Pennsylvania Senate Democratic Policy Committee Hearing on Eviction Record Sealing Pittsburgh, Pennsylvania February 15, 2024 Testimony of the Housing Alliance of Pennsylvania Aaron Zappia, Director of Government Affairs

I thank Leader Costa, Chairwoman Muth and all the members of the Senate Democratic Policy Committee for holding today's hearing on forthcoming legislation to provide an Order of Limited Access for Pennsylvanians with court records of eviction filings.

The Commonwealth maintains policies—mostly related to our court and criminal justice systems—that unwittingly work to maintain the cycle of poverty, placing families in a multigenerational struggle. Despite the General Assembly's work in recent years to rebalance the criminal justice system, little attention has been paid to civil court records—specifically eviction records—that prevent individuals from accessing the basic human need of housing. In many instances, we have civil court filings that present an even greater challenge to the individual than certain criminal records.

Despite 26% of Pennsylvania eviction cases resolved through withdrawal, settlement, dismissal, or finding for the tenant, the initial eviction filing remains on one's record without a legal remedy available to limit access. The resulting dilemma for the tenant is that every future potential landlord will access their eviction filing record. With little interest in the context or outcome of the case, the tenant's application for housing will almost always be denied. Without access to safe, healthy, and affordable rental units, those with eviction records are usually forced into housing of last resort or end up experiencing homelessness.

The Housing Alliance recommends that all eviction case filings resulting in a favorable outcome for the tenant—withdrawal, dismissal, settlement or finding for the defendant, be granted a permanent Order of Limited Access. Furthermore, we recommend that all eviction filings be placed under Limited Access from the time of filing until and unless a tenant loses their case in court.

In keeping with precedent of Pennsylvania's Clean Slate Law which limits access to certain criminal records and credit reporting protocols that drop bankruptcy filings after seven years, the Housing Alliance maintains that all eviction filings should be placed under an Order of Limited Access following an appropriate time period.

The Commonwealth's laudable efforts to provide former offenders with a second chance have been largely founded on addressing employment eligibility. The Clean Slate initiative followed a turning point in criminal justice policy that prioritized rehabilitation over incarceration and an opioid epidemic that landed many non-violent drug offenders in incarceration without access to adequate recovery resources. The General Assembly accepted a second chance policy in response to overwhelmed prisons, a need for cost savings, and a growing number of otherwise work eligible former offenders barred from employment. Research shows that without gainful employment, former offenders have little chance for permanent recovery and a far greater chance of reoffending.

Similarly, a growing body of evidence demonstrates that poor housing conditions have a negative effect on a families' prospects for economic stability, good health outcomes, and academic success. In the same way that criminal histories can cripple positive future outcomes, a mere eviction filing—without any decision rendered by a court can have a lifelong negative impact. This represents a clear imbalance in our justice system.

A core function of government is to remove barriers to success and recovery for underserved populations. The General Assembly has already executed this ethos in some of the most e challenging areas of law, but has failed to provide a simple legal remedy in civil proceedings that prevent access to a basic need of shelter.

More than 114,000 Pennsylvanians had evictions filed against them between the summers of 2022 and 2023. Providing an Order of Limited Access to all cases that are settled, withdrawn, dismissed, or found for the defendant, approximately 35,000 individuals would immediately benefit from this policy change and every year going forward.

As evictions soar in Allegheny County, Pa., a sense of urgency permeates

Jacob Geanous Pittsburgh Post-Gazette Feb 11, 2024

https://www.swoknews.com/ap/national/as-evictions-soar-in-allegheny-county-pa-a-sense-of-urgency-permeates/article_d0388930-d7ea-554f-aa63-a9c4e5a15738.html

Cetoya Nuell and her five children have been couch surfing for months ever since the single mother was evicted from her federally subsidized first-floor apartment in the dilapidated Hays Manor complex.

Nuell, 46, was locked out of her McKees Rocks apartment in November after losing her job at Mac Discount over the summer and accumulating thousands of dollars in back rent she owed the Allegheny County Housing Authority — which manages the rundown apartment building the county hopes to demolish, pending approval from the U.S. Department of Housing and Urban Development.

Nuell lived in the apartment for a decade before her eviction but, since January, has been staying with a friend in Beltzhoover with her children, ages 17, 16, 13, 9, and 4.

