

## Housing is Essential

### Introduction

After four decades in public office, Congressman Dwight Evans recognizes that providing accessible, affordable housing is key to building and maintaining livable communities. The Congressman sees the need for constructive federal action to complement state and local efforts to build back affordable housing in the City of Philadelphia and across the Commonwealth of Pennsylvania.

Rep. Evans maintains that the federal government is responsible for keeping families stably housed. As a member of the tax-writing Ways and Means Committee, Rep. Evans asserts that housing is infrastructure, and deserves considerably more federal attention and investment than it has historically received. He calls on his colleagues and state and local leaders to seize this opportunity under the incoming Biden-Harris administration to reverse decades of stagnation and centuries of discrimination and instead make smart investments and enact equitable housing policies.

The Congressman's proposal would develop affordable housing, stabilize communities, and sustain homeownership by increasing funding for key federal housing programs, expanding housing tax credits, and providing federal assistance for significant repairs on owner-occupied homes. Specifically, Congressman Evans proposes:

- \$3 billion for HOME Investment Partnerships
- \$5 billion for Community Development Block Grants
- \$500 million for Choice Neighborhoods
- \$250 million for Housing Counseling and expanding the program to cover financial literacy
- \$1.5 billion for Housing for the Elderly (Section 202) & \$400 million for Housing for Persons with Disabilities (Section 811)
- \$15 billion for Project-Based Rental Assistance & \$30 billion for Tenant-Based Rental Assistance
- \$5 billion for Homeless Assistance Grants and \$500 million for Emergency Solutions Grants
- \$200 million for Family Self-Sufficiency, \$100 million for Resident Opportunity and Self-Sufficiency, and \$50 million for the Jobs Plus Initiative
- \$55 million for the Self-Help Homeownership Opportunity Program
- \$6.5 billion for the Public Housing Operating Fund & \$6 billion for the Public Housing Capital Fund
- \$50 million for the Fair Housing Assistance Program & \$100 million for the Fair Housing Initiatives Program
- \$300 million for the Neighborhood Reinvestment Corporation (NeighborWorks)
- \$5 billion for the National Housing Trust Fund
- Expanding credits for Low-Income Housing Tax Credit (LIHTC) projects serving extremely low-income and homeless individuals, and temporarily lowering the "50 percent test" to 25 percent
- Enacting the Neighborhood Homes Investment Act tax credit
- Reinstating the 2013 Disparate Impact standards in place of the 2020 final rule
- Reinstating the 2015 Affirmatively Furthering Fair Housing rule in place of the 2020 final rule
- Withdrawing the proposed Mixed Status rule ending rental assistance for certain immigrant families
- Withdrawing the proposed rule weakening Equal Access protections in homeless shelters
- Creating a new federal program to provide grants directly to homeowners to make systems repairs on their homes

## The State of Housing in Pennsylvania

Safe, affordable housing is out of reach for many of the Commonwealth's families due to decreasing availability and rising costs. There are not enough quality affordable units to house low to moderate-income renters, and the declining availability of low-dollar mortgages and rise in home prices has limited working families' access to homeownership.

In 2018, 40% of Philadelphia's households met the federal definition of cost-burdened, spending at least 30% of their income on housing costs, including rent, utilities, mortgage payments, insurance, and property taxes.<sup>1</sup> 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, spending at least half of their income on housing costs.<sup>2</sup> These families are much less likely to 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 families are at substantial risk of spiraling from housing instability to eviction and even homelessness.

Homelessness is a crisis for individuals experiencing it, and people of color are disproportionately impacted, making it a racial justice issue. In Philadelphia, 78% of the City's homeless population is African American, despite African Americans making up 44% of the City's overall population. Congressman Evans recognizes the need to provide rent subsidies along with wraparound services to effectively address chronic homelessness.

