



Testimony to the Senate Democratic Policy Committee December 8, 2021

Home Repairs as an Affordable Housing Solution

Good morning. My name is Cindy Daley. I am the Director of Community Development Initiatives at Regional Housing Legal Services, a nonprofit law firm that provides innovative project and policy solutions to help create sustainable communities offering quality, safe, and affordable homes for lower income Pennsylvanians.

Most discussions about home repairs start with a statement about Pennsylvania's aging housing stock, which is among the oldest in the nation. More than 3.5 million, or almost 69%, of occupied homes in Pennsylvania are over 40 years old.¹ But that does not mean that 3.5 million homes need repair. Most are in good shape. However, when you combine the age of the homes with household income and property value, you get a different picture.

The Institute for Public Policy and Economic Development at Wilkes University (The Institute) studied the housing stock in Luzerne and Lackawanna Counties. They found a strong correlation between the age of homes and their values (older homes = lower values), and the age of homes and household income (municipalities with more older homes also had more lower income residents). They concluded that older, lower valued homes posed health risks, created accessibility challenges, and had a good deal of deferred maintenance.²

It stands to reason that, given the cost of new homes, most lower income homebuyers buy older homes. Some older homeowners are still in the homes they bought more than forty years ago, or their children have inherited those homes. Almost 30% of owner-occupied home - over a million homes - have household incomes under \$50,000 a year. 190,439 have incomes under \$15,000.³ Certainly, many of these homeowners defer maintenance and repairs for lack of resources.

Similarly for rental homes, it is a safe bet that, aside from a small number of newer subsidized apartments, most low-cost rentals are in older properties. As for income, almost a third of 2019 rents were under \$800 a month.⁴ I cannot say how many of these were one-bedroom apartments

¹ American Community Survey (ACS), <https://data.census.gov/cedsci/table?q=&t=Housing&g=0400000US42&tid=ACSST1Y2019.S2504>.

² "The Implications of the Region's Aging Housing Stock", The Institute for Public Policy and Economic Development at Wilkes University, 2019,

³ ACS, <https://data.census.gov/cedsci/table?q=&t=Housing&g=0400000US42&tid=ACSST1Y2019.S2503>.

⁴ Ibid.

in mid-range markets and how many were three bedrooms in lower priced areas. But for many landlords, especially small mom and pop owners, low rents mean little reserve for repairs.

Another factor, as discussed by The Institute, is home value. In 2019, the median value for an owner-occupied property was \$192,000. Yet 20.3%, or 708,852 homes, were valued at less than \$100,000.⁵ Surely some are nice homes in low priced communities. But some are low value because of their condition. Moreover, a low value serves as a disincentive for investment and may make it impossible to get a home improvement loan. Low value may indicate needed repairs for one or more of three reasons: the condition of the property is the reason it is low value, there is an economic disincentive to spending more on a property than it is worth, or rents are insufficient to cover needed repairs.

The confluence of low values, low incomes, and older buildings is frequently seen in communities of color. The attached maps show a significant overlap among areas with low value homes, low income populations, and non-white residents. There is a strong need for home repairs in both white communities and communities of color, but historical concentrations of people of color in lower valued communities – and, in fact, the intentional devaluation of communities of color – mean that there is a disproportionate need for home repair assistance in non-white communities.

Data from home repair programs around the state further illustrate the need. In Philadelphia, the Basic Systems Repair Program has a waiting list of about 1,000 households.⁶ The program serves about 1,500 households each year. Additionally, the City's Adaptive Modifications Program has a waiting list of 1,128.⁷

The nonprofit Rebuilding Together Pittsburgh serves multiple municipalities in the Pittsburgh region. The organization has 662 applications in the pipeline, although some will be denied because the towns the homeowners live in do not have a funding source for home repairs. The number of applications has increased significantly this year but RTP will only serve about 25% of them primarily because of lack of funding. The wait time in communities that do have funding is one and a half to three years.⁸

The need for home repairs is not just an urban problem. Lawrence County's Weatherization Program has 538 households on the waiting list. Applicants generally wait several years for their upgrades. Another 502 households are on the deferred list because their homes have too many health or safety violations to qualify for the Weatherization Program. Lawrence County also offers

⁵ ACS,

<https://data.census.gov/cedsci/table?q=housing%20value&t=Housing&g=0400000US42&tid=ACSDP1Y2019.DP04>.

⁶ Email from George Russell, Director of Home Improvement Programs, PHDC, November 23, 2021, "We currently have 1,882 'expressions of interest' (hotline calls waiting for an appointment with an intake worker) and receive about 300 new [o]nes each month. About ½ of these never respond when they get to the top of the list, so figure 900-1000 right now with another 150 being added each month."

⁷ Email from George Russell, March 24, 2021.

