



## Written Testimony to the Senate Democratic Policy Committee May 14, 2021

Good afternoon and thank you for the opportunity to testify. My name is Cindy Daley and I work with Regional Housing Legal Services. Regional Housing provides free legal services to non-profit organizations that engage in affordable housing or community development activities to benefit low-income Pennsylvanians. Since 1973, we have assisted in the completion of over a billion dollars' worth of affordable housing developments throughout Pennsylvania, ranging from supportive housing for people experiencing homelessness to homeownership opportunities, with much of our work involving Low Income Housing Tax Credit rental developments. We also do policy work on issues related to housing stability, affordable homes, and community revitalization.

One thing Regional Housing does not do is represent individual clients. We do, however, work closely with our sister organizations in the legal aid network and I will take this opportunity to say that legal assistance is crucial for preventing homelessness. Numerous studies show that when tenants have legal representation in eviction proceedings, they fare much better than those who do not.<sup>1</sup>

Too many Pennsylvanians are evicted each year. While most, but not all, evictions were put on hold for the past year, tens of thousands are on the doorstep. Eviction Lab at Princeton University reports that in 2016, over 29,000 households were evicted in Pennsylvania. Almost 88,000 evictions were filed in the state that year.<sup>2</sup> An eviction is much more than a move across town; it is a life altering event that negatively affects many aspects of the tenant's life. Once a tenant has an eviction on their record, their ability to find a new home is severely limited. They will often end up in poorer quality housing at a higher rent. Too often evicted tenants become homeless.<sup>3</sup> Both evictions and homelessness disproportionately impact people of color.<sup>4</sup>

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<sup>1</sup> See, e. g., Wiltz, Teresa, Pew Charitable Trusts, "How Free Legal Help Can Prevent Evictions"; <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/10/27/how-free-legal-help-can-prevent-evictions>; Boston Bar Association Task Force on Civil Right to Counsel, "The Importance of Representation in Eviction Cases and Homelessness Prevention"; <https://bostonbar.org/docs/default-document-library/bba-crtc-final-3-1-12.pdf>; Stout Risius Ross, LLC, "Economic Return on Investment of Providing Counsel in Philadelphia Eviction Cases for Low-Income Tenants," 18 November 2018; <https://www.philadelphiabar.org/WebObjects/PBA.woa/Contents/WebServerResources/CMSResources/PhiladelphiaEvictionsReport.pdf>

<sup>2</sup> Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-190.672,10.075,-44.648,61.977&type=er&locations=42,-77.801,40.876>.

<sup>3</sup> Desmond, Matthew, *Evicted: Poverty and Profit in the American City* (New York: Penguin Random House, 2016).

<sup>4</sup> See, e. g., Hepburn, P., et al., "Racial and Gender Disparities among Evicted Americans", December 2020 <https://sociologicalscience.com/articles-v7-27-649/>; Greenberg, D., et al., "Discrimination in Evictions: Empirical

When COVID struck, Regional Housing quickly developed infographics for tenants and homeowners in both English and Spanish explaining the various moratoria.<sup>5</sup> We wrote a report on eviction diversion programs.<sup>6</sup> We convene a weekly meeting of legal aid housing attorneys who discuss pandemic-related problems that their clients face, and we use that information to advocate for the Emergency Rental Assistance Program and the Homeowner Assistance Fund. Clearly, COVID has created a financial crisis and has laid bare systemic problems, including vast inequity. Still, I would like to focus on the pre-pandemic world because the eviction and homelessness crises and the systemic problems existed long before January 2020 and will persist after COVID subsides unless we address them now.

Today you have heard about many aspects of homelessness from the other testifiers. Just as there are many different reasons for homelessness, there are many different ways of addressing the problem. I encourage you to review the Joint State Government Commission's 2016 report, "Homelessness in Pennsylvania: Causes, Impacts, and Solutions",<sup>7</sup> which provides an in-depth analysis and makes practical recommendations. It is important to explore homelessness from a variety of perspectives, including those of veterans with PTSD, people returning from incarceration, victims of domestic violence, youth exiting the foster care system, and people with serious mental health or substance abuse conditions. It is also important to remember that for many people, homelessness is simply an economic problem; suitable housing is unaffordable.

Every Pennsylvanian deserves dignified, quality, consistently affordable housing. Home provides the stability that allows people to go out into the world and be successful.

Home is also a place for healing. For people who have experienced trauma or who are suffering from mental illness or substance abuse, finding a home is an essential first step in rebuilding and stabilizing their lives. The Housing First approach, used so well by Pathways, has proven to improve people's health, speed recovery from substance abuse, and decrease the use of public benefits by providing permanent affordable housing and offering supportive services to address residents' needs.

