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COHHIO

The Monthly Newsletter of COHHIO, the Coalition on Homelessness and Housing in Ohio



New Coalition Decries 2008 Federal Budget in D.C. Briefing

Impact felt by the middle class; "It ain't just the poor no more. . ."

- by Cathy Johnston

The newly formed Ohio Federal Budget Coalition rolled out its message to members of the Ohio Congressional delegation at the Capitol Building on February 27. Representatives Chabot, Kaptur, Pryce, Tubbs-Jones and Wilson sent representatives, as did both Ohio Senators. The Coalition made the case in a well-attended briefing that the President's 2008 budget proposal is wrong for Ohio because it does not invest in Ohio's working families.

For the first time in history, Ohio has gone almost 11 consecutive years with job growth below the national average. With the exception of Toledo, every large multi-county metropolitan area lost manufacturing jobs between November 2005 and November 2006.

Meanwhile, the proposed budget would shift over \$416 million in costs to the state of Ohio and local government and weaken vital services for middle-and-lower income families and individuals. All this while providing substantial tax cuts for the very wealthy. Rather than investing in programs and people, the president's budget takes another step toward increasing the already growing income

inequity in the country.

More and more Ohioans are just a paycheck away from needing critical services threatened by this budget. Consider the increasing numbers of working Ohioans who had to use the "Winter Reconnect Order" to heat and light their homes. 75 percent of those using these special rules have middle class incomes. Home energy assistance is just one example of what's at stake in this budget. Food assistance for seniors, healthcare for children and affordable housing are just a few of the areas slated for cuts.

Join with the Ohio Federal Budget Coalition in calling on your members (please turn to back page)

Housing Ohio 2007

Conference Registration Now Open Online!

Go to www.cohhio.org today to register!

See Page Two For Updates

April 23-25, 2007

 **Direct Energy**

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Housing Ohio 2007 Conference - Don't Miss Out!

April 23, 24, 25



The Many Faces of Housing Ohio 2007

The Housing Ohio 2007 Conference is just around the corner, and we have a great variety of workshops and a fantastic slate of speakers this year, including Lt. Governor Lee Fisher, Secretary of State Jennifer Brunner, Attorney General Marc Dann and author/presenter Andy Goodman. Ohio Governor Ted

Strickland also has been invited. As you plan for the conference, remember to join us for Wednesday's Lobby Day, when we will take our Ohio Housing Trust Fund "Lift the Cap" message across the street directly to the state legislature! Register online today at www.cohhio.org. Questions? Need help? Call 614-280-1984.

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Registration:**
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Participants relax after the OhioVOTES "Reflection and Direction" gathering, a review and strategy session held January 8 in Cleveland. From left: Cheryl Ellis, Liaison/Manager for Cuyahoga County Board of Elections Community Outreach Dept.; Gladys Harrison, Regional Director, Ohio Secretary of State Office; Denise Ferguson, Assistant Clerk for Cuyahoga County Board of Elections Community Outreach Dept.

Don't Wait Till '08!

OhioVOTES is proud to announce that Ohio experienced a 22% increase in voter turnout during the November 2006 Election -- the largest increase in the country! OhioVOTES will use this momentum to provide trainings, materials and expertise to as many nonprofit organizations as possible before the 2008 election. In

keeping with OhioVOTES' theme of "Don't Wait till '08!" contact us ASAP at 1-888 - 8VOTE0H to schedule trainings and presentations to help engage your clients and the underrepresented in the voting process. For more information about OhioVOTES and Ohio voter turnout, please visit our website: www.ohvotes.org.



Notes of Faith

from COHHIO's Executive Director

During the predatory lending debate one thing alarmed everyone - Ohio has the highest foreclosure rate in the nation. Ohio's foreclosure filings had risen by 8.5% during 2005.

That bad news about foreclosures just got worse. Based on data from 12 of the largest counties, foreclosure filings in 2006 appear to have increased by 25 percent over 2005, with an estimated 80,000 filings.

Worse yet, predictions are 2007 and 2008 filings will make 2006 look like a cakewalk; that upwards of \$20 Billion in mortgages could be impacted affecting 200,000 Ohio homeowners.