⁸ Email from Katie McAuley, Senior Director of Programs, Rebuilding Together Pittsburgh, November 30, 2021.

lead remediation. The waiting list for that program – also several years long – has 435 households on it. Another 143 are on the deferred list.⁹

In Schuylkill County the numbers are smaller, commensurate with the population, but the need is still great. 400 households are waiting for Weatherization work, and they will wait two to three years. Another 25 households are on the deferred list. There are two small home repair programs in the county for seniors and for people with disabilities. Combined, 100 households are waiting two to three years for help. Pottsville’s home repair waiting list has 33 households on it. In the small borough of Ashland, 24 households are waiting for repairs. Again, the wait list is two to three years.¹⁰

What happens when people cannot get the repairs they need? Some walk away, leaving another vacant property to deteriorate. Some move to unaffordable housing or into nursing homes, often at public expense. When families are forced to move, children fall behind in school¹¹ and parents have difficulty maintaining employment, being forced to choose between looking for a place to live and going to work.¹²

Others stay and suffer the consequences of disrepair, especially on their health. In a 2002 report entitled “Housing and Health: Time Again for Public Health Action”, Drs. Krieger and Higgins wrote:

Each year in the United States, 13.5 million nonfatal injuries occur in and around the home, 2900 people die in house fires, and 2 million people make emergency room visits for asthma. One million young children in the United States have blood lead levels high enough to adversely affect their intelligence, behavior, and development.¹³

Home repair programs prevent these negative consequences.

Low value owner-occupied and rental homes generally fall under the heading of “naturally occurring affordable housing” (NOAH) – unsubsidized, private market homes that are affordable to lower income households. It is vital that we repair and preserve these homes. Pennsylvania has a

⁹ Email from Michael Hughes, Regional Healthy Homes Coordinator, Lawrence County Social Services, Inc., November 23, 2021.

¹⁰ Email from David Young, Executive Director, Schuylkill Community Action, November 18, 2021.

¹¹ Cohen, R. and Wardrip, K., “Should I Stay or Should I Go? Exploring the Effects of Housing Instability and Mobility on Children”, Center for Housing Policy, February 2011. See also, “Kids Mobility Project Report”, <https://files.eric.ed.gov/fulltext/ED453326.pdf>.

¹² Desmond, M. and Gershenson, C., “Housing and Employment Insecurity among the Working Poor”, Social Problems, 2016, available at <https://nlihc.org/resource/housing-instability-increases-likelihood-job-loss>.

¹³ Krieger, J. and Higgins, D., “Housing and Health: Time Again for Public Health Action”, American Journal of Public Health, May 2002, Vol 92, No. 5, p. 1. See also, “Weatherization and its Impact on Occupant Health Outcomes”, Green & Healthy Homes Initiative; “Where We Live Matters for Our Health: The Links Between Housing and Health”, Robert Wood Johnson Foundation Commission to Build a Healthier America, September 2008, <http://commissiononhealth.org/>; Wright, J., et al, “Association of Prenatal and Childhood Blood Lead Concentrations with Criminal Arrests in Early Adulthood”, PLoS Medicine, May 2008, Vol 5, Issue 5, www.plosmedicine.org; “Not Safe at Home: How America’s Housing Crisis Threatens the Health of Its Children”, The Doc4Kids Project, Boston Medical Center Children’s Hospital, February 1998.

shortage of 270,038 rental homes that are both affordable and available to extremely low income¹⁴ households.¹⁵ While we need to develop more affordable rentals, we cannot afford to lose the ones we currently have. Similarly, lower income homebuyers are being priced out of the market. NOAH homes are a good option. Replacing lost NOAH properties with subsidized rental or homeownership properties is very costly. It is much less expensive to help owners preserve and repair NOAH homes than to build new ones.

While the need for home repairs predates the pandemic, COVID has made addressing that need urgent. Will new variants mean new stay-at-home orders? Even without such orders, many people, especially medically vulnerable people, choose to avoid crowds and spend more time in their homes. Unfortunately, this increases people's exposure to mold, asthma triggers, fall and burn risks, and other hazards attributable to disrepair. Some of these conditions, like asthma, make people more susceptible to complications from COVID.

Moreover, the decreased financial security of many property owners and increased cost of building materials caused by the pandemic have made matters worse. Despite recent price decreases, the cost of softwood lumber is still almost 72% higher than it was in January of 2020.¹⁶ Many suppliers of various building materials have announced new price increases.¹⁷ More and more property owners will need help maintaining their homes.

We need a statewide home repair fund to help property owners upgrade basic systems, make accessibility modifications, and remediate lead. This is an investment that is good for Pennsylvania's property owners and for the commonwealth's fiscal well-being. There is a cost of doing nothing that we are already paying.

- When people live in substandard housing, their health suffers. We pay for poor housing with Medicaid dollars.
- Children who move frequently fall behind in school. We pay for housing instability with education dollars.
- Children who are lead poisoned may need public supports all their lives, including special education and Medical Assistance, again, at public expense.
- There is a correlation between lead poisoning in babies and involvement with the criminal justice system in early adulthood. We pay with policing and corrections dollars.
- People with mobility impairments who cannot live safely in their homes often go to nursing homes. We pay hundreds of thousands of dollars per year for what is a \$10,000 one-time investment in each home.

¹⁴ "Extremely low income" means households at or below 30% of the area median income (AMI). As an example, 30% of AMI for a family of four in the Harrisburg-Carlisle area is \$26,500.

¹⁵ Rental Housing Affordability Data Tool, Federal Reserve Bank of Philadelphia, <https://www.philadelphiafed.org/surveys-and-data/community-development-data/housing-data-dashboard>.

¹⁶ National Association of Home Builders, <https://nahbnow.com/2021/08/building-material-prices-climbing-at-record-year-to-date-pace/>.

