



State Representatives David Leland & Jeffrey Crossman

Sponsor Testimony – House Bill 20

Chairman Hillyer, Vice Chair Grendell, Ranking Member Galonski, and members of the House Civil Justice Committee, thank you for allowing us to provide sponsor testimony on House Bill 20.

Thank you for taking the time today to listen and discuss the need for this legislation. My joint sponsor and I feel that this legislation is increasingly necessary as the harsh winter months continue here in Ohio. 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 20 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 and for 60 days after here in Ohio. The legislation would ensure people can stay in their homes during the winter and allow renters to catch up on missed payments or negotiate payment plans.

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 is a necessary action. As we survey the landscape after this tumultuous year 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.

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. This view may seem unfair to lenders or landlords. However; in time of crisis, disruptions to families also leads to disruptions in employment and employability, long term costs to our economy, and lost opportunities for the people impacted by the pandemic.

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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 or mortgage 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.

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.

Neighborhoods are held together by people who are invested in them. When evictions and foreclosures 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. This legislation does not stop someone being evicted for engaging in criminal activity on the premises, damaging the property, threatening the health and safety of other residents, or any other contractual obligation of the rent. We have already seen an uptick in crime and domestic violence since the beginning of the pandemic. This increase in violence only puts even more undue burden on first responders, homeless & women's shelters, food pantries, and teachers that are already strapped for critical resources.

To sum up what my colleague and I are trying to convey is how a moratorium of foreclosure and evictions could affect so many other aspects of how Ohioans are trying to navigate the challenges of the pandemic. This legislation will fill wide gaps in the federal eviction moratorium which President Biden recently extended. Here are a few key example of how this legislation differs and expands on the intentions of the federal moratorium:

HB 20 covers not only renters but home owners, it is a moratorium for foreclosures as well as evictions – something the federal moratorium does not do. Other differences include that the federal moratorium requires a formal declaration of eviction to be eligible to stop an eviction, often

requiring legal expertise most renters do not have access to. Our legislation would halt all filing of payment defaults related evictions and/or foreclosures. Our legislations goes even further to require parties mediate and allow a debtor/tenant to work out payment plans to remain in their homes. This helps landlords/ lenders by giving them an opportunity to collect what is owed and sustain their business. Protections like this with go far in stabilizing the finances for those in jeopardy of losing an essential source of security for their family.

A moratorium on foreclosures and evictions is not a long-term solution, but it offers immediate relief until this crisis passes. It would be an entirely preventable tragedy to let so many of our fellow Ohioans fall into the ranks of the homeless, impoverished, 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 responsible thing to do and moral thing to do.

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