The reason is that the subprime mortgage industry is experiencing an implosion of its own making. In 2006, subprime loans were about 30% of all mortgages originated in Ohio, far exceeding the national average. Even still, 70% of foreclosures are on subprime loans. Lenders have aggressively pushed the most common subprime mortgages, 2/28 or 3/27 Adjustable Rate Mortgages (ARMs), which seduce homeowners with low "teaser rates" for the first two or three years. Homeowners experience payment shock as the rate increases, in some cases doubling their monthly payment. In 2007, a massive volume of ARMs across Ohio will be resetting at dramatically higher rates.

Borrowers can't make these new payments. With depreciating home values and inflated appraisals, many find they owe more than their home is worth. So selling the home won't pay off the mortgage and refinancing is proving difficult. They can't stay in and they can't get out. It's a heartbreaking quagmire for homeowners and it's a formidable crisis for Ohio's communities and economy.

Rising delinquency rates on subprime loans also threatens the mortgage markets. The mortgage giant Freddie Mac announced on Feb 27 that it will no longer purchase many common subprime loans. Across the country, subprime lenders are dropping like flies;

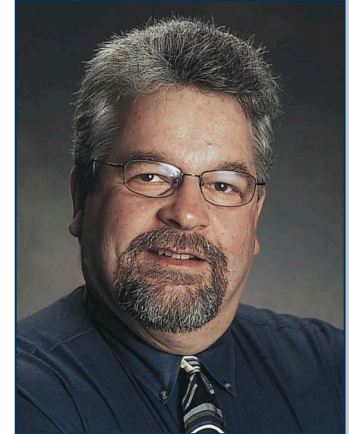
many have sold their subprime operations; 30-40 of them will go out of business each month in 2007.

In a very serious regulatory move, on March 2nd, all five federal regulators proposed new guidelines, which call on lenders to tighten their standards for subprime loans, particularly the 2-28 and 3-27 ARMs. The lenders have been evaluating the borrower's ability to repay the loan at the teaser rate but the regulators say only borrowers who can afford the higher rate should be approved for such loans.

The reining in of the wild-west practices of subprime lenders is cause for celebration. Finally, it looks like much fewer badly underwritten subprime loans will be originated. But the celebration will have to wait because thousands of our neighbors are stuck in existing loans they can't afford.

I believe the Governor understands the enormity of the problem and will soon take strong steps to prevent the unnecessary escalation of foreclosures. There are signs of cooperation showing. One large subprime servicer is willing to write off 25% of the principal on at-risk mortgages and make other concessions, so the borrowers keep their home. The lenders would rather have some payment stream than none and no one wants to be stuck with thousands of vacant overvalued homes in a soft real estate market. There is a great opportunity for community groups to bridge the divide - to bring lenders and borrowers together - to help work out a refinance that is fair and sustainable. The lenders should help pay the costs but resources such as the Ohio Housing Trust Fund, especially if the cap were lifted, could help with the outreach efforts.

The Ohio Housing Finance Agency is working on a refinancing program to help homeowners escape unaffordable mortgages. However, if we are going to face the full scope of this crisis, the Governor must use his influence to get the industry to restructure these bad mortgages and pull Ohio's homeowners back from the edge of the cliff.



*Bill Faith,
Executive Director*

**Online
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*Youth are not tomorrow's
leaders...WE NEED
THEM TODAY!*



YEP: Uniting Youth for Change



Youth-Specific Training Collaborations

YEP is partnering with the ODOD to host collaborative efforts throughout the state on youth (ages 18-22) issues. These trainings will provide youth service agencies with information, resources and best practices regarding youth development, and will be held throughout Ohio in March and April. Registrations forms are available on the COHHIO website at www.cohhio.org/calendar.php. The training will be free for the first two staff members sent by an agency. Additional staff members will be required to pay a fee to cover expenses. To

secure your spot, registration forms are due 1 week prior to training date.

The trainings will be held from 9:45-3:00 on the following dates:

March 13th Toledo
March 16th Athens
March 22 Cincinnati
March 23rd Wooster
April 11th Youngstown
April 16th Columbus
April 17th Cleveland

YEP youth meet with State Representative

On February 22nd, YEP met with newly elected Ohio State Representative, Armond Budish (D-Cleveland) on issues pertaining to homeless youth. Members of the YEP delegation spoke about the importance of housing programs and assistance for youth as they transition to adulthood. They shared personal stories that represented the plight of all homeless youth, including landlord bias against youth tenants; and the difficulty of gathering rental deposits with little or no support system.