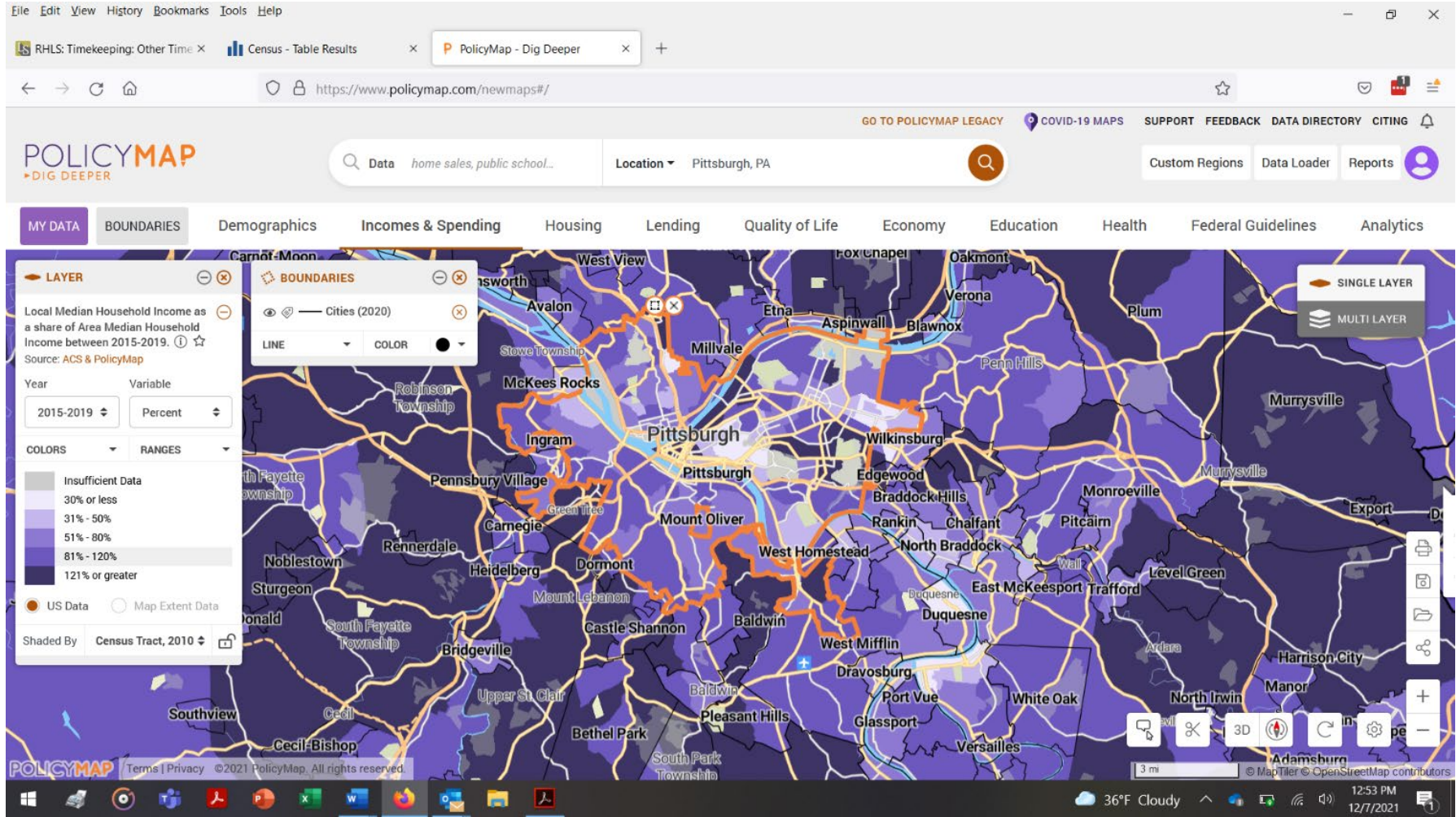
¹⁷ <https://www.marjam.com/news/>

By investing in home repairs, we can improve Pennsylvanians' quality of life, promote housing stability, preserve affordable homes, and save the Commonwealth money. With the federal funds currently available, now is the right time to do so.

