



Making Housing Matter

Congressman Dwight Evans

Introduction

As COVID-19 continues to spread, so does the financial harm it brings to communities, increasing housing instability across the U.S. The ongoing national emergency deserves a bold federal response to address immediate and long-term affordable housing needs. Congressman Dwight Evans recognizes the federal government's responsibility to ensure that every American has a safe, stable place to call home. Congress must act quickly to deliver additional housing relief to American households struggling to feed, house, and keep their families safe during the pandemic.

Despite the Senate's failure to provide another round of federal relief since passing the CARES Act in March 2020, Congressman Evans is fighting for additional assistance for American households. Congressman Evans is calling for aggressive action to immediately address the national housing crisis and additional federal investments to help communities recover and grow more resilient.

Existing Affordable Housing Crisis

Even before the pandemic, many families struggled to secure safe, affordable housing. Despite years of national economic growth, workers' wages remained stagnant. Coupled with the decreasing availability - and rising costs - of housing, this means cities like Philadelphia, which Congressman Evans is proud to represent, were *already* dealing with an affordable housing crisis when the coronavirus upended what had been a healthy economy.

Safe, affordable housing is out of reach for many households in Congressman Evans' congressional district. Across the nation, access to homeownership, which Congressman Evans identifies as a key wealth-building tool, has been limited by rising home prices and the declining availability of low-dollar mortgages. The City of Philadelphia does not have an adequate supply of low-cost units to house low-income renters. Pre-pandemic, low- and moderate-income households were already struggling to cover rent, mortgage payments, and home maintenance expenses.

In 2018, 40% of Philadelphians met the federal standard of being cost-burdened, spending at least 30% of their income on housing costs,¹ including rent, utilities, mortgage payments, insurance, and property taxes. Among the 10 largest U.S. cities, Philadelphia has the highest proportion of cost-burdened low-income households, and 68% of renters making under \$30,000 per year are severely cost-burdened, with at least half of their income going towards housing costs. Such households are much less likely to

¹ <https://www.pewtrusts.org/en/research-and-analysis/reports/2020/09/the-state-of-housing-affordability-in-philadelphia>

be able to cover an unexpected expense such as a temporary decline of income from reduced hours or the loss of a job, or an unreimbursed medical expense. The lowest-income households are at substantial risk of spiraling from housing instability to eviction and even homelessness.

Pandemic-Induced Challenges

The pandemic has caused record high unemployment, placing millions of Americans at risk of falling behind on their rent and mortgage payments and pushing the most at-risk families towards eviction or foreclosure, or even into homelessness. Rental assistance programs administered by state housing finance agencies have been overwhelmed with demand. In Pennsylvania, the state rental assistance program received over 14,000 applications for rent relief as of mid-August.

The federal eviction and foreclosure moratorium passed under the CARES Act expired at the end of July, along with the \$600 weekly federal supplement to state unemployment benefits. Together, these federal relief measures served as lifelines for millions of American households, and Senate inaction has left them stranded.

The Centers for Disease Control and Prevention (CDC) recently issued an eviction moratorium to help people remain safely in their homes. However, the rent deferred (along with accrued fees/interest) during the CDC moratorium will be due at the end of the year, when it is unlikely families will be in better financial standing. Industry estimates indicate tenants currently owe about \$25 billion in back rent, which could increase to \$70 billion at the end of 2020.² Without rental assistance, landlords will struggle to meet mortgage, insurance, utility, and tax obligations, which will disrupt local economies. It is clear to Congressman Evans that, while suspending evictions provides temporary relief from loss of shelter, this is not a long-term solution.

Immediate Solutions

Congressman Evans believes the scale of the current housing crisis, deepened by the ongoing pandemic, deserves a stronger federal response to provide comprehensive relief for homeowners and renters. Congressman Evans calls for immediate action to deliver direct financial assistance to American families in need. The \$100 billion in emergency rental assistance passed by House Democrats in May in the Heroes Act would provide short-term and medium-term rental assistance and could also cover utilities, rent and utility arrears and fees, and security deposits. Most low-income renters in Philadelphia receive no government assistance, driving many to rely on alternative arrangements to secure shelter, such as moving in with family or seeking placement in shelters. Resorting to such crowded conditions could increase the spread of COVID-19. Further, lacking a fixed address makes it harder to secure a job and apply for assistance and benefits. \$100 billion in emergency rental assistance targeted to those most at risk of homelessness would reduce financial hardship and housing insecurity.

