



Testimony before the Senate Finance Committee

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House Bill 33

Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes and members of the Senate Finance Committee, thank you for the opportunity to testify on House Bill 33. My name is Amy Riegel, executive director of COHHIO.

So many of Ohio's public policy issues begin at home – or the lack of a home. The biennial budget currently before you includes several provisions that will expand access to home for Ohio's most vulnerable residents. These provisions will strengthen your efforts to address other issues, like infant mortality, opiate addiction, foster care, education, workforce readiness, and criminal justice.

Even before covid, there was a severe shortage of affordable housing in Ohio, and it has only grown worse in the last two years as rents have increased at a record pace. Ohio now has a deficit of about 270,000 rental units that are affordable and available to the 448,000 extremely low-income households in Ohio. This shortage grew 6% worse over the past year.

The problem is two-fold: we have not built enough housing in recent years; and too many jobs pay too little for employees to afford rising rents. Of the 10 most common jobs in Ohio, only two pay comfortably more than a family needs to afford a two-bedroom apartment. That means many households live on the edge; if a parent loses a job, gets sick, or becomes pregnant, the family too often faces eviction and the prospects of homelessness.

The solution is to increase the supply of rental homes that are affordable to Ohio's low-wage workforce, and this bill will begin to do just that. All our requests today are simply to keep the housing provisions in the House-passed budget.

House Bill 33 includes funding to expand **Healthy Beginnings at Home**, a collaborative effort to improve birth and maternal health outcomes by providing housing assistance to unstably housed pregnant women. Research has found that infants born during a period of homelessness have lower birthweights, more respiratory problems, fever, and other common conditions, longer neonatal intensive care unit stays, more emergency department visits, and higher annual spending. Poor health conditions persist for years; asthma diagnoses, emergency department visits, and healthcare spending are significantly higher through age six.

The Healthy Beginnings pilot, which launched in 2018, indicates that improved housing conditions can positively impact families' health and dramatically reduce Medicaid costs. At the conclusion of the pilot, the data showed:

- Zero fetal deaths among babies in the housing intervention group, but four deaths in the control group;
- 40 of the 51 babies in the housing intervention group were born full-term at healthy birth weights compared to just 24 of 44 babies in the control group;
- Babies in the housing intervention group that were admitted to the NICU stayed just eight days compared to 29 days for those in the control group;
- The average Medicaid claim to deliver babies in the housing intervention group was only \$4,000, compared to \$22,000 for babies in the control group.

The research provided quantitative data on the impact of housing assistance, but the real impact is found in the stories of the participants.

One of the women in the housing intervention group was Kayla, who experienced multiple miscarriages and had two premature babies that had died in infancy. Healthy Beginnings helped her find secure, affordable housing in Southside Columbus when she was in her third trimester, had a criminal record, and was at risk of becoming homeless. Kayla displayed a fierce determination and strength to overcome her challenges. In June of 2019, she gave birth to a beautiful, healthy baby girl and was able to bring her home to a safe and loving environment with her other children.

Kayla entered OSU's Certified Community Health Worker Program in March of 2020. Family struggles, illness, and the grind of everyday life during the pandemic were just a few mountains that Kayla worked to overcome. I remember her saying that she had been through much worse, and nothing was going to stop her from earning her certificate, and indeed nothing did. In May of 2020, Kayla received her certification that allows her to receive compensation for the work she does for elders, friends, and neighbors in the community. HBAH helped Kayla establish a home base where she and her children could thrive.

While the data and many stories like Kayla's are extremely promising, the size and scope of the initial pilot was not large enough to generate scientifically rigorous evidence. Thankfully, the General Assembly included \$2.25 million in the last budget bill to begin the process of launching Healthy Beginnings 2.0. This initial allocation was enough to get the project started, but additional funding is required to bring the research to scale, expand it to additional communities, improve birth outcomes, and reduce Medicaid spending. The budget bill provides \$16 million for a full-scale scientific study in Franklin, Montgomery, Hamilton, Summit, and Cuyahoga counties. This investment will pay for itself by saving Medicaid dollars and saving babies' lives.

We also support the creation of a new **State Workforce Housing Tax Credit**. This is a worthy effort to start reducing the dire shortage of affordable housing that entangles so many families in a cycle of housing instability, eviction, and homelessness. We understand the desire to prioritize homeownership because it is the key to building long-

lasting stability and generational wealth. We also support incentives that help people achieve homeownership and the equity that comes with it. However, millions of Ohioans – seniors, people with disabilities, children, and parents working low-wage jobs – have no money left after paying bills each month to save for a down payment.

Incentivizing the development of affordable, multifamily rental housing will provide a safe and affordable place to live for Ohioans on the journey to homeownership. Ohio desperately needs more rental units that are affordable to all members of the workforce, especially people working low wage service jobs – the caterers and servers, fast food workers, cleaning crews, landscapers, home health aides, childcare workers, and your barista at Starbucks. Today's modern affordable housing projects are usually small, low-rise, often mixed-income buildings that quickly become an essential part of the fabric of healthy communities and vibrant local economies.

House Bill 33 also invests in the **Ohio Housing Trust Fund**, the primary state source of funding for housing and homelessness programs. The Trust Fund also supports local home repair and accessibility programs throughout Ohio that are critical for keeping seniors and people with disabilities in their own homes and out of costly institutions. If there is a desire to do more to keep people in their own homes this is the place to do it. The OHTF has been successfully funding this work for decades, but cannot keep pace with demand.

By statute, at least 50% of Housing Trust Fund dollars must flow to rural communities, where this critical resource helps leverage additional private and federal funding. And, like the housing tax credit proposal, the Trust Fund supports Ohio's economy. Ohio Housing Finance Agency research shows each dollar the Trust Fund invests generated \$8.30 in economic activity for the state.

Today in our state over 700,000 Ohioans are spending over half their household income on rent. Ohio cannot reach its full potential when so many people are struggling just to stay housed. We commend the governor and the General Assembly for prioritizing housing, because when children have a safe, stable place to sleep at night, we are building a solid foundation for everyone to live and thrive in Ohio.

Thank you for the opportunity to testify. I would be happy to answer any questions that you might have.