

Ohio House Ways and Means Committee
March 16, 2021
SB 57 Proponent Testimony
Samantha Shuler, Community Housing Network

Chair Merrin, Vice-Chair Riedel, Ranking Member Sobecki and Members of the Committee, my name is Samantha Shuler, CEO of the Community Housing Network. I am providing written testimony as a proponent for SB 57 on behalf of the Community Housing Network, which is a Permanent Supportive Housing (PSH) provider serving central Ohio, and on behalf of an informal coalition of organizations that support PSH.

PSH combines safe, affordable housing with voluntary support services for homeless people disabled by mental illness or substance use disorders. PSH builds independent living skills and connects people with community-based health care, treatment and employment services. Without PSH, the people it serves stay chronically homeless and cycle through shelters, hospitals, psychiatric centers, jails, and prisons.

Support Amendment to Codify and Maintain Existing Property Tax Exemption for PSH

We urge the General Assembly to pass SB 57 which would codify the long-standing and noncontroversial property tax exemption providers have had since PSH was created decades ago. PSH has never been taxed because historically PSH has been recognized as exempt under the law's general charitable use exemption.

Recently, the Board of Tax Appeals reversed decades of precedent and denied the exemption, in response to a school district challenge, in large part because the law fails to explicitly exempt PSH as it does for other types of supportive housing, such as DD Housing, which became specifically exempt a few years ago in response to a BTA decision prompted by a similar school district challenge.

Creating a specific exemption for PSH will maintain the status quo. Clarifying the exemption will not reduce revenue to schools or anyone else because these properties have never been taxed.

Denying PSH an exemption will have devastating consequences. PSH provider expenses will increase significantly, likely putting most in a negative cash flow situation within a year. Losing the exemption will destroy existing PSH and end hope for future developments. Losing PSH will hurt the disabled and vulnerable people who rely on this stable and affordable supportive housing. Communities will face increased costs and stress on public safety nets, reversing progress toward combatting homelessness.

OhioMHAS and the ADAMHS Boards support codifying this exemption. This is a statewide issue impacting approximately 50 supportive housing providers with approximately 6,000 housing units. In many cases, ADAMHS Boards provide funding for PSH providers as part of their

efforts to ensure a continuum of care for the community. Taxing PSH will create situations where local ADAMHS Board funds will, in effect, be sent to the schools rather than used, as intended, to house and provide services to disabled people in the community.

Property Tax Exemption is Key to PSH Existence

Many nonprofit PSH agencies rely on complex private-public partnerships to sufficiently fund their projects. These partnerships help PSH provide housing which also helps maintain, stabilize, and improve the community by contributing multi-million-dollar investments to neighborhoods.

These partnerships include stable banks who are both community-minded and motivated to support their investments through best practice asset management. The tax exemption is critical to attract bank investment because, without it, PSH projects have negative cash flow. Eliminating the exemption will lead to failed PSH projects across the state, negatively impacting banks currently supporting the housing and ending any incentive for future investment. The community will lose both an essential resource for ending homelessness and an important community reinvestment option.

Public Agencies Rely upon PSA to Provide Cost Effective Housing and Services to Disabled Ohioans

Housing is recognized as a critical part of public health care and safety net systems that state and local agencies like OhioMHAS and local ADAMH Boards support. Many PSH developments receive capital and Housing Trust dollars to develop housing. All receive public money to operate and provide services, including through the local taxing authority ADAMH Boards. These PSH providers work very closely with ADAMH Boards and other community partners to design and offer wrap-around services that support stability and recovery for the most vulnerable people in our communities.

State and local authorities fund PSH because it works. It is the nationally recognized, proven and cost-effective solution to resolve homelessness; increase housing stability; and improve health outcomes. It lowers public costs by reducing use of publicly funded crisis services like shelters, hospitals, psychiatric centers, jails, and prisons. PSH is the only option for most of the people we serve, who have no other housing alternatives and no way to access the support systems they need.