Congressman Evans is also fighting for the following critical Heroes Act provisions:

- \$75 billion to state housing finance agencies to help homeowners cover their mortgage payments, property taxes, and utility payments.

² <https://www.moodyanalytics.com/-/media/article/2020/weekly-market-outlook-markets-avoid-great-recessions-calamities.pdf>

- \$11.5 billion for the Department of Housing and Urban Development's (HUD) Emergency Solutions Grants (ESG) to respond to and prevent COVID-19 outbreaks among people experiencing homelessness, who need additional help as they seek shelter, food, medical services, and personal hygiene options while adhering to physical distancing guidelines.
- \$1 billion to fund 100,000 emergency housing vouchers allocated to public housing agencies and targeted to people experiencing homeless or at risk of homelessness or fleeing or attempting to flee domestic violence.

To assist vulnerable homeowners, Congressman Evans is leading legislation known as the Helping HOMES Act (H.R. 8003) to expand federal mortgage relief to cover all single-family mortgages, extending forbearance to the third of the market not covered under the CARES Act. The bill would ensure homeowners are aware - up-front - that they may request forbearance due to pandemic-related financial hardship by requiring mortgage services to notify homeowners that they may be eligible. Congressman Evans is fighting for similar protections for renters championed by his colleague Rep. Madeleine Dean.

Building the Affordable Housing Pipeline

Looking forward to longer-term recovery, Congressman Evans urges the Senate to take up the Moving Forward Act (H.R. 2), sweeping and transformational infrastructure legislation the House passed on July 1.

Congressman Evans considers the bill's expansion of the low income housing tax credit (LIHTC) among the most critical federal investments in preserving affordable housing production. He has been a fierce advocate for improving LIHTC, particularly by establishing a permanent minimum 4 percent credit rate, in his position on the Ways & Means Committee. Congressman Evans has long recognized the value of LIHTC in boosting development and rehabilitation of affordable housing in his congressional district and across the nation. The changes to LIHTC proposed in H.R. 2 could produce an estimated 1 million homes and house 2.4 million low income individuals over the next 10 years.³

H.R. 2 would also advance more than \$100 billion to improve affordable housing infrastructure, starting with \$70 billion for the public housing capital fund. This federal funding would help public housing agencies to address a massive backlog of physical repairs needed to keep tenants safely and decently housed. H.R. 2 would provide \$5 billion for the National Housing Trust Fund to support creating, rehabilitating, and preserving affordable housing for the lowest income American families, and another \$5 billion to the Home Investment Partnerships program, which funds building, purchasing, or rehabilitating affordable homes for low-income households. Congressman Evans strongly supports these additional H.R. 2 housing investments:

- \$10 billion for Community Development Block Grants to go toward affordable housing and community development
- \$2.5 billion to fund affordable supportive housing for low-income older adults
- \$2.5 billion to fund affordable supportive housing for low-income individuals with disabilities

³<https://www.novoco.com/notes-from-novogradac/hr-2-housing-provisions-could-finance-more-one-million-additional-affordable-rental-homes-2020-2030>

- \$2.5 billion in grants to Community Development Financial Institutions (CDFIs) to create and preserve affordable homes
- \$100 million for single-family housing repair loans and grants to help elderly and very low income homeowners address health and safety hazards from their homes
- Permanent extension and expansion of the New Markets Tax Credit (NMTC)

The Moving Forward Act would also create a new Neighborhood Homes tax credit to subsidize private investment in the rehabilitation of vacant single-family homes or the construction of new homes in distressed communities, which would expand affordable homeownership opportunities.

Call to Action

A future COVID-19 relief package containing crucial housing assistance measures would provide a legislative vehicle for enacting critical long-term investments in affordable housing and community development. Congressman Evans is calling for immediate Senate action on these critical bills to deliver immediate housing assistance to American families and to invest in long-term incentives to spur the production of affordable housing in American neighborhoods.