

1108 City Park Ave Columbus, OH 43206 614-221-7201 lasco.org

Testimony in Support of Senate Bill 245 Jyoshu Tsushima, Managing Attorney Legal Aid of Southeast and Central Ohio Ohio State Senate, Housing Committee May 22, 2024

Chair Reynolds, Vice-Chair Johnson, Ranking Member Craig, and members of the Senate Housing Committee, thank you for this opportunity to provide testimony in support of Senate Bill 245. I am Jyoshu Tsushima, a managing attorney at Legal Aid of Southeast and Central Ohio, a non-profit that provides free legal assistance to lowincome clients. I run our eviction prevention clinic, the Tenant Advocacy Project (TAP), at Franklin County Municipal Court.

My team and I have represented thousands of households since TAP started in 2017. In the last few years, we have seen two concerning trends: 1) more evictions filed by outof-state investors, and 2) the growth of "automated landlords." These trends have developed hand-in-hand as it has become easier for behemoth equity firms like Blackstone Group and Progress Residential to acquire and manage large portfolios of rentals through property management software, price-fixing algorithms, and recent advancements in Al.^{1 2}

Since 2019, evictions have skyrocketed from 18,000 evictions per year to a record high of 24,000 evictions in 2023, with numbers projected to be even higher this year. Despite evictions rising, my team frequently identifies basic defenses for tenants, such as failure to provide proper notices, charging prohibited fees, or landlords failing to notify the Secretary of State that they are even doing business in Ohio. While my colleagues and I have been surprised by how frequent eviction defenses appear, this shouldn't be too unexpected considering how often evictions are automatically initiated by property management software rather than a local human being who is familiar with the individual tenants and their circumstances.

Through SB 245, increasing access to legal representation for tenants will help bring balance against automated eviction and property management trends that are disrupting our Ohio rental housing market, while also ensuring that existing tenant protections are enforced. Despite our daily presence at eviction court, my team is unable to represent every tenant who requests our services, while most other courts in Ohio do not provide tenants any access to attorneys. Increased access to legal representation and appropriate funding will ensure that tenants are better represented

² Mya Frazier, "The Eviction Experts" Harpers, February 2024; <u>https://harpers.org/archive/2024/04/the-eviction-experts/</u>



¹ Heather Vogell, "We Found That Landlords Could Be Using Algorithms to Fix Rent Prices. Now Lawmakers Want to Make the Practice Illegal" ProPublica, January 30, 2024; <u>https://www.propublica.org/article/senators-introduce-legislation-stop-landlords-algorithm-price-fixing</u>



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by attorneys who can help tenants understand their rights and obligations, navigate the legal system meaningfully, and hold landlords accountable under Ohio law.

My client Jeremy serves a good example for why SB 245 is needed. Jeremy was being evicted last year for falling behind on rent, even though he paid it. The single-family home he rented was bought by an out-of-state investor who suddenly required him to mail his rent to Texas. Jeremy wouldn't know if his rent was received until weeks after mailing it, sometimes after mailing the following month's rent. Last May, his rent took longer than usual to arrive to his landlord, so his landlord filed an eviction. Through TAP, Jeremy's attorney identified several defenses against the eviction that allowed him to demand that the landlord accept his May rent, allow him to continue living at the property, and to pay rent to a local agent rather than mail it to Texas every month. Jeremy was one of a dozen tenants being evicted by an investor that had purchased a portfolio of homes in Columbus last year. While TAP prevented evictions against the four tenants it represented, seven of the eight unrepresented tenants were evicted.

The public cost benefits of SB 245 must also be considered. A recent study of Franklin County found that every dollar spent on tenant representation at eviction court could save the county three dollars in collateral expenses that result from tenant displacement. This includes costs from shelter, healthcare, education, loss of employment, and foster care for unhoused children. Whether you rent or own, you need a home for rest, raising a family, and building our communities. Businesses cannot operate if their employees are homeless or displaced. Education suffers when children move out of their school districts or cannot return to a home to study and play. Our healthcare is strained when families suffer illnesses that could have been avoided if they just had a home to rest in.

SB 245 is key to ensuring Ohio tenants and their families are protected by Ohio laws and not taken advantage of by unscrupulous investors and property management firms. Coupled with proactive legislation, like Senate Bill 192, and the enforcement of regulations around real estate investment and property management under R.C. 4735, SB 245 helps to disincentive out-of-state and unlicensed investment and property management firms from taking advantage of Ohioan residents.

Thank you to everyone on this Committee for the tremendous effort over the last year and a half to investigate and address these critical issues in housing, and thank you to Senator Reynolds and Senator Craig for this important legislation. I am happy to answer any questions.

Sincerely,

Jyoshu Tsushima Managing Attorney jtsushima@lasco.org