Urgency for Legislative Action

Without a legislative correction, the BTA decision provides a basis to challenge all new and existing PSH exemptions. This creates uncertainty for PSH's sustainability at a time when it is needed more than ever. If PSH fails, people with serious mental health and substance use disorders who are now stably housed and healthy, will lose their housing. Disrupting stable systems will further hurt communities who are already facing huge challenges managing the pandemic response and future fallout.

Thank you and Support

Many of the organizations that support this efforts are listed below.

Also included below are some sample resident stories (with permission) which illustrate the positive, life-changing impact of permanent supportive housing.

Thank you for your consideration. We urge you to support and pass SB 57.

PSH Supporters

- Ohio Department of Mental Health and Addiction Services
- Ohio Association of County Behavioral Health Authorities
- Ohio Housing Council
- COHHIO
- Corporation for Supportive Housing
- Ohio Capital Corp for Housing
- Affordable Housing Trust Columbus/Franklin Co.
- Affordable Housing Alliance for Central Ohio
- NAMI
- Nationwide
- Community Shelter Board
- PSH providers, in addition to Community Housing Network, including:
 - National Church Residences
 - Neighborhood Properties
 - EDEN
 - Talbert House
 - Pearl House
 - Miami Valley Housing Opportunities

PSH Resident Stories

Harry's Story

Before moving in with CHN in 1990, Harry had a home and successful career in computer programming. He had also earned multiple college degrees, served as a minister, and taught Latin. But schizophrenia interrupted Harry's life. He lost his career and home, and lived on the land, untreated, without support, and terrified.

Uprooted by his illness and without a home, CHN was able to connect to Harry and move him into a permanent supportive housing apartment in 1990. Thirty years later, Harry is one of CHN's longest term resident and his life is a success. "CHN has been very accepting. It's wonderful to not worry what the landlord will think if they know you have schizophrenia. The other persons in the building have mental . . . illness also and that gives some comfort."

Harry lives quietly at home and enjoys playing a small keyboard, using his computer, and sending letters to fields and relatives. He volunteers for CHN and helps other tenants with resumes and other needs. "There's nothing I could do to prevent the illness, and I certainly

didn't want it. Even though it's a strike against me, it's nice to know that you have a purpose in life."

Nichelle's Story

Nichelle suffered sexual and physical abuse in her youth, and turned to drugs and alcohol to self-medicate. Hoping to escape the turmoil in her life, she married at the age of 15. She quickly became pregnant, and her husband, who also had substance addiction issues, was mentally abusive.

Nichelle found the courage to leave her husband, but bounced around in unstable environments – from homes of friends and family to temporary shelters – for more than 20 years, while struggling with her substance addiction issue. In her final stay at a shelter, and desperately wanting to turn her life around, Nichelle worked with her case manager to find stable housing.

It has been nearly three years since Nichelle moved into Community Housing Network's East Fifth Avenue Apartments. She has worked hard to maintain sobriety and improve her relationships with her four children.

"All my services are here, and I don't have to worry about transportation," Nichelle said. "I've never had anything this nice. I don't know where I'd be without this apartment."

Nichelle will soon start her last semester at Daymar College. She plans to use her education in business, hospitality and customer service to open a bed and breakfast.

De-Borah' Story

Terrace Place resident De-Borah credits Maryhaven rehabilitation and Community Housing Network for nearly two decades of sobriety. It's no coincidence that she has lived in CHN housing all but one of her 17 years of freedom from substance abuse.

"Living in stable housing has meant a lot to me. I have met many beautiful people and have many opportunities, and I would recommend it to anyone that's out there," De-Borah said.

“Out there” means homeless, just as she was after becoming addicted to heroin. De-Borah didn’t use to get high, but as the only available means to dull the pain from a broken ankle, poorly treated because she lacked health insurance to get proper medical care.

De-Borah’s brother encouraged her to go into drug rehab at Maryhaven, where she learned to manage addiction. Skills she learned in the job readiness program, combined with addiction recovery, led to years of gainful employment.

As a resident of CHN communities for so many years, De-Borah reflected on the support she receives. “I’m grateful and I’m blessed, and I’m going to continue on.”