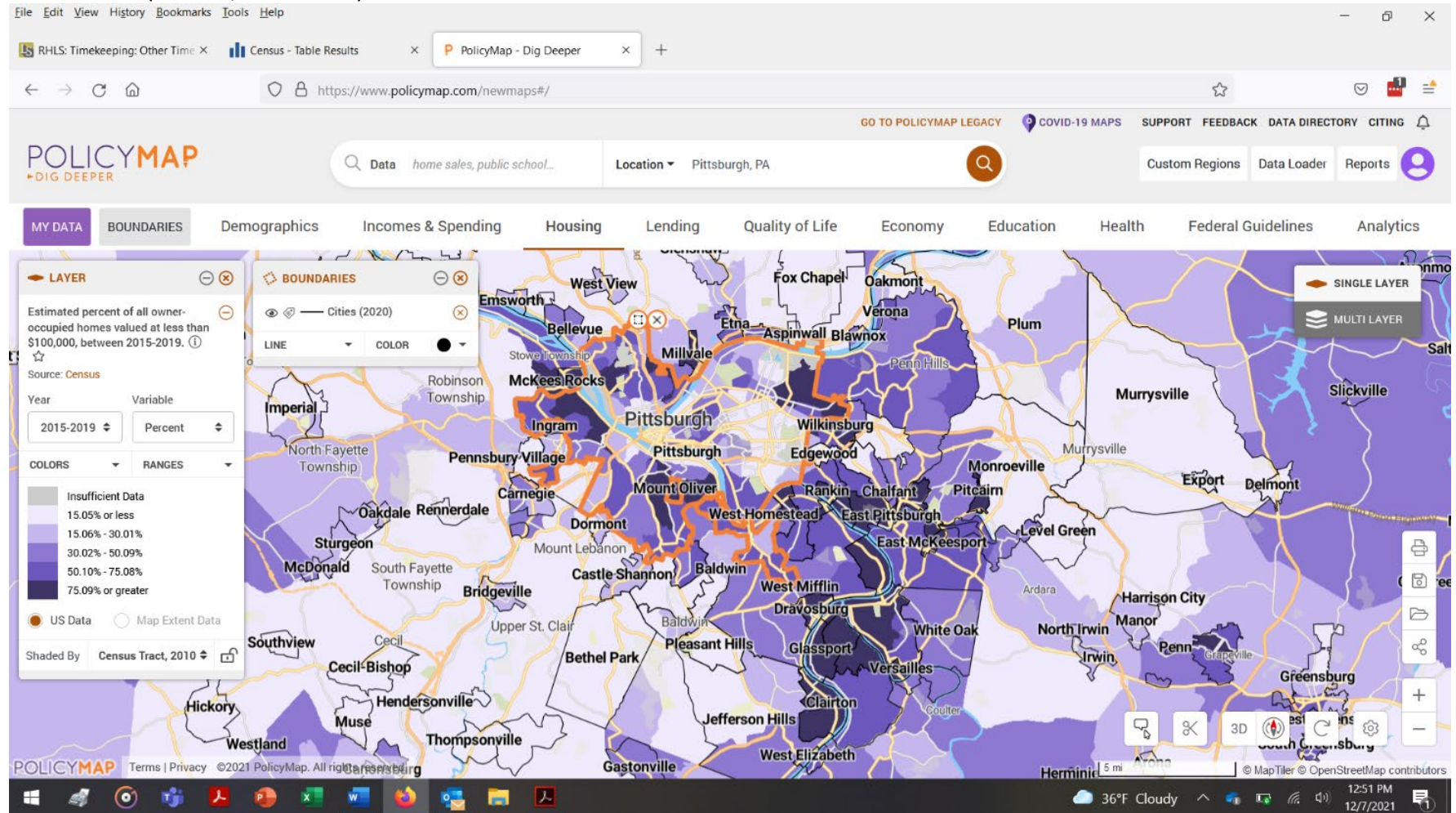
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Pittsburgh – Income, Home Value, & Race