This problem isn't unique to Philadelphia. According to a March 2020 report published by the National Low Income Housing Center, 62% of Pittsburgh's extremely low income households were severely cost burdened, spending more than half of their income on rent.<sup>3</sup> Those living in non-urban counties have similar problems, HUD reporting that many Pennsylvania counties have only limited opportunities for families to find safe and affordable housing. For example, as evidenced by incomplete kitchen or plumbing facilities, more than one person per room, and a cost burden as a percentage of household income greater than 30%, Clearfield County has 7,660 households with at least one of those concerns. The same is true for Butler County (15,360 households), Beaver County (16,920 households), Lancaster County (59,660 households), and many others.<sup>4</sup> These challenges have only been exacerbated by the COVID-19 pandemic and associated business closures, job loss, evictions, and economic uncertainty.

The coronavirus continues to ravage communities throughout Pennsylvania, leaving business closures, job losses, and other financial harms in its wake. Critical federal relief measures are set to expire at the end of the calendar year, putting millions of Americans at risk of eviction and economic devastation.<sup>5</sup> Recent data indicates evictions are tied to increased COVID-19 cases and increased mortality as families are driven toward already-crowded emergency shelters that have experienced outbreaks.<sup>6</sup> A report from the National Council of State Housing Agencies shows that Pennsylvania renters could owe as much as \$958 million in back rent.<sup>7</sup> Without relief from Congress, 15% of the Commonwealth's renters - 240,000 families - could face eviction in the midst of a raging pandemic.<sup>8</sup> It is clear to Rep. Evans that, in addition to emergency rental assistance and

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

<sup>2</sup> Ibid.

<sup>3</sup> [https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2020.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf)

<sup>4</sup> <https://www.huduser.gov/portal/datasets/cp.html>, Comprehensive Housing Affordability Strategy data.

<sup>5</sup> <https://tcf.org/content/report/12-million-workers-facing-jobless-benefit-cliff-december-26/?agreed=1&session=1>

<sup>6</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3739576](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3739576)

<sup>7</sup> <https://www.witf.org/2020/12/11/thousands-of-pa-families-face-potential-eviction-come-the-new-year/>

<sup>8</sup> Ibid.

an extension and strengthening of the federal eviction moratorium, the housing crisis deserves a bold federal plan of action to help communities grow back more resilient.

### **Building back affordable housing**

Rep. Dwight Evans proposes significantly increasing federal funding for programs that would deliver housing resources to Pennsylvania's families, enacting tax policies that would catalyze affordable housing development and rehabilitation, and adopting regulatory changes that would shore up fair housing rights. These strategies are needed to address systemic housing shortages across the U.S.

#### **I. Empowering renters and homeowners**

The Congressman recognizes the need to increase investment in programs that empower homeowners and tenants. He recommends \$250 million for housing counseling to fund a nationwide network of housing counseling agencies and counselors who provide tools to current and prospective homeowners and renters so they can make responsible choices to address their housing needs. Housing counseling services range from addressing homelessness to planning for first-time home purchases and foreclosure prevention. The Congressman would like to make housing counseling more flexible, including expanding its eligible uses to cover financial literacy education and encompass tenant rights and eviction protection and prevention.

Congressman Evans calls for increased funding for HUD's self-sufficiency programs (\$200 million for Family Self-Sufficiency, \$100 million for Resident Opportunity and Self-Sufficiency, and \$50 million for the Jobs Plus Initiative), which help low-income families living in subsidized housing enhance job skills, increase earnings and improve economic security. These underutilized programs are perhaps HUD's "best-kept secret." They currently reach relatively few eligible households but are highly successful at moving families into market rate rental units or their own homes through savings and asset-building. Expanding these programs would help households achieve social mobility and financial wellbeing.

The Congressman requests additional funding to enforce and strengthen fair housing rights. For the Fair Housing Assistance program, which funds state and local agencies that administer fair housing laws, he recommends \$50 million. To assist people who believe they have been victims of housing discrimination, Rep. Evans recommends \$100 million for the Fair Housing Initiatives Program.