In addition to Pathways, there are other fine examples of permanent supportive housing in Pennsylvania. Regional Housing works with Project HOME in Philadelphia and ACTION Housing in Allegheny County. Project HOME provides affordable rental homes to people experiencing

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Evidence and Legal Challenges", Harvard Civil Rights-Civil Liberties Law Review, Vol. 21, 2016, [https://scholar.harvard.edu/files/mdesmond/files/greenberg\\_et\\_al..pdf](https://scholar.harvard.edu/files/mdesmond/files/greenberg_et_al..pdf); Moses, J., "Demographic Data Project: Race, Ethnicity, and Homelessness", National Alliance to End Homelessness, 2019, <https://endhomelessness.org/wp-content/uploads/2019/07/3rd-Demo-Brief-Race.pdf>.

<sup>5</sup> <https://www.rhls.org/coronavirus-information/>

<sup>6</sup> <http://www.rhls.org/download/98246/>

<sup>7</sup> Joint State Government Commission, "Homelessness in Pennsylvania: Causes, Impacts, and Solutions", 2016, <http://jsg.legis.state.pa.us/resources/documents/ftp/publications/2016-04-06%20HR550%20Report%20Updated%20June%2022%202016.pdf>.

homelessness at 18 sites and offers supportive services at 22 locations.<sup>8</sup> ACTION Housing has three permanent rental developments in Allegheny County for people experiencing or at risk of homelessness. All include supportive services.<sup>9</sup>

Although costly to develop and administer, permanent supportive housing is cost-effective in the long run. Massachusetts runs a statewide Housing First program called Home and Healthy for Good, begun 2006. By January of this year the program had served 11,321 chronically homeless adults. The 2021 Progress Report,<sup>10</sup> shows a significant improvement in the health of the residents six months after being housed as compared to six months prior to coming into the program. The total number of days of incarceration for all residents dropped from 3,333 to 177 over the same time measure.<sup>11</sup> The state saved an average of \$11,700 per year per individual, *after* adding in the cost of housing and supportive services.<sup>12</sup>

Supportive housing is crucial for many people who are experiencing or on the verge of homelessness, but not everyone needs supportive housing. Some just need help closing the gap between what they can afford and what is available on the market. Unlike Medical Assistance, SNAP (food stamps), or TANF, housing assistance is not an entitlement. Only a quarter of eligible households ever receive any kind of federal housing subsidy.<sup>13</sup> This figure has not changed in all the decades I have been working in this field.

In 2019, 47% of Pennsylvania renter households paid 30% or more of their income for rent.<sup>14</sup> Over 292,000 renters spent more than half of their income on housing costs.<sup>15</sup> These figures highlight the pre-pandemic, everyday shortage of affordable homes in Pennsylvania. The National Low Income Housing Coalition has calculated that Pennsylvania has a shortage of 261,060 rental homes that are both affordable and available for households with incomes at or below 30% of area median income.<sup>16</sup> We need to support these households by building more affordable rentals, by providing more rental vouchers to use in the private market, and by creating an emergency rental assistance program that will last beyond the pandemic. We must

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<sup>8</sup> <https://projecthome.org/locations>

<sup>9</sup> <https://actionhousing.org/general-properties/housing-for-the-homeless/>.

<sup>10</sup> Massachusetts Shelter and Housing Alliance, "Permanent Supportive Housing: A Solution-Driven Model, January 2021 Home & Healthy for Good Progress Report", <https://archives.lib.state.ma.us/bitstream/handle/2452/838468/ocn887735103-2021-01.pdf?sequence=1&isAllowed=y>.

<sup>11</sup> Ibid. p. 7.

<sup>12</sup> Ibid. p. 8.

<sup>13</sup> Fisher, W., et al, "More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes", <https://www.cbpp.org/research/housing/more-housing-vouchers-most-important-step-to-help-more-people-afford-stable-homes>.

<sup>14</sup> American Community Survey 2019, <https://data.census.gov/cedsci/table?q=pa&t=Housing&tid=ACSDP1Y2019.DP04>.

<sup>15</sup> National Low Income Housing Coalition (NLIHC), Housing Needs by State (based on 2019 ACS data) (361,000 PA renter households cost burdened; 292,000 severely), <https://nlihc.org/housing-needs-by-state/pennsylvania>.

<sup>16</sup> Ibid.

take steps to prevent homelessness at the same time we are reaching out to people who have already fallen into its grips.

Developing affordable homes is a complicated process. Most projects utilize four or five different funding sources, all of which are in short supply. Every year, PHFA receives three times as many applications for Low Income Housing Tax Credits as it has credits to award. Perfectly good proposals to build affordable rental homes are turned down for lack of resources. Others never get submitted because the additional funds needed to complete the budget are not there. A financial investment from the state is essential if we are to meet the housing needs of low income Pennsylvanians. The alternative is the cost of doing nothing – a cost we are already paying.

