



Ohio Association of Community Action Agencies

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Good morning Chairwoman Reynolds, Vice Chairman Johnson, Ranking Member Craig, and members of the Senate Select Committee on Housing. I am Phil Cole, Executive Director of the Ohio Association of Community Action Agencies. I thank you for the opportunity to testify today about the distribution of the Home Relief Funds for rent, mortgage and utility assistance by Ohio's Community Action Agencies and some of the effects of those Covid-created programs.

Community Action Agencies work to alleviate poverty and empower low-income families in their communities. For almost 60 years, Community Action Agencies have provided the tools to help people move from poverty to self-sufficiency. Our goal is to keep people out of poverty and to help those in it to find their way out. We provide a variety of opportunities from job training and placement, to reentry programs, Head Start, child care, housing, financial literacy and others. In a normal year, the members of the Ohio Association of Community Action Agencies employ over 8,000 Ohioans and serve approximately 600,000 low-income individuals and we bring into Ohio's economy about \$600 million. During the pandemic we have administered hundreds of millions of dollars more and served thousands more individuals and families.

As you may know, Community Action Agencies were asked to distribute approximately \$660 million of the funding received by the State for rent, mortgage and utility payment assistance from the Home Relief Funds beginning in late 2020. Some of the Covid programs have ended. Some have a longer timeline. We are here today to tell you of the evaluation we had done on the Home Relief program. A Report was issued of that evaluation. I hope also that we can give you a view of some of the challenges we see that Ohio is facing as rent assistance programs end.

I am going to talk with you briefly then I will turn it over to Kelli Coughlin Schoen, Senior Research Manager at the Voinovich School of Leadership and Public Service of Ohio University. She will highlight some of the findings of their Report, discuss the methodology, and explain Social Return on Investment.

Before we talk about this Report, allow me to explain why I decided to have the program evaluated. No evaluation of the programs was required, but after having lived through the Great Recession and its very large federal programs, I know some



things went right then and some things did not. But no one kept a good, unified record of those things. If we should face another major problem and programs like this are created, I hope that this Report will be remembered and possibly offer some guidance.

The evaluation was done entirely by the Voinovich School of Leadership and Public Service at Ohio University. The purpose was to evaluate the actions of Community Action and of the State to learn of the effects of the program.

In mid-2021 I decided to contract for this review and evaluation. It does not cover the entire program, but what we have now gives us a very good picture.

Now the goal of Home Relief was to keep people in their residences by paying the assistance quickly enough to ensure there were no unjust evictions, yet carefully enough to ensure that the claims we paid were legitimate—that the landlords were really the landlords, the tenants were really tenants and the tenants were qualified. No matter how we did it, time was a factor, but the result of our work is that we did not have mass evictions and we have not had major scandals.

And, by taking necessary time, we were able to assist people who may not have qualified for this program to qualify for another. For example, we had a customer who came to an agency who lived in his car with his children. He did not qualify for this program, but our agency was able to find him housing through a different program. Those are the kinds of outcomes of which I am quite pleased.

Like most Covid programs, rent assistance is ending. The program will end officially in 2025, though some agencies have already exhausted their funds. My concern is that as this ends, many people may be trapped by the problem that you are considering and that is the lack of affordable housing. For some people, this is due to the fact that many landlords chose to increase rents during the rent assistance programs beyond normally accepted increases. Some of these increases were as much as 300%. Now this is anecdotal but I have been told about this by agencies all across Ohio and it has been reported by various news sources.

According to the Ohio Department of Development, from January 2021-September 2022, 127,108 households were served with assistance paying rent, mortgage and utilities through Home Relief funds. I do not have a breakdown of those numbers—how many were rent, mortgage or utility payments. And, this is only the State's portion of the funds; it does not include funds distributed by the U.S. Treasury directly to entitled local governments. Much of those funds came to community action agencies also, but those households assisted are not part of the State's count.

The Home Relief programs were very important programs and had to be created quickly. However, when Congress created the programs, it placed no restrictions on landlords who accepted the money. Many raised rents as I said previously. As the program funds are exhausted, we are finding renters who can no longer afford to live



in their residences. It is too early for meaningful data on homelessness that may follow the exhaustion of the grants but we feel it is going to come. Sixty percent of the recipients of Home Relief funds said they would be homeless without it.

In addition to rent increases during Covid, we fear that the extreme increases in residential property valuations in some parts of the State will drive more large increases in rent because of increased property taxes. Evictions for renters and foreclosures for homeowners may become more common. It is our hope the information gleaned from our Report will help you make decisions to prevent these problems.

I would like to make an observation that I think weighs directly on the work of this Committee. When people have limited resources, the rent almost always gets paid first. If the choice is between paying the rent and buying food, they pay the rent. If the choice is between paying the rent and getting health care, they pay the rent. If the choice is between paying the rent and paying to fix the car, they pay the rent.

The most important Key Impact Area revealed by this Report is that this program “stabilized households by increasing their ability to secure their basic needs.” When housing payment was not a problem, they were able to care for other needs and the stress levels went down. Lower stress levels means better mental health. In other words, good housing is more important than we usually think.

We ask that as you look at public policy concerning affordable housing, you will consider things like tax credits for landlords who do not raise rents beyond the rate of inflation, or property tax rebates for senior citizens of all income levels who own their homes. There are many things that may not have been tried before. Do not be afraid to be creative. We all hope that together we can help you reach successful conclusions.

I can take your questions now, but I think it would be more productive if you allow me to turn to Kelli Coughlin-Schoen who has directed the research for the Report. She is Senior Research Manager at Ohio University’s Voinovich School of Leadership and Public Service. She has worked extensively with state agencies and the philanthropic sector in Ohio on projects including identification of needs, evaluation of investments, technical assistance to grantees, and outcomes measurement. She has many years of experience with qualitative research design, implementation, and analysis.

Thank you for your time and your attention.

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