

NCJC Housing & Development Written Testimony

Thank you for the time, effort, and expertise that you are bringing to the issue of affordable housing. As we sit here today more than 1 million (8.8%) Ohioans live in households that are spending over half their income on housing costs. This decade the 55-and-over population will peak as baby boomers continue to age, but older population cohorts are expected to peak in decades to come. By 2050, the number of Ohioans aged 85 years and over will be nearly double in size to what it is now (Fiscal Year 2024-2025 Ohio Housing Needs Assessment [OHFA]).

The NCJC Housing & Development Foundation was born from its namesake the North Columbus Jaycees 2008. The organizations earliest forays into affordable housing were in 1971 with the 223 unit, Jaycee Arms and 1980 with the 101 unit Jaycee Village. The Foundation now provides homes for 520 households throughout Ripley, Martins Ferry, Hillsboro, and Columbus.

It's the origin of the Foundation that set it apart as a thought leader in the space. The Foundation places a priority on all components of its operations acting in accordance with the Jaycee Creed; which focuses on relationships, self improvement, entrepreneurship, service, and the value of human personality. This results in some very simple but transformative pillars of truth for the directors, site managers, and residents associated with the Foundation.

- A person's highest potential is met when they are part of something larger than themselves.
- The Foundation and property management staff's primary job is to positively change lives. Human connection and whole-person health is prioritized over profits every time.
- Residents are provided housing that they can afford and equipped to succeed beyond the system that they currently find themselves in.
- Consequences for current and past action can be dealt with, overcome, and overshadowed by future success.
- Service to fellow humanity is the best investment a person can make.

The Foundation and the Jaycees aren't singular in their desire to help people; however as a real-estate-focused non-profit, the Foundation has the ability to invest in people and in the community infrastructure that gives them space to become self-actualized. The Foundation is not an affordable housing provider that cares for its residents; it is a people-investment organization that uses the tools of housing and community development to transform lives.

Our current development project is the Jaycee Arms Downtown Campus Development. This 120 unit 1-, 2-, and 3-bedroom complex won't only house those in need but offers classrooms, a community deck, and we've partnered with Lower Lights Christian Health Center to provide the community onsite free and affordable healthcare in a 6,900 sq ft suite. We've worked with the OhioMeansJobs Franklin County Jobs Center and other

supportive service providers to help create a solid suite of what we deem “wrap around services” to enable residents.

The housing crisis is a vexing challenge that presents with unique attributes across every community where it is present. There are others who can speak with authority on municipal ordinances and state programs, inter-household dynamics, or construction industry variables.

We understand that you have heard and will continue to hear valid concerns around the existing programs, and that it's much harder to provide novel new approaches. We will outline the challenges that we ourselves have encountered over our tenure operating in this space and offer up some solutions that we feel are worthy of this committee's consideration.

1. Financial priorities of developers in OHFA-supported projects.
 - **Wrap-around services play a crucial role in the success of residents. Education, job training, budgeting skills, affordable healthcare and healthy food. Any of these can form the keystone for the life that someone is building. Rent stability is most often at the root of a resident's struggle.** In a LIHTC property a tenant has a 50% chance of experiencing housing instability in their first year.
 - For these reasons our Downtown Campus facility will not only serve as a location for a new Lower Lights Healthcare clinic offering affordable and free medical services, classrooms and educational programming; but we've established a re-filling pool of housing-security funds from the money we receive as our Development Fee. This fund will be maintained at \$500k, roughly half of the first year's anticipated rental income.
 - An investment in the long-term stability of the residents by a developer can facilitate a more secure environment which allows them to fully actualize and depart the facility better equipped to support themselves and their families.
2. Breaking the dependence cycle and benefit cliff
 - **It is difficult, if not impossible, for property managers to help a tenant to take their first steps away from the systems designed to get them on their feet.** For LIHTC projects specifically the avoidance of next available unit quandary is the key. This occurs when a LIHTC program's tax-credit driven requirements lead to a tug of war between a resident who qualified upon entrance into the property but who has experienced an increase in financial stability since moving in and the next resident to move into the building. Due to the need to maintain tax credit generation any one resident's positive deviation from their initial AMI range results in a need for net loss for the next resident moving in. Asking managers to balance success in this manner misses the point of these programs.
 - Some solutions that we've implemented are the provision of “stepping stone” housing something affordable without the use of subsidy programs.

Our townhome portfolio offers low-rent, high-quality housing for residents who are willing to work closely with us to continue steps towards a better life for themselves.

- Another solution which we support is the Ohio Realtors Infill proposal. The use of pre-approved structural designs and relaxed ordinances amongst participating communities would increase the amount of properties available in what OR describes as “the missing middle”
- Finally, a suggested solution is the use of a broader income-based sliding scale for AMI and rent, especially after the first year of the project. This would allow a resident to increase their financial stability without impairing the potential success of their neighbors or even having themselves pushed off the benefit cliff.

3. Development/Rehab pattern

- Our resident’s lives are improved when we invest in the upkeep and enhancement of both the literal and social infrastructure that surrounds them. We place a premium on preventative maintenance in the same way we value strong intersocial relationships. Across our properties, those developed or rehabbed as part of tax-credit programs present additional difficulties for us to manage in this way. We’ve found that the large amount of borrowed money necessitated by these programs creates a “front loading” effect. While there is also an upfront injection of capital in the form of “developer fees”, which are often helpful in offsetting costs incurred up to that point. When a buildings ownership is transferred, or even in instances where that initial capital injection is divided amongst partners who aren’t reinvesting into the property that the fees recovered don’t serve the community in the long-term.
- We recommend that housing programs seek to emulate the free market and incentivize properties that initiate consistent and long-term upkeep. We ask that this subcommittee consider means of decreasing the soft costs associated with these projects and decreasing the immediate payout of developer fees and more directly tie the provision of capital or forgiveness of debt to the long-term proper management and investment throughout the lifetime of a property.

We acknowledge that our experience is our own; however we also know that we are not singular in our desire for a system which does a better job caring for those who need it. If any of these anecdotes or thoughts have resonated with you we will continue to make ourselves available to you as a resource or ally in your valiant efforts to address the ever-growing crisis.