"Me and my kids are practically still homeless," Nuell said. "I didn't even have the money to appeal (the eviction) because I was unemployed."

Nuell and her family are not alone.

The number of Pittsburgh-area residents struggling to make rent spiked in the wake of COVID-19 as county landlords filed evictions last year claiming historic amounts in back rent.

The number of evictions filed in the county jumped nearly 20% last year, from 11,115 in 2022 to at least 13,225 in 2023 — a return to the annual number of evictions the county saw in the years leading up to the pandemic, which was between 13,000 and 14,000 on average, according to eviction data compiled by the Create Lab at Carnegie Mellon and county data.

Although the total number of eviction cases filed in the county has reached, but not exceeded, pre-pandemic levels, the amount of money landlords are claiming is owed to them each month is the highest in more than a decade.

Allegheny County landlords claimed a combined average of \$2.8 million owed each month through eviction filings last year — over \$1 million more than the average amount of \$1.64 claimed each month between 2012 and 2020, according to county data.

While evictions are experiencing a rebound, many renters have been able to make ends meet with the help of millions in assistance that has been used as a stopgap.

Last year alone, at least \$14 million in emergency assistance was doled out to struggling renters, according to Kyle Webster, general counsel for Action Housing, which manages and allocates at least five different sources of housing funding.

"Coming out of this pandemic, which was a true crisis, even though tenants are getting income again, inflation led to unprecedentedly high living expenses including some severe increases in rent and this has led to people just not being able to afford their housing," Webster said. "What has happened has been truly devastating for a lot of people."

'The conditions were hell'

Nuell said she received \$4,000 in federal funding through the federal Family Self-Sufficiency program, which offers rental assistance to those in public housing, but never put it toward her back rent because she did not consider the apartment to be a healthy environment for her children.

Nuell said the apartment experienced flooding and had issues with mice, and said she begged to be moved to a different unit, to no avail.

"The conditions were hell," she said. "I thought when I entered public housing it would give someone like me, a single mom whose income does fluctuate, a chance to grow and get it right, so I wouldn't worry about being homeless with my kids, but it didn't work out for me."

Nuell is now trying to scrape together the funds for daycare so she can pursue full-time employment to get back on her feet.

"There's supposed to be places built for people like us," Nuell said.

And while some have been locked out of what was once their home, others have stayed behind to fight their evictions.

Barbara Powell, 64, said she fell behind on rent for her apartment in the Crescent Hills neighborhood of Penn Hills while helping others — including her sister, best friend and son-in-law — keep up with their bills.

Powell was evicted by her landlord, Lobos Management, in January, but has since appealed it and countersued the company, claiming her apartment had persistent issues with mold and flooding.

In the meantime, she's been staying in the apartment.

"I'm so stressed out," Powell said. "I'm out there looking everyday to get out of here because I come in this house and I get depressed, but I got nowhere else to go. Nobody wants to leave their house to go live with somebody else, especially when you're an independent person like myself."

It's not the first complaint about the management company, which filed at least 230 evictions last year.

In June 2022, Chris Keach, a resident of a Lobos Management-owned apartment in Oakland, told the Pittsburgh Post-Gazette a broken water heater flooded the basement and the ceiling had collapsed two-years prior — only to be fixed days after the Post-Gazette raised questions about it.

"We always prefer to work with someone when they fall behind," a Lobos Management spokesperson said in a statement. "Filing a legal action is a tool of last resort that we use only when all other efforts have failed, and after payments are delinquent for multiple months."

Lobos Management is not the only private landlord company that has been filing evictions at an increased rate.

Leland Point, which filed 266 evictions in 2019 — more than any other private company that year — filed nearly 400 evictions in both 2022 and 2023.

The company owns a 1,050-unit housing complex, the Alden South Hills, in Baldwin Borough.

Disproportionate impacts on people of color

While evictions like the case against Nuell and Powell have been occurring all over the county, both in and out of public housing, they are hitting communities of color particularly hard.

Evictions are being filed most in the few area zip codes where the majority of residents are Black, including in the 15132 zip code McKeesport and the 15221 zip code in the Wilkinsburg area, two areas that saw a combined 1,650 evictions filed in 2023, Eviction Lab data shows.

"Based on the racial demographics of Allegheny County, we do see a higher percentage of people of color pursuing rental assistance," Webster said. "Poverty disproportionately affects people of color and evictions affect those living in poverty."

