

OPPONENT TESTIMONY ON S.B. 172
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9:00am
North Hearing Room

Chairman Schaffer and members of the **Senate Ways and Means and Economic Development Committee**. My name is Mike Piepsny, and I am the Executive Director of the Cleveland Tenants Organization, a federally designated 501(c)(3) non-profit organization which works with over 35,000 landlords and tenants in Northeast Ohio annually. CTO's mission is to **preserve and expand the supply of safe, decent, fair, affordable and accessible rental housing in Greater Cleveland**. I thank you for this opportunity to testify in opposition to Senate Bill 172.

According to the latest U.S. Census numbers, over thirty percent (30%) of Ohioans rent their homes. In the City of Cleveland, 52% of households rent. In Cincinnati, the number of renters exceeds 59% and in Dayton, half of households now rent. Largely due to the now decade long foreclosure crisis facing our region, Ohio's rental population reflects the National trend and continues to increase. Further, the economic realities of the day offer little opportunity for those facing fiscal crisis to recover in the short term. As a result, many homeowners saddled with decreasing home values are left with little choice but to abandon their dream of homeownership and to rent the dwelling in which they live.

Since 2001, my organization has run a program that works with households facing eviction to intervene prior to the Court ordered move-out and stabilize the household. We annually reach out to over 20,000 households facing eviction throughout Cuyahoga County. One quarter of these households are comprised of renters living in properties facing foreclosure. These families are those facing life's greatest challenges. Between 2001 and 2008, the median monthly rent burden (rent as a percentage of monthly household income) of the families contacting our program equaled 48%. Between 2009 and 2012, roughly the timetable of the economic collapse, the household rent burden jumped to 60.5%. HUD defines a home as affordable when this number does not exceed 30%.

Chairman Schaffer, members of the committee, Ohio's people are struggling. The recent National attention placed on predatory loans and adjustable rate mortgages has brought these struggles front and center. Creative attempts at mortgage reduction and refinancing of suspect loans are now the trend. The housing crisis and the ensuing

economic downfall have affected all classes, and have been especially difficult on our elderly parents, our neighbors forced to leave home-ownership and rent, and our kids, who are often forced to change schools. It cannot be disputed that when facing financial difficulties, people need additional household income. Senate Bill 172 lies in direct opposition to these policies. Seizing the little relief that a household may gain through a tax refund check is reprehensible. In Ohio, a person entitled to a tax refund typically receives between \$200 - \$300 dollars. In Cleveland, this amount is often enough to use towards a security deposit, and/or to cover moving expenses related to relocating to alternative, safe, decent, affordable, and stable housing.

In making these assertions, I am in no way arguing that these families deserve a free pass and the debt owed to the landlord should be forgiven. A landlord with a judgment already has the tools to collect from a former tenant. In Ohio, a landlord has the legal option to work with the local Clerk of Courts to garnish the tenant's wages once the tenant has the means to pay what he/she owes.

I would also like to take the time to ask this committee to consider other facts related to a judgment awarded in a landlord/tenant relationship. Every day, my staff receives calls from tenants who need help recovering a security deposit which was wrongfully withheld by a landlord. Since 2009, we have received over 1,500 calls related to this issue. Should this committee decide to allow a landlord to collect a tax refund check on a judgment, I would ask that a tenant be afforded equal opportunity when they too have obtained a judgment against their landlord.

Lastly, I have to ask the question why a landlord's claim should take preference over the claims of any other creditor?

It is imperative that Ohio ensures that the needs of its growing population of renters are assessed and addressed according to the most beneficial and fair practices available. Those tools currently exist under Ohio law and the change proposed by Senate Bill 172 is both unnecessary and egregious. I urge you to vote against it.

Thank you for allowing me to provide this testimony in opposition to Senate Bill 172. I am available at your convenience should you need clarification of my position or further assistance. Thank you.

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