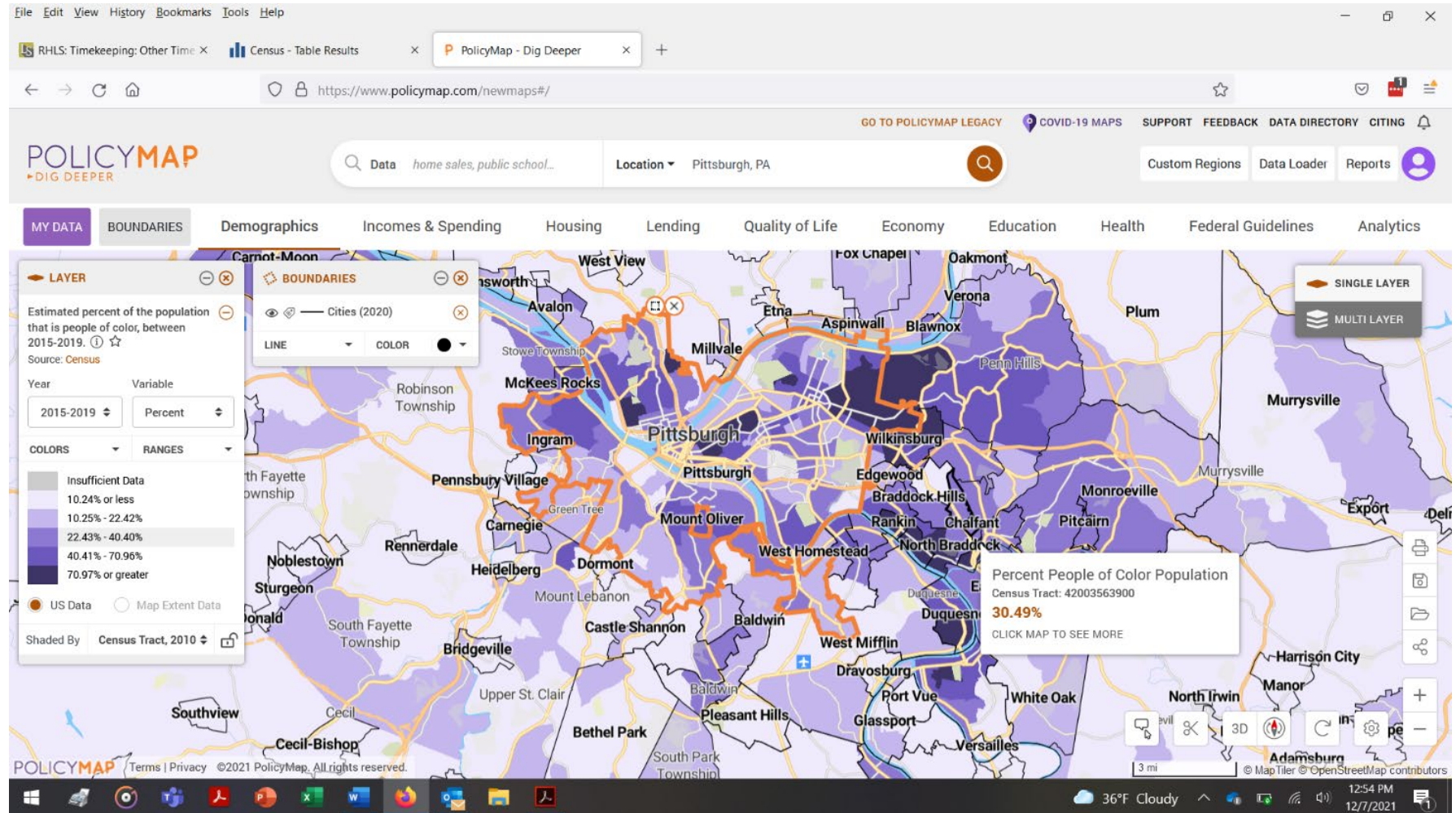
Area Median Income



Home Value (% \$100,000 or Less)

