

Ohio House Ways and Means Committee
February 23, 2021
HB 71 Proponent Testimony
Evelyn Lundberg Stratton, Former Justice of the Ohio Supreme Court

Chair Merrin, Vice-Chair Riedel, Ranking Member Sobecki and Members of the Committee, my name is Evelyn Lundberg Stratton. I am here today to testify as a proponent for HB 71 which will codify the property tax exemption for Permanent Supportive Housing (PSH) that is now being threatened.

My support stems both from my legal work with the Vorys law firm (which is representing Community Housing Network in its court appeals) and from my passion for advocacy for persons with mental illness. This bill is necessary to correct a serious threat to people with addiction and mental health issues.

MY INTEREST AND BACKGROUND. I am on Governor DeWine's RecoveryOhio Council, which advises the Governor on addiction and mental health policy for the state. I also am co-chair with AG Yost of the Attorney General Task Force on Mental Illness and Criminal Justice, which has 450 members. I am Project Director of Stepping Up Ohio, which is part of a national effort to reduce those with mental illness in our jails and to break the cycle of our jails and prisons, rather than hospitals, being our largest mental health facilities in the state. We have 50 counties that are partners, representing 85% of Ohio's population. Stepping Up Ohio has a strong Steering Committee, comprised of 45 interested organizations, and Rep. Plummer, one of the main sponsors of this bill, is your House representative on that Committee.

SUPPORTIVE HOUSING IS A CRITICAL NEED. In my 30 years of work advocating for people with mental illness, housing has always been a primary need and scarce resource. Half of the many calls to NAMI Ohio are from people desperately seeking housing for our most vulnerable. Landlords often won't rent to people with mental illness. And many cannot live independently without supportive services even if they could find a place to rent.

As a result, supportive housing was developed to meet some of this dire need. These are people who have nowhere else to go, often cannot afford to pay rent because they often cannot work, and need many supportive services due to mental illness and/or addiction.

PSH'S EXISTENCE RELIES UPON THE TAX EXEMPTION. PSH is developed and operated through complex public-private partnerships due to requirements imposed by the federal government. PSH often receives mental health levy money, grants, and charitable support. The property tax exemption has historically allowed PSH to fully use scarce funding to provide rent and services for their residents.

Supportive housing is essential for the recovery and support of those with addiction issues, physical disabilities, and mental illness. It is the housing of last resort.

BTA DECISION THREATENS PSA'S SAFETY NET HOUSING. The BTA's decision arose, in large part, because the historical tax exemption is not codified. In absence of a specific

exemption, the BTA incorrectly denied the tax exemption based on a Supreme Court case regarding **affordable** housing. Affordable housing is a very different creature than supportive housing and does not provide the safety net of services desperately needed by the most vulnerable.

Requiring PSH to pay property tax is “robbing Peter to pay Paul.” It will result in mental health levy money, in essence, going to school boards and other entities rather than for mental health services as intended. The amount of money at issues represents very little of a school board budget, but will dramatically impact PSH and likely force closures. If residents lose PSH, they will become homeless and further strain other local safety net systems.

ACTION NEEDED NOW. Based upon the BTA decision, even during the Supreme Court appeal, school boards throughout the state can and have begun to file challenges to supportive housing properties. Every challenge will require the PSH provider to hire lawyers to defend the cases until the Supreme Court rules. There are two cases being briefed now. In those cases, we tried mediation, but the school board counsel terminated mediation, forced the cases back on the docket and refused to agree to a delay to give the legislature an opportunity to consider the issue.

Until the law is clarified or the Supreme Court rules, countless dollars will be spent on legal defense fees that could instead be spent on rent subsidies and addiction and mental health services.

HB 71 RESTORES LONG STANDING EXEMPTION. Please don't leave this important issue to the courts to decide. COVID has strained the housing safety net. Drug overdoses, alcoholism, suicides and mental health challenges are on the rise. This bill will help stabilize the housing safety net by restoring the historical property tax exemption. It does not create or expand any exemptions. It will do nothing more than maintain the status quo, but that alone will save lives.

As you can tell, I am very passionate about this issue and very disturbed by this legal decision. I urge you to support and pass this bill quickly.