



State Representatives David Leland & Jeffrey Crossman

Sponsor Testimony – House Bill 562

Chairman Hambley, Vice Chair Patton, Ranking Member Brown, and members of the House Civil Justice Committee, thank you for allowing us to provide sponsor testimony on House Bill 562.

We're coming before you today, during this, the week after Thanksgiving, and the first week of snow here in Ohio. While this holiday season we may not have gotten the opportunity to spend time with as many friends and family members as we would've liked, we can surely be thankful that we have a warm place to go home, a roof over our heads, and a comfortable bed to sleep in at night.

House Bill 562 is about preserving those modest necessities for the growing number of Ohioans with no place to turn during the Covid recession. This bill would institute a full moratorium on evictions and foreclosures for the duration of the COVID-19 State of Emergency here in Ohio. So, it would make sure people can stay in their homes during this winter.

This may sound like a radical approach to some of our conservative colleagues, but we'd like to make a few points that illustrate that this isn't just the humane thing to do – it's not just us asking you to embrace the holiday spirit. Instead, as we survey the landscape after these tumultuous nine months and ahead of next year's budget negotiations, this is a way to save numerous low-income Ohioans from unimaginable hardship, it's a way to reduce the burden on our hospital systems when they're stretched to the breaking point, and it's ultimately the fiscally responsible thing to do as well.

As you know, the Covid recession has been unlike any recession in recent memory. It's decimated some sectors of our economy, while leaving others largely untouched. Office jobs, sales jobs, and manufacturing jobs are doing well – and consumer spending on goods nationally from January to September was up 7.2 percent. But spending on services has plummeted – down 6.1 percent nationally from January to September, and the service sector has been decimated as a result. This has created a decidedly unequal effect on our workforce.

To put it in perspective, we lost about 22 million jobs nationally in March and April. We've gained back about 12 million of those, so we're still down 10 million jobs from the beginning of the pandemic. Of those 10 million, 9 million of the jobs that haven't come back are in the service sector. To paint this picture another way, seven months after the pandemic began, the number of jobs available for the highest quarter of income-earners was actually up a few percentage points; but over 20 percent of the jobs available for the bottom quarter of income earners had evaporated.

So what we've seen is a crushing economic crisis that has left the highest-earning Ohioans largely untouched or even better off than they were before, while on the other hand, the most vulnerable Ohioans – tip workers, gig economy workers, and hourly wage-earners – to endure the concentrated effects of massive job losses and reductions in hours. It's a terrible cocktail. The people who are most vulnerable in our society, the folks with the least in savings, are precisely the people forced to bare almost the full weight of this economic catastrophe.

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So my colleague has set the stage, and I'll come back to why the situation for working class and low-income Ohioans is about to get much, much worse. But I want to take a moment to talk about the cost of evictions and transient living arrangements during the pandemic, both for individuals and for Ohio as a whole.

Eviction for non-payment, or even forced relocation due to the threat of eviction, is almost always a catastrophic event for a family. We can all understand that if you don't have enough money to make your rent payments, it's not likely you have money to easily make a security deposit and a first month's rent, much less pay for the other necessary costs required to take care of a family these days – your car payments, your insurance, your phone bill, food, God forbid medical costs, and other necessities like diapers or baby wipes. An estimated 25 percent of those who are evicted wind up in a homeless shelter, but even families that don't often find themselves permanently behind the eight ball.

Evictions force children to change schools and miss school days, they sometimes cause children to enter the foster system, and they dramatically increase rates of juvenile delinquency. And, one final grim statistic: according to McKinsey, your likelihood of dying from Covid-19 is almost five times higher if you have severe housing problems. That's a greater increase in risk than any other socioeconomic factor, including unemployment, incarceration, poverty, or food insecurity.

That's the incredible cost borne by the individuals who experience eviction and housing displacement. But the societal cost is immense as well.

The Federal Reserve estimates that 225,000 Ohioans are at imminent risk of eviction (their estimate is extremely low compared to others). Based on that number, the National Low Income Housing Coalition estimates that, after the cost of emergency shelter, emergency medical care, inpatient medical care, foster care, and juvenile delinquency, the cost to taxpayers will come to more than \$2 billion. That's a \$2 billion bill we'll have to pay if we can't put a stop to this crisis.

To make matters worse, we know that evictions dramatically increase both rates of Covid infection and rates of Covid mortality. Ohio never implemented a statewide eviction moratorium, but 43 other states did. States that did, and then let their eviction moratoriums expire, saw on average a corresponding increase of 2.1 times as many cases, and 5.4 times as many deaths from Covid-19.

Finally, aside from the monetary cost and the cost to public health we incur as a result of evictions, the sudden displacement of low-income residents from their neighborhoods also often breeds another societal cost for us to bare: violence. In Columbus, we may already be seeing those results. We saw 51 murders from June to August, which is more than the past two summers combined.

~~The urban studies pioneer Jane Jacobs wrote, “The public peace — the sidewalk and street peace — of cities is not kept primarily by the police, necessary as police are. It is kept primarily by an intricate, almost unconscious, network of voluntary controls and standards among the people themselves, and enforced by the people themselves.”~~²

Neighborhoods are held together by people who are invested in them. When evictions remove those people, it destroys that unconscious network serving to reduce crime and stop problems before they start. So a single eviction can destabilize entire city blocks.

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We are already living in a time of great economic hardship for low-income Ohioans. In November, when Franklin County distributed their portion of the \$50 million in CARES Act money to help low-income Ohioans, those funds were entirely committed in just two days. But, as we approach the holidays, things for low income Ohioans are about to get much, much worse.

On December 26th, the final two unemployment programs from the CARES Act are set to expire. In November, we had just over 500,000 Ohioans filing continuing unemployment claims. Of those 500,000, over 350,000 were on either PUA or PEUC, meaning 70 percent of unemployed Ohioans are set to lose their only source of income when they expire on the day after Christmas. Then, less than a week later on New Year’s Eve, the CDC’s pseudo-moratorium on residential evictions will also expire. So just as Covid case numbers are exploding and our hospitals are filling, and just as the coldest parts of winter are setting in, hundreds of thousands of Ohioans are set to be stripped of the last remnants of the safety net Congress put in place back in March.

A moratorium on evictions is not a long-term solution. But it would let people stay in their homes until winter passes, until another stimulus is on the way, until a Covid vaccine is being distributed, and until the service industry starts to recover in earnest. For so long, this was a disease we didn’t understand that forced us to operate on an indefinite timeline. We didn’t know how long people needed to hold on. We didn’t know when jobs would come back and consumer confidence would return. But now, finally, we know a vaccine is coming. It would be an entirely preventable tragedy to let so many of our fellow Ohioans fall into the ranks of the impoverished, the chronically homeless, or those tragically lost forever to this virus when we can finally see the light at the end of the tunnel.

We should help low-income Ohioans across the finish line – because it’s the fiscally responsible thing to do, because it’s the epidemiologically sound thing to do, and because it’s the right thing to do.

Thank you, and we will now answer any questions you may have.