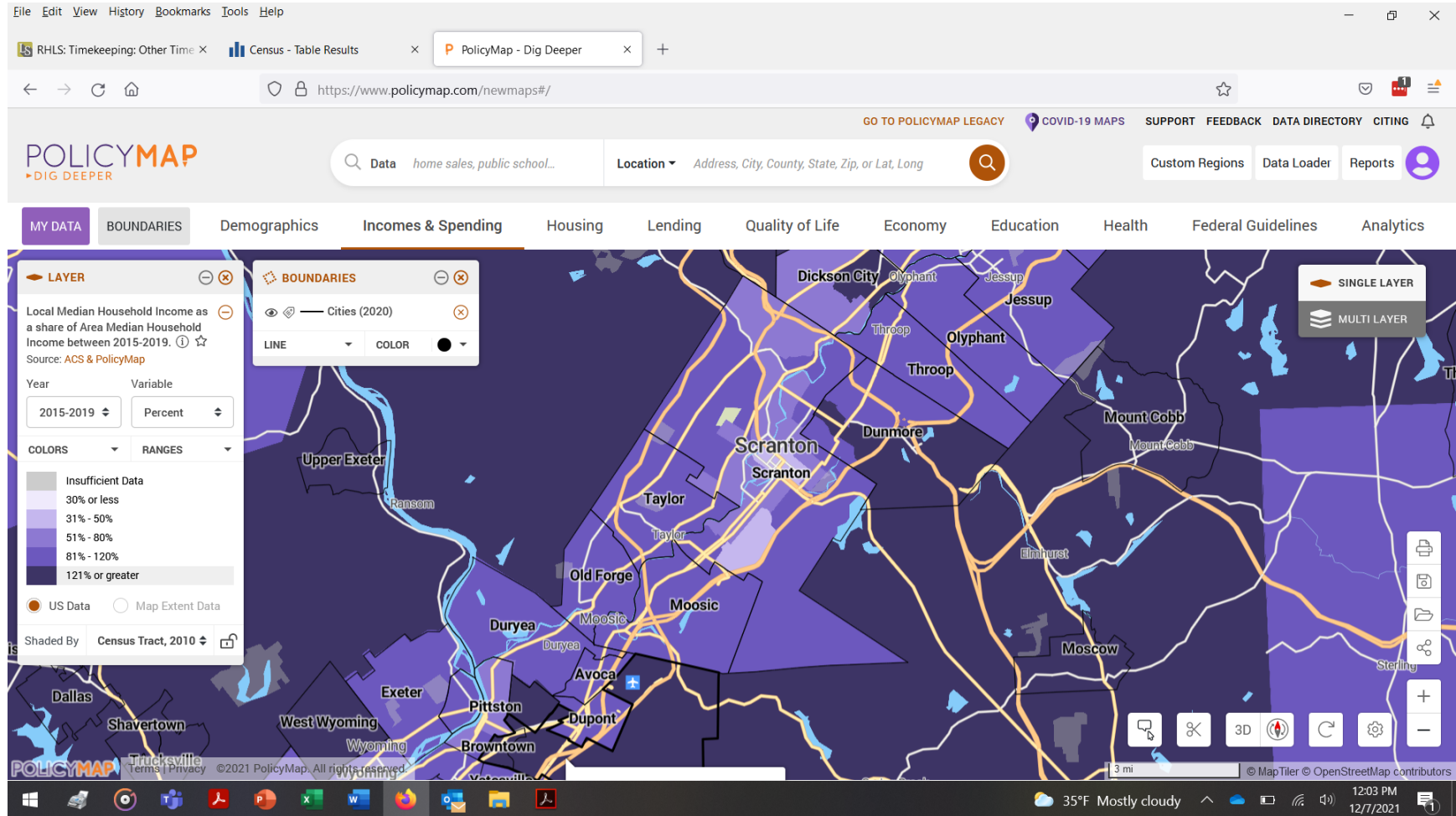


Non-White Communities

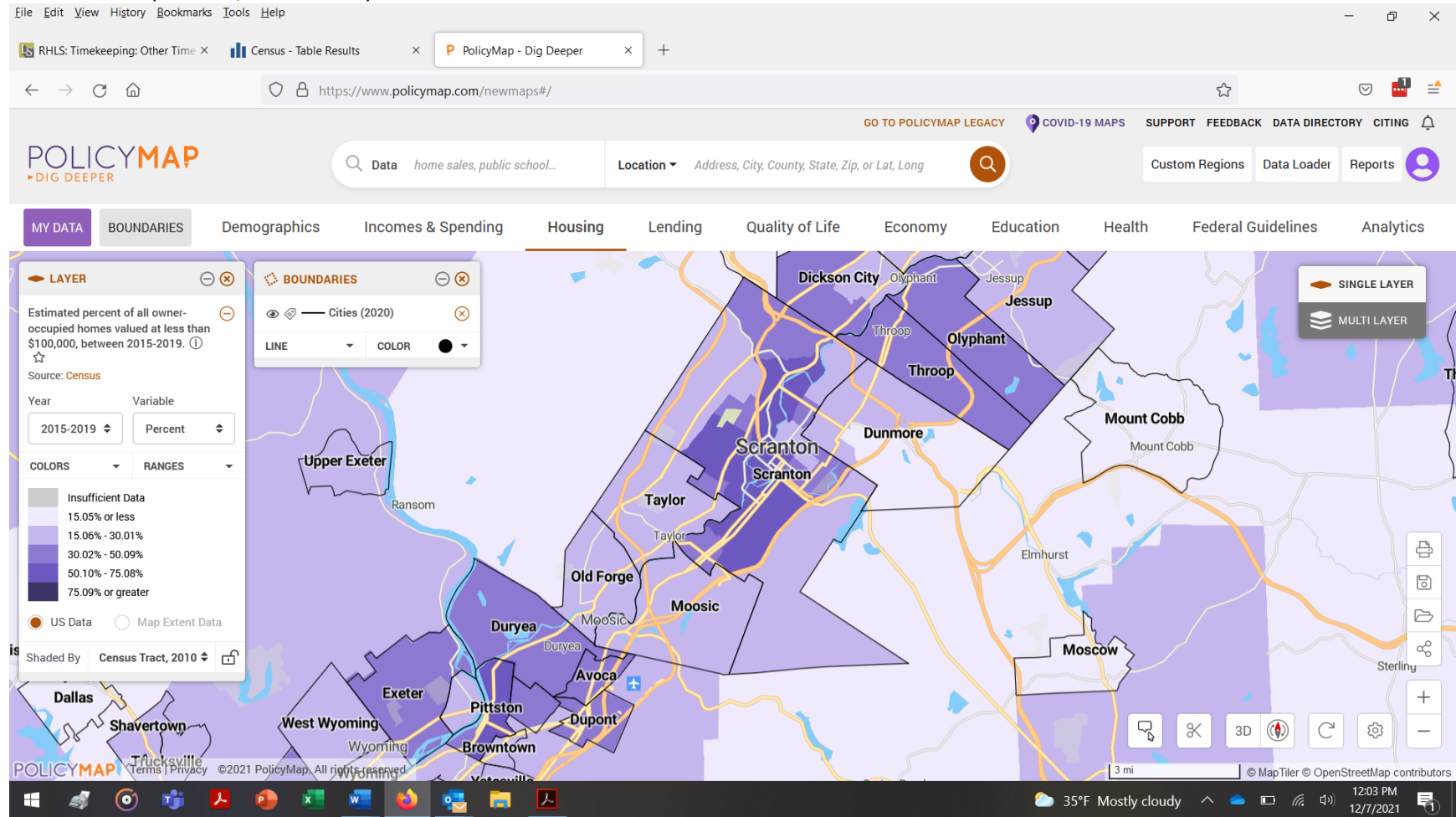


