired outcomes of PSH. Moving forward, PSH would inevitably become very difficult, if not virtually impossible, to develop. All of the progress that Ohio has made in combatting chronic homelessness for veterans, infants and children, families, the mentally ill, disabled, and others would be in jeopardy.

Conclusion

It makes little policy sense to bankrupt a critical component of Ohio's homeless response system to benefit another public system. This may be the very definition of "robbing Peter to pay Paul." Housing is arguably the most critical social determinant of health, and an upstream solution to some of Ohio's most pressing policy and budgetary concerns, including things like infant mortality, addiction, homelessness among children and veterans, criminal justice, and ballooning healthcare spending for our growing aging population. Supporting PSH is an opportunity for Ohio to invest in proactive, evidence-based solutions now to avoid greater crisis later, and we respectfully ask for your support in preserving the necessary tax exemption.

Please do not hesitate to reach out with any questions at mkelley@nationalchurchresidences.org or (614) 273-3763.

Respectfully submitted,

Megan C. Kelley, Esq.
Vice President of Public Policy & Government Affairs
National Church Residences