Housing officials and advocates said unpaid rent that accumulated through the federal eviction moratorium, which began during the pandemic in September 2020 and ran through August 2021, was intensified by inflation and job loss. The combination — which has impacted Allegheny County more than any other county in the state — has contributed to the swelling cumulative back rent.

Rich Stephenson, CFO and COO of the Allegheny Housing Authority, the largest public housing agency in the county, which maintains approximately 3,300 units, said unpaid balances continued to accumulate during the moratorium.

The moratorium meant tenants couldn't be evicted for nonpayment of rent if they showed "good faith" efforts in attempting to pay, although it left an estimated 400,000 across the state at risk for eviction when it ended, officials said.

Residents of low-income public housing — who are charged 30% of their total income for monthly rent by housing agencies subsidized by HUD — have been at an increased risk.

Stephenson said many tenants did not notify the agency when they lost their job or their income was reduced, resulting in the continued accumulation of monthly rent amounts they were no longer able to afford.

'The rent was still being charged even though they weren't required to pay the rent to us so that increased their balances," Stephenson said. "Maybe, since they lost their job, they could have come in and, instead of their rent being charged \$300 or \$400 a month, it would have been charged \$50. Many residents didn't do that."

In a shift from pre-pandemic trends, evictions filed by public housing agencies — the Allegheny County Housing Authority, the Housing Authority of the City of Pittsburgh, and the smaller McKeesport Housing Authority — made up a much smaller percentage of overall filings in 2023, according to county data and eviction data compiled by the Create Lab at Carnegie Mellon. That agency has been compiling figures on filed evictions throughout the pandemic.

The three agencies filed for a combined 1,994 evictions in 2019 — HACP with 985 filings, ACHA with 643, and the McKeesport Housing Authority with 366 — making up just under 17% of the 13,064 total evictions filed that year.

Private landlords also accounted for 72% of evictions the year before the pandemic and the remaining 12% were filed by owners of other HUD-assisted properties, including the Brandywine Agency, which partners with local housing authorities to provide housing subsidized by the federal government.

Last year, less than 5% of evictions filed in 2023 were from public housing agencies, although that number is expected to increase in 2024.

'We can't go another year of this'

Housing officials said that the larger public housing agencies — the HACP and ACHA — have been able to stave off hundreds of evictions thus far through mediation and repayment programs, as well as by connecting tenants with rental assistance resources.

Most of that relief, however, can only be obtained by a tenant once they are either evicted or begin a mediation process, which can take months.

Stephenson said, instead of filing an eviction against a tenant who was one or two months behind on rent, the ACHA has been able to hold off upwards of six months while the tenant waited for assistance, such as the federal Emergency Rental Assistance Program, which earmarked \$1.3 billion for renters' assistance across the state in 2021, or the FFS program.

Katie Sauer, assistant director of finance and accounting for ACHA, said the agency has engaged in mediation with approximately 500 tenants since May 2022 and have helped about 750 tenants obtain nearly \$2.6 million in combined assistance through ERAP and other programs since the start of the pandemic.

Stephenson said the larger housing agencies are more able to absorb the hit they take in missed rental payments during the mediation process due to their larger budgets, while it would devastate a smaller housing authority like McKeesport.

"You can absorb some losses, you can't do it too long or you run into a financial situation that eventually happens," Stephenson said.

"You knew you were eventually going to get that ERAP money to help that person pay the back rent because you didn't want to evict them, just socially you didn't want to evict them to disrupt their lives especially if there were children and school districts involved," he said.

However, the smaller McKeesport Housing Authority has not been able to wait that long.

"They would be bankrupt ... McKeesport just couldn't support that," he said.

McKeesport Housing Authority Solicitor James Creenan said rent delinquency rates spiked following the pandemic and there was little interest from tenants in a pilot mediation program the agency conducted in early 2023. Half of the 10 tenants with delinquent rent who signed up for the program fell back behind on rent within eight months.

"In our experience, the eviction process is a much more efficient process, but it also affords the tenant a fair opportunity to address any reasons for the delinquency, including two levels of appeal with the opportunity to 'pay to stay' at any stage," Creenan said.

However with COVID-era rental assistance drying up and hundreds of tenants behind on as much as eight months rent, Stephenson said evictions filed by the agency are predicted to spike.

"We can't continue to absorb this so you're going to see our evictions going up," Stephenson said. "We can't go another year of this."