



Testimony in Support of Ohio H.B. 20

Delivered in Writing Only to the Civil Justice Committee

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Char Hillyer, Vice Chair Grendell, Rankling Minority Member Galonski, and members of the committee, the Affordable Housing Alliance of Central Ohio (the "Alliance") wishes to submit the following written-only testimony in support of House Bill 20, prohibiting foreclosures and eviction during the COVID-19 emergency. We are thankful for this opportunity to highlight the profound impact coronavirus has had on Ohio's housing landscape and we are grateful the Civil Justice Committee's deliberation of this important measure to constrain those harms and begin our economic recovery. As you may know, the Alliance is a nonprofit, nonpartisan organization with membership composed of specialists from across the housing spectrum, including both for-profit and nonprofit experts in housing, homelessness, community development, and lending. Our landlord members own properties across the nation, with more than 10,000 rental homes in Franklin County alone. This diversity of perspective ensures that the policy solutions we champion are not designed to favor any specific industry or stakeholder but, rather, are in the best interests of the community we serve.

Home has always been where we raise our families, where we feed our bodies and souls, and where we cultivate our sense of community pride. At the most fundamental level, our homes are a sanctuary from the elements and, in recent months, the final refuge from coronavirus' deadly reach. Amplified by the pandemic, housing's centrality to our survival continues to transcend physical needs. Our homes are now makeshift classrooms, and boardrooms, and chapels. Through the power of the internet, our houses are doctor's offices and grocery aisles. We have solidified our homes as the foundation to our civic, social, and economic lives. Now more than ever, housing is essential to Ohio's prosperity and recovery.

Yet, housing has never been more precarious. Today, more than a quarter of all Ohio renters doubt they will be able to pay next month's rent. If you know four renters then, statistically speaking, you know someone who is on the cusp of homelessness. Their stories are familiar. They are workersⁱ who saw their hours slashed or their tips evaporate during the lockdown. They are seniorsⁱⁱ on fixed incomes that previously relied on family to stay ahead of growing rent. And they are parentsⁱⁱⁱ that lost wages as they cared for children amidst school shutdowns. For some of these households, life with a vaccine is beginning to return to normal and their income is steadying, but they continue to battle large rent arrears that undermine their housing security.

Nearly 164,000 Ohio renters believed they are less than two months away from an eviction^{iv}. In Franklin County, our weekly eviction filings are now outpacing pre-pandemic rates, despite the suppressing effect of the Center for Disease Control's soon-to-expire moratorium. The exceptional scale and devastating potential of this eviction "tsunami" cannot be underestimated. For comparison, in 2009 as Ohio's housing loss peaked during the Great Recession, we experienced 89,000^v foreclosure filings. That displacement, approximately half of what are facing now, rippled through our state for a decade and undermined an entire generation's economic prospects. Not only is this looming crisis larger in scale than anything we have experienced before, but the consequences are far more lethal; research from McKinsey & Company show that people with severe housing problems are 4.5 times^{vi} more likely to die from COVID-19 than others. That makes housing the biggest mortality indicator the researchers tracked: bigger than poverty, bigger than incarceration, and bigger than food insecurity.

Landlords, too, are struggling to overcome unprecedented rental arrears that jeopardize their long-term survival, particularly for small operators. Mark Zandi, chief economist at Moods Analytics, estimated that the amount of back-rent owed in January would exceed \$57 billion nationwide^{vii}. A different study commissioned by the National Council of State Housing Finance Agencies projected that this lost revenue could exceed \$792 million for Ohio property owners^{viii}, that's greater than the entire annual



GDP of six different Ohio counties. This strains owner’s ability to pay debt and meet tax obligations and hinders their ability to create safe environments. As untenable and unsustainable as the situation is, everyone can agree on one truth: eviction is not a sufficient answer. Evictions further destabilize struggling families, leave landlords unable to recoup major rent deficits, and push societal challenges upstream to an already-overwhelmed homeless response system.

The only comprehensive solution to this unprecedented challenge is a federally-funded rent backstop. Which is exactly what Ohio received in the March stimulus bill.

Unfortunately, getting those funds to needy renters and landlords takes time. The federal government must release the funds and provide regulatory guidance, local governments must contract with the social service sector to distribute the dollars, and a network of public and private stakeholders must develop internal controls and expedient distribution channels to get the aid in the hands of those who need it. That sophisticated apparatus is under construction now, but if we cannot keep people in their homes long enough to get it up and running, it will not be enough to stop a chain reaction of housing loss, economic decline, and a run on our frayed social safety net.

It is in this precise and highly targeted situation that an eviction moratorium is most effective in averting an economic meltdown. Acting as a complementary tool for a broader stimulus, moratoriums give the eviction machinery time to catch up to the new rent relief programs. This keeps people under roof while making sure that their landlords are ultimately made whole. Not only do these time-limited moratoriums work from a financial perspective, but they also save lives. Researchers from John Hopkins’ Bloomberg School of Public Health found that allowing moratoria to expire resulted in 433,700 excess cases of COVID-19 and 10,700 preventable deaths^{ix}.

A tailored eviction and foreclosure moratorium like the one contained in House Bill 20 is necessary to prevent the spread of a communicable disease, protect the housing needs of tenants while preserving the financial rights of landlords, and maintain the effectiveness of our homeless response system. The Alliance thanks you again for your collaboration in advancing robust solutions to one of Ohio’s most pressing challenges. We are happy to provide additional information or answer any questions that can assist in your deliberations.

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i [Housing insecurity and the COVID-19 pandemic](#), the Consumer Financial Protection Bureau
ii [A Disaster Still Looms](#), the Affordable Housing Alliance of Central Ohio
iii [Survey: Pandemic-Wearied Parents Worry about Paying Rent](#), Affordable Housing Finance
iv [Week 25 Household Pulse Survey: February 17 - March 1](#), U.S. Census Bureau
v [Home insecurity 2012: Foreclosures and housing in Ohio](#), Policy Matters Ohio
vi [US Hispanic and Latino lives and livelihoods in the recovery from COVID-19](#), McKinsey & Company
vii [Averting an Eviction Crisis](#), Moodys Analytics
viii [Analysis of Current and Expected Rental Shortfall and Potential Evictions in the U.S.](#), NCSHA
ix [Expiring Eviction Moratoriums and COVID-19 Incidence and Mortality](#), SSRN