When people are homeless or live in substandard housing, their health suffers.<sup>17</sup> Because they are low income, the state pays the consequences with Medical Assistance dollars. Children who move frequently fall behind in school.<sup>18</sup> The state pays the cost in its education budget. There is a two-way link between incarceration and homelessness.<sup>19</sup> The state pays for the lack of housing in its Corrections budget. Investing in affordable homes is not only the right thing to do for Pennsylvania's residents, it is the right thing to do for the state's fiscal well-being.

In a normal budget year, finding the funds to invest in affordable homes is difficult. Despite the long-term promise of savings, the state cannot move funds out of Corrections to build affordable homes because the people in prison need to be attended to. The same goes for other area of the state budget that would benefit from people being well-housed.

2021 is anything but a normal budget year. Pennsylvania is receiving \$7.3 billion dollars from Washington via the State Fiscal Recovery Fund. A large portion of this money will be used to fill holes in this year's and next year's budgets. We urge the General Assembly to use some of the remaining funds to invest in affordable housing. There are a variety of ways to fund both development and rental vouchers, and Regional Housing is available to offer our insights and expertise. Please, instead of waiting to see what budget gaps appear two years from now, invest the funds in programs that will make structural changes to the state's expenditures.

In addition to using the federal funds, Pennsylvania should raise the cap on the Realty Transfer Tax contribution to the state housing trust fund known as PHARE.<sup>20</sup> PHARE currently receives a portion of RTT revenue according to a formula, but it is capped at \$40 million dollars per year.

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<sup>17</sup> See, e.g., Robert Wood Johnson Foundation Commission to Build a Healthier America, "Where We Live Matters for Our Health: The Links Between Housing and Health," Issue Brief 2: Housing and Health (September 2008); <http://www.commissiononhealth.org/PDF/e6244e9e-f630-4285-9ad7-16016dd7e493/Issue%20Brief%202%20Sept%2008%20-%20Housing%20and%20Health.pdf>. Krieger, James, et al.,

"Housing and Health: Time Again for Public Health Action," *American Journal of Public Health*, vol. 92, no. 5 (May 2002); <https://ajph.aphapublications.org/doi/pdfplus/10.2105/AJPH.92.5.758>

<sup>18</sup> "The Kids Mobility Project," 1998; <https://files.eric.ed.gov/fulltext/ED453326.pdf>.

<sup>19</sup> Bender, D.; *No Home To Return To*; Housing Alliance of Pennsylvania; 2012.

<sup>20</sup> The Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund, Act 105 of 2010.

Without the cap, PHARE would have received over \$60 million last year. PHARE supports homelessness prevention programs as well as rental vouchers, housing development, and a variety of other housing initiatives.

Here are some other ideas.

1. Fund legal assistance to keep people stably housed. Lawyers can help prevent evictions, which often lead to homelessness. Once a tenant has an eviction on their record it becomes very difficult to rent another home. Lawyers can also address habitability problems, utility delinquencies, foreclosures, and many other issues that undermine low income households' stability.

2. Fund re-entry housing for people leaving incarceration. A major predictor of whether someone will be re-arrested within a year after leaving prison is whether that person has a stable home. Some people will need supportive housing. Others will succeed with a rental voucher. Landlord incentives like a guarantee fund can also help. Let each community decide how to use the funds.

3. Maintain programs such as the Emergency Rent and Utility Assistance Grant Program after the pandemic has passed. The most cost-effective way to house people is to keep them in the homes they already have.

4. While not directly related to homelessness, we also need to invest in Pennsylvania's housing stock with a home repair program. Pennsylvania has some of the oldest housing stock in the country, and many houses are in need of repair. This problem has been exacerbated by the pandemic, which has both decreased the financial security of many homeowners and increased the cost of building materials. Where home repair programs exist, the waiting lists are usually long. Without repairs, homeowners live in unsafe and unhealthful conditions. Some will be forced to move to nursing homes. Some of the houses, especially in weak markets, will be abandoned and contribute to neighborhood blight.

I would like to close with this observation. When I started in this business in 1979, we did not talk about homelessness. It was not that we did not care, it was that homelessness as we now know it did not exist. The phenomenon of thousands of people without a place to live began in the mid-1980's as the result of two things: (1) deinstitutionalization without the promised community supports and (2) a drastic cut in federal funding for housing. Now two generations have grown up thinking that homelessness is a normal part of our society. It is not. It is a policy choice. We know how to end homelessness. We need the resources to do it.

Thank you.