Scranton – Income, Home Value, & Race

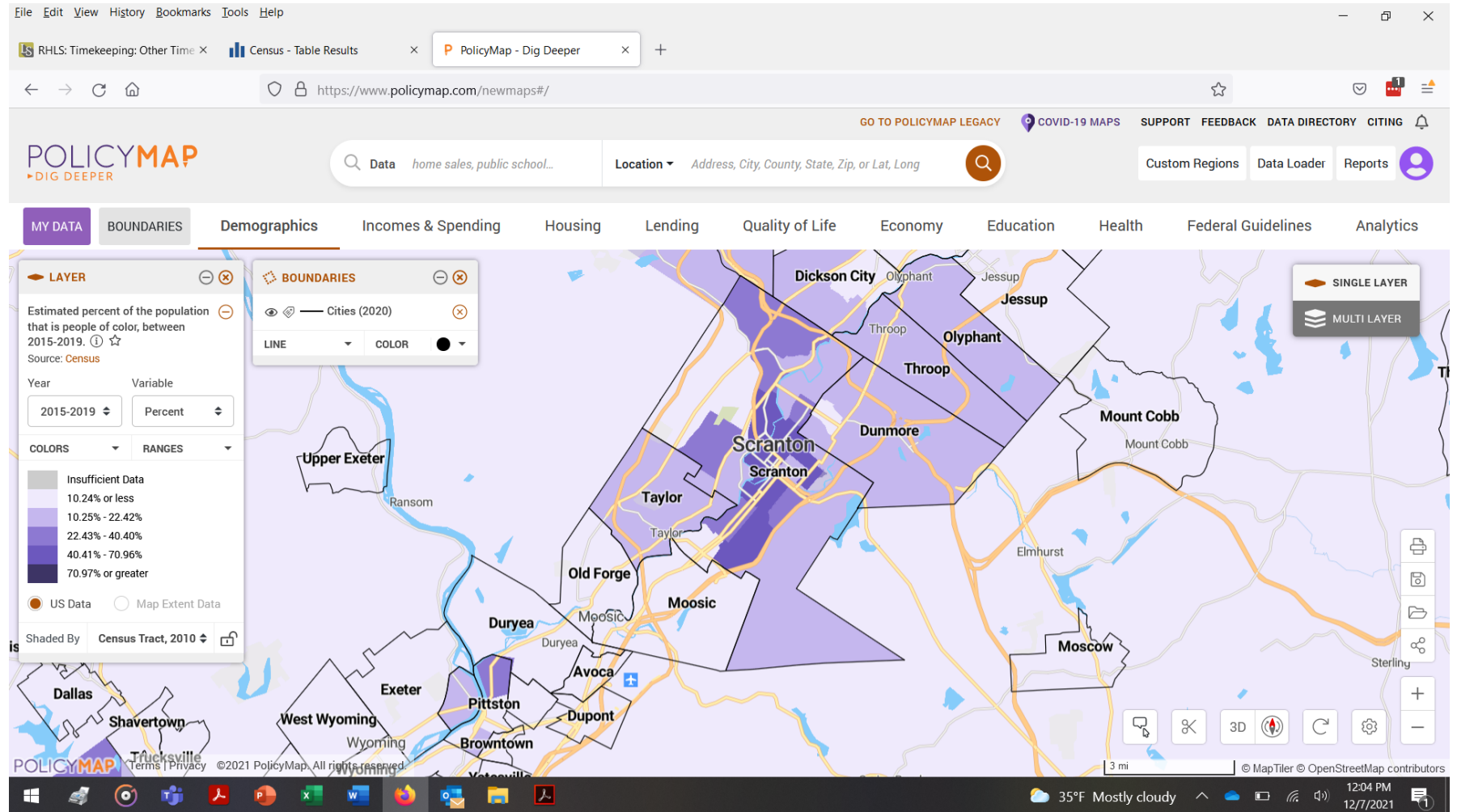
Area Median Income



Home Value (% \$100,000 or Less)