The Congressman also recommends \$100 million for the Self-Help Homeownership Opportunity Program, which helps support low-income homeownership by funding non-profits that utilize the sweat- equity model to build housing for first-time homeowners. These federal grants are used for land acquisition and improvements.

#### **II. Investing in community-based housing programs**

Rep. Evans asks for significant investment in community-based housing programs. The HOME Investment Partnership program, which helps state and local governments develop a housing affordability strategy to acquire, rehabilitate, or construct new affordable housing, or to provide rental assistance to eligible families, deserves \$3 billion. For Community Development Block Grants (CDBG), Rep. Evans recommends \$5 billion. For Choice Neighborhoods, the Congressman recommends \$500 million to leverage private dollars and support locally driven strategies that transform struggling neighborhoods with severely distressed public or HUD-assisted housing, catalyzing critical improvements on vacant property, businesses, services, and schools. Rep. Evans also calls for \$300 million for the Neighborhood Reinvestment Corporation (NeighborWorks) to

spur economic stabilization and investment in communities. Lastly, the Congressman recommends injecting \$5 billion into the National Housing Trust Fund to support creating, rehabilitating, and preserving affordable housing for America's lowest income families.

### **III. Federal housing assistance**

Rent subsidies are lifelines for low-income households, reducing housing instability and the risk of homelessness. Congressman Evans calls for increased housing assistance, including \$6.5 billion for the Public Housing Operating Fund to assist housing authorities with operation and maintenance expense, and \$6 billion for the Public Housing Capital Fund to help public housing agencies to address a massive backlog of physical repairs needed to keep tenants safely and decently housed. Modernization and improvements would include replacing roofs and windows, upgrading electrical and plumbing systems, improving common areas, and renovating the interiors of apartments.

Congressman Evans urges robust federal assistance to address homelessness. The most vulnerable unhoused Pennsylvanians resort to sleeping in cars, on the streets, or in other places not fit for human habitation where physical distancing is difficult. Unhoused communities are often subject to forced clearings, but the City of Philadelphia was praised for its recent - and unprecedented - resolution to address a homeless encampment. The City agreed to transfer 50 properties to a community land trust established by encampment occupants and organizers. To provide federal assistance for people experiencing homelessness, Rep. Evans requests \$5 billion for Homeless Assistance Grants, including \$500 million for Emergency Solutions Grants.

Pennsylvania's population is aging, and the Commonwealth faces a senior housing shortage that makes it critical to fund more units. With \$1.5 billion for Housing for the Elderly, HUD's only program that provides housing exclusively for elderly persons, Congress could fund more units to meet the need. Congressman Evans has heard from many constituents with disabilities who struggle to find and rent accessible units, so he also requests \$400 million for Housing for Persons with Disabilities.

To address the unmet need for HUD-assisted rental units, Rep. Evans calls for \$15 billion towards Project-Based Rental Assistance. The program currently provides rental assistance to about 1.2 low-income and very low-income households in certain multifamily rental developments through contracts with private landlords. The Congressman also requests \$30 billion for tenant-based rental vouchers, which covered 93,801 units in Pennsylvania in Fiscal Year 2020.

### **IV. Tax credits to catalyze affordable housing development and rehabilitation**

Entering his second term as a Ways and Means Committee member, Congressman Evans seeks to expand effective housing tax credits and enact new tax credits to further boost affordable housing. Congressman Evans considers improving the Low Income Housing Tax Credit (LIHTC) among the most important steps in preserving and increasing affordable housing production.

Rep. Evans calls for a 50% basis boost for LIHTC developments serving extremely low-income and homeless families and for increasing the annual housing credit allocation by 50% over the current level over 5 years, and temporarily lowering the Private Activity Bond financed-by threshold, also known as the "50 percent test," to 25 percent. Together, proposed LIHTC expansion measures could finance about 10,000 additional affordable homes across Pennsylvania.

Congressman Evans would also like to advance the Neighborhood Homes Investment Act (NHIA) credit, a new tax credit that would complement LIHTC and attract private investment to construct new affordable homes and rehabilitate owner-occupied homes in distressed neighborhoods. Through maintaining and expanding opportunities for homeownership, NHIA would stabilize these communities.