Youth also discussed the importance of lifting the funding cap on the Ohio Housing Trust Fund; and the value of strong homeless education laws in Ohio. The McKinney Vento Homeless Education Law was discussed, as were the school districts in Ohio that have taken positive steps to protect



the rights of their students. The Homeless Families Foundation's Dowd Education Center was highlighted for its efforts to help youth maintain educational stability. We would like to thank Representative Budish for taking time to meet with the Youth Empowerment Program.

Final Reminder for Youth Leadership awards!

Youth leadership award applications are due to COHHIO by March 15th. Applications can be downloaded from the YEP website at www.cohhioyep.org. Awards will be given to four youth between the ages of 11-22 in the amount of \$500. Donations to the Youth

Leadership Award Fund are always gratefully accepted!

If you have any questions, please contact Nick Bates, YEP Youth Advocacy Coordinator, at (614) 280-1984 ext. 26.

Payday Lending Surges in Ohio

A new report released jointly this month by Policy Matters Ohio and the Housing Advocacy & Research Center illustrates the incredible growth of the payday lending industry in Ohio and nationwide. The study, *Trapped in Debt: The Growth of Payday Lending in Ohio*, used data from the Division of Financial Institutions in the Ohio Department of Commerce to evaluate the growth of payday lending institutions throughout the state. Here are some of the gruesome details from the report's executive summary:

- Ohio has more payday lending stores licensed in Ohio than McDonalds, Burger King and Wendy's restaurants combined.
 - The number of payday lending shops licensed in Ohio grew from 107 locations in 1996 to 1,562 locations in 2007.
 - In 1996, payday lenders were constructed in urban communities. Only Cuyahoga, Franklin, Hamilton and Montgomery counties had more than ten locations. It has since flourished in all but two Ohio counties, 35 of which have more than 10 locations.
 - Franklin, Hamilton and Cuyahoga Counties each had more than 100 payday lenders each in 2006.
- Nationally, only one percent of payday loans go to borrowers who repay within two weeks and borrow less than once a year. Most loans go to repeat borrowers, on average taking out 9 loans per year.
 - In 2005, the Center for Responsible Lending estimated that 7.6 million workers received 83 million payday loans per year, roughly two-thirds of whom become trapped in a cycle of repeat borrowing and debt. This costs working families \$3.4 billion per year.

The report notes the recently passed Talent-Nelson amendment that protects military personnel and their families from predatory payday lending by capping rates at 36% as a positive step in the right direction. Policy Matters Ohio and advocates around the state are pressuring the Ohio General Assembly to act now to protect Ohio families from usurious interest rates perpetrated by payday lenders. Legal protections, accountability, transparency and alternative products are needed to ensure that Ohioans are protected from exploitive business practices but still have access to quality credit.

To read the report, please visit our website www.cohhio.org

Ohio AG Launches Predatory Lending Task Force

The Ohio Attorney General's office will create a task force to help protect consumers from bad housing lenders. Attorney General Marc Dann requested \$500,000 to hire three attorneys, three investigators and a secretary. Senate Bill 185, backed by COHHIO, provided the office with new legislation and

powers that would enable them to pursue unscrupulous lenders. The State Controlling Board's approval of the \$500,000 request gives the Attorney General's office the ability to prosecute predatory mortgage lenders in both civil and criminal cases as necessary.



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CDCs Merge to Benefit Their Constituents

The Winter 2007 issue of *Shelterforce* magazine included an article highlighting two recently merged Cincinnati nonprofits that are dedicated to increasing available affordable housing. Over-the-Rhine Community Housing (OTRCH) is a merger between Over-the-Rhine Housing Network and ReSTOC (Race Street Tenant Organizing Cooperative). The new agency seeks to improve services for their constituents and develop greater opportunities for homeownership in Cincinnati.

OTRCH will remain faithful to the

previous mission to offer help to low-income and homeless individuals while fostering new relationships in the community and expanding the reach of the organization. The CDC's new strategy includes attracting tenants with higher incomes, improving property management, increasing housing production and encouraging mixed-use development.

You can learn more about Over-the-Rhine Community Housing at www.otrch.org.

110th Congress Looks to Reauthorize McKinney-Vento Homeless Assistance Act

If passed, a reauthorization bill introduced in the House this month would have major impact on homeless assistance. HR 840, The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), expands HUD's definition of homelessness to include individuals staying with family or friends, and those temporarily staying in hotels, motels, or campgrounds because they lack reasonable alternatives.