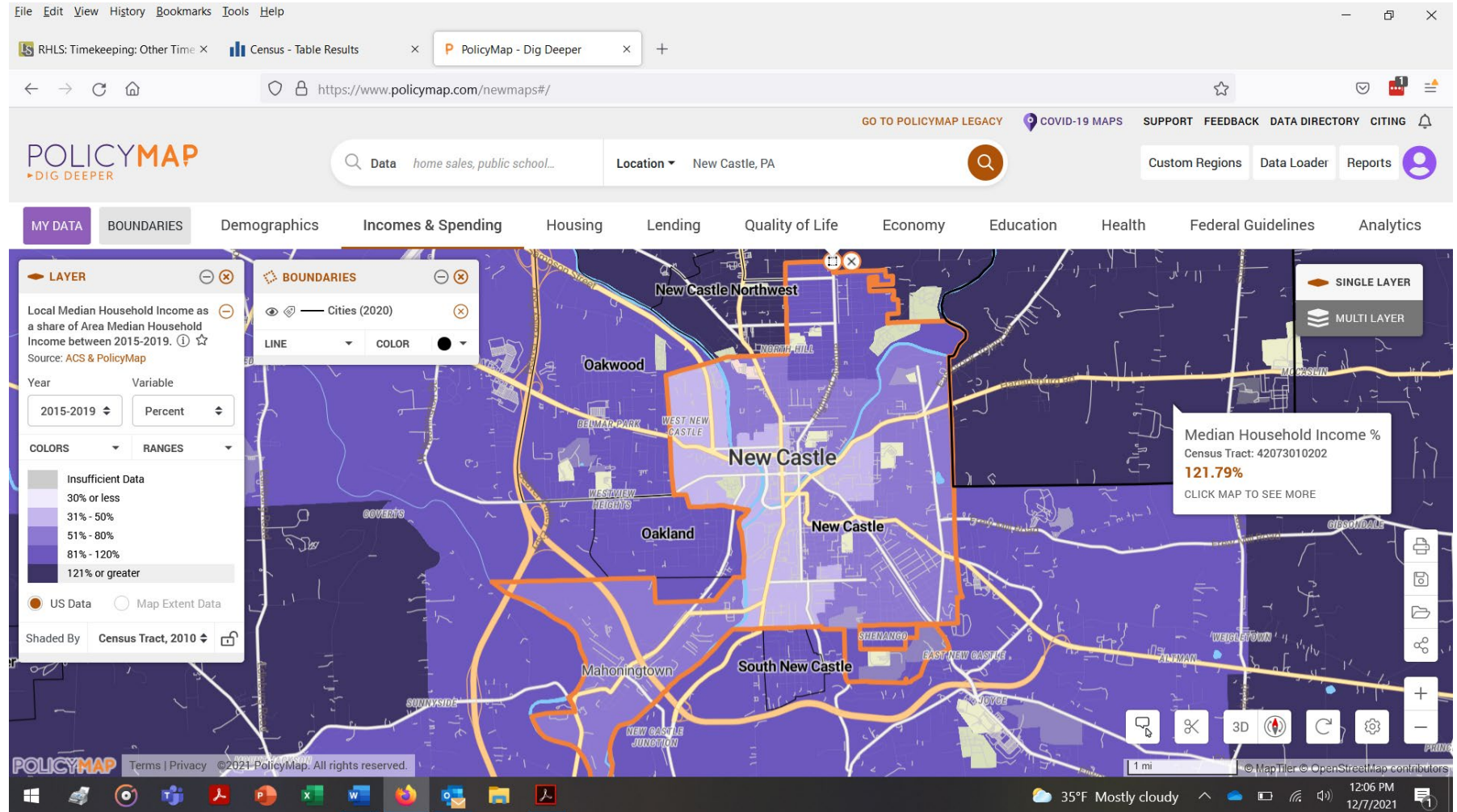


Non-White Communities

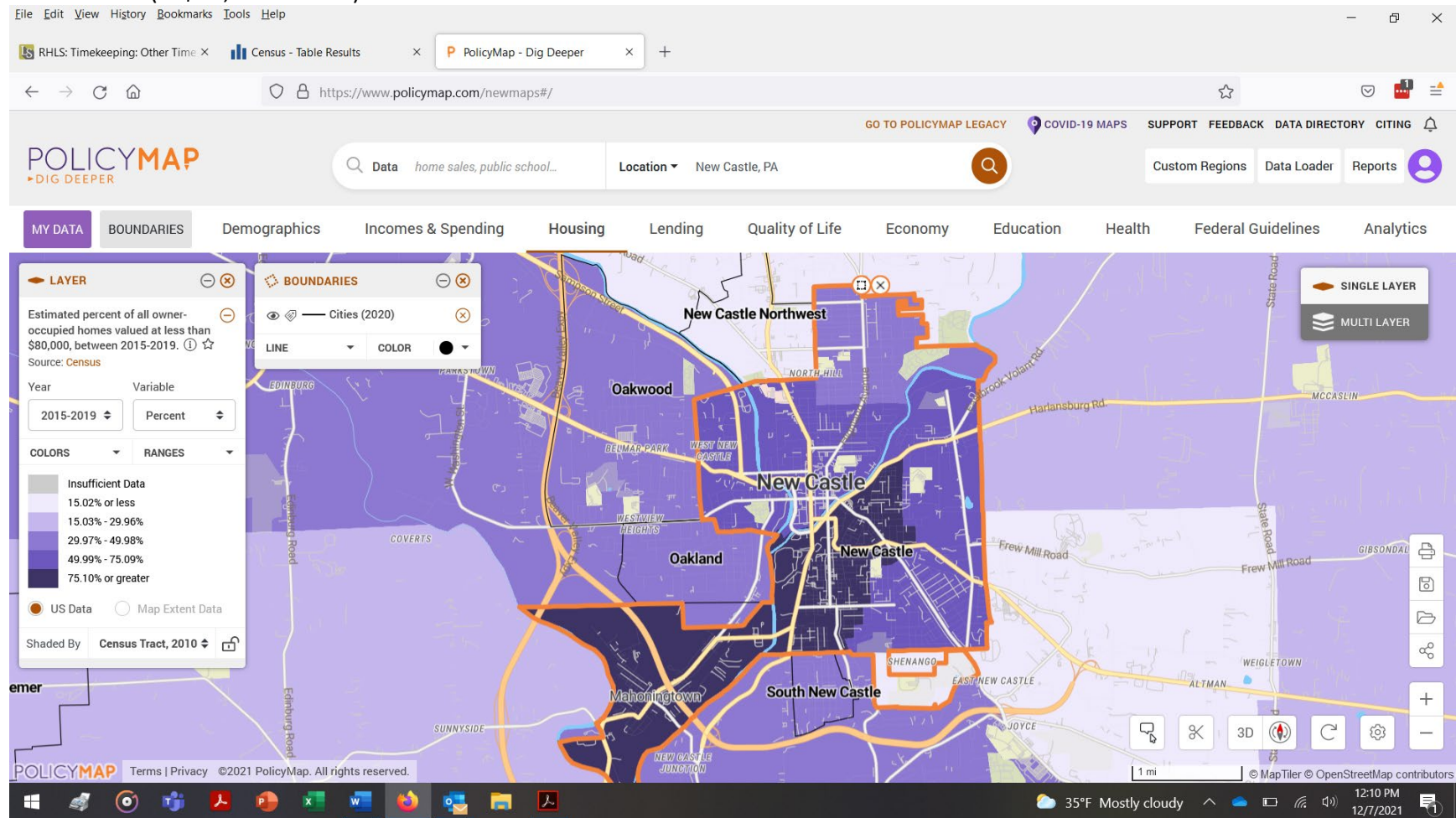


New Castle – Income, Home Value, & Race

Area Median Income



Home Value (% \$80,000 or Less)



Note: This map uses \$80,000 instead of \$100,000 because of lower property values overall.

Non-White Communities

