

Providing Stability to Ohio's Housing Market During the COVID-19 Pandemic

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OPLC
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Eviction Moratorium + Rental Assistance = Housing Stability

Stabilizing the Housing Market for Renters and Property Owners