Rep. Evans also proposes a new state-administered project-based renters' tax credit distributed to rental housing owners and developers. Very low-income renters in Pennsylvania and across the country cannot afford rents that cover ongoing housing costs including utilities, insurance, and maintenance. This renters' tax credit, claimed by owners of rental units, could lower rents to affordable levels.

## **V. Regulatory changes to protect and strengthen fair housing rights**

Considering historic patterns of residential segregation in American communities, Congressman Evans would like to see immediate reversals of damaging Trump administration policies that threaten fair housing protections. The Congressman calls for reinstating the 2015 affirmatively furthering fair housing (AFFH) rule with strong requirements to analyze and report barriers to fair housing. He would also like to reinstate the disparate impact standard, since the Trump administration shifted the burden of proof from perpetrators onto victims of housing discrimination, making it much more difficult for victims to prevail in court.

Congressman Evans urges swift withdrawal of the Trump administration's proposed mixed-status rule that would prohibit mixed-immigration status families from living in federally subsidized housing.<sup>9</sup> The rule would affect entire households receiving public housing, Section 8 project-based rental assistance or Section 8 Housing Choice Vouchers if a single member of the household was not a U.S. citizen or eligible noncitizen. HUD's own analysis reveals that the rule would cause evictions, homelessness, and family separations for upwards of 55,000 children across the U.S. Pennsylvania's immigrant families do not deserve to be subjected to such cruelty.

HUD's proposed rollback of the 2016 Equal Access Rule, which would weaken protections for transgender individuals experiencing homelessness, should also be immediately rescinded.<sup>10</sup> Federally funded emergency homeless service providers should not be allowed to discriminately turn transgender individuals, who experience homelessness at disproportionately high rates, away from safe shelter.

Congressman Evans requests swift action to undo four years of unjust regulations and calls for a return to promoting fair access to safe shelter and affordable housing for protected groups.

## **VI. Home Renewal Initiative**

Considering Pennsylvania's aging housing stock and aging population, Congressman Evans proposes a new federal grant program to help low-income and senior homeowners help them remain safely in their homes. The program would provide direct assistance for systems repairs, including electric, heating, and plumbing fixes, that address health and safety hazards. Without grants to help cover the costs of this critical maintenance to make a home fit for habitation, homeowners may be more likely to vacate their homes.

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<sup>9</sup> Housing and Community Development Act of 1980: Verification of Eligible Status, May 10, 2019. <https://www.federalregister.gov/documents/2019/05/10/2019-09566/housing-and-community-development-act-of-1980-verification-of-eligible-status>

<sup>10</sup> Making Admission or Placement Determinations Based on Sex in Facilities Under Community Planning and Development Housing Programs, July 24, 2020. <https://www.federalregister.gov/documents/2020/07/24/2020-14718/making-admission-or-placement-determinations-based-on-sex-in-facilities-under-community-planning-and>

Thousands of seniors across Pennsylvania lack access to safe housing, adversely impacting their health, and Rep. Evans sees an opportunity to provide federal solution modeled after a Philadelphia program called Basic Systems Repair Program, which provided funding for home repair and weatherization assistance.

### **Opportunity for Bold Action and Growth**

Affordable housing is economic development. It creates jobs, boosts tax revenues, and increases home values. It is health care, ensuring stability and wellbeing for children, working families, seniors, and individuals with disabilities. It is racial and economic justice, guaranteeing a safe, affordable home for all Americans in contrast to the nation's ugly history of redlining and other restrictive and unjust policies in violation of fair housing rights.

Under the Biden-Harris administration, Congressman Evans sees an opportunity to provide crucial housing assistance and advance long-term investments in community development. Rep. Evans is calling on local, state, and federal leaders to embrace this proposal to increase access to safe, stable housing for American families, restores fairness to our nation's housing system, spur the production of affordable housing in neighborhoods across the Commonwealth and the U.S.