HEARTH would consolidate all McKinney programs with the exception of Emergency Shelter Grants (ESG) into one competitive grant program; and would create Community Homeless Assistance Planning (CHAP) Boards,

replacing "lead entities" currently charged with responsibility for their community's Continuum of Care. Members of the new CHAP Boards would have to include advocates, service providers and homeless or formerly homeless individuals. Other important changes include the allowance of private, independently owned units to qualify for rental assistance; the removal of funding caps on construction, rehabilitation or acquisition of housing; and permanent housing units being made available to both able-bodied and disabled homeless persons. The bill has been referred to the Housing Financial Services Committee for review.

AG Seeks Dismissal of Legislators' Lawsuit

On Feb. 28, Attorney General Marc Dann requested that the Ohio Supreme Court dismiss the lawsuit Republican legislators filed in attempt to derail Governor Ted Strickland's veto of Senate Bill 117. The bill limits damages injured consumers can receive under Ohio's CSPA and blocks public nuisance lawsuits against lead paint manufacturers. It was sent to Governor Strickland for veto by Secretary of State Jennifer Brunner shortly after taking office. The Attorney General, representing Brunner, argued that Rep.

Husted and Sen. Harris don't have standing in the complaint because the 127th General Assembly was not injured by the veto of Senate Bill 117, a bill enacted by the 126th General Assembly. Dann also argued that the Supreme Court doesn't have the authority to hear an action of this sort unless it was appealed from a lower court. Lawyers for the Ohio General Assembly have ten days to respond to the Attorney General's request for dismissal.

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Continuum of Care Awards Announced

Below are links to the 2006 CoC Awards from HUD. The first link takes you to the awards specific to Ohio. There you will find the awards for the Balance of State (BOS) programs. The second takes you to the HUD website that has the entire nation's awards.

As you will see from the Ohio BOS awards, the BOS did not get the full amount for which it applied. The request was for \$10,064,353 and the award is for \$4,483,559. There were no new projects funded and renewals were only granted for one additional year.

ODOD/OHCP and COHHIO are seeking information from HUD to clarify why the decision was made to not fully fund the BOS. We have contacted both the local HUD field office and HUD HQ in Washington, DC. As soon as we receive and analyze this information, we will share it with you.

http://www.cohhio.org/pdf/06_ohio_totals.xls

<http://www.hud.gov/offices/cpd/homeless/budget/2006/index.cfm>

Pryce and Tiberi Celebrate Central Ohio HUD Awards

Congresswoman Deborah Pryce (R-Columbus) and Congressman Pat Tiberi (R-Genoa Township), applauded HUD's recent awarding of \$7 million in federal dollars for Central Ohio Homeless programs. This is welcome news amidst a new report released by HUD that estimates a much higher number than previously reported. The revised count, which includes homeless persons living on the street and those staying in shelters or transitional housing, demonstrates the need for the federal funding in Central Ohio and nationwide.

"COHHIO is thrilled to see the success of Central Ohio in the recent funding round," said Douglas Argue, COHHIO managing director. "Ohio communities were awarded almost \$57 million dollars to provide a continuum of homeless and housing services across the state – just over \$65 million when you include ESG grants. This is wonderful news in the context of how much needs to be done in our state."

Skindell Introduces Homeless Persons' Memorial Day Bill

A bill designating December 21st as "Homeless Persons' Memorial Day" was heard in the House State Government and Elections Committee in late February. Introduced by Rep. Skindell (D-Lakewood), the text of the bill reads as follows: **Sec. 5.2235.** The twenty-first of December shall be designated "Homeless Persons' Memorial Day" to bring attention to the tragedy of homelessness. State and local governments, coalitions, and other entities are encouraged to sponsor events to promote awareness of the plight of the homeless and identify actions that individuals and organizations may take to address the problem of homelessness.

2008 Federal Budget in D.C. Briefing (cont'd from cover)

of Congress to support \$450 billion for domestic discretionary programs in its Budget Resolution for FY2008. Tell them Ohioans need a budget in 2008 that invests in our greatest strength -- our people!

To access the endorsement form, please visit our federal issues section on our website.

THE OHIO FEDERAL BUDGET COALITION

Members: The Center for Community Solutions • The Ohio Association of Second Harvest Foodbanks

Ohio Partners for Affordable Energy • UHCAN Ohio • Voices for Ohio's Children • Coalition On Homelessness and Housing in Ohio

About Our Organization...

COHHIO is a statewide advocacy group and service providers network dedicated to ending homelessness while ensuring that Ohioans have decent, safe, fair, affordable housing, especially those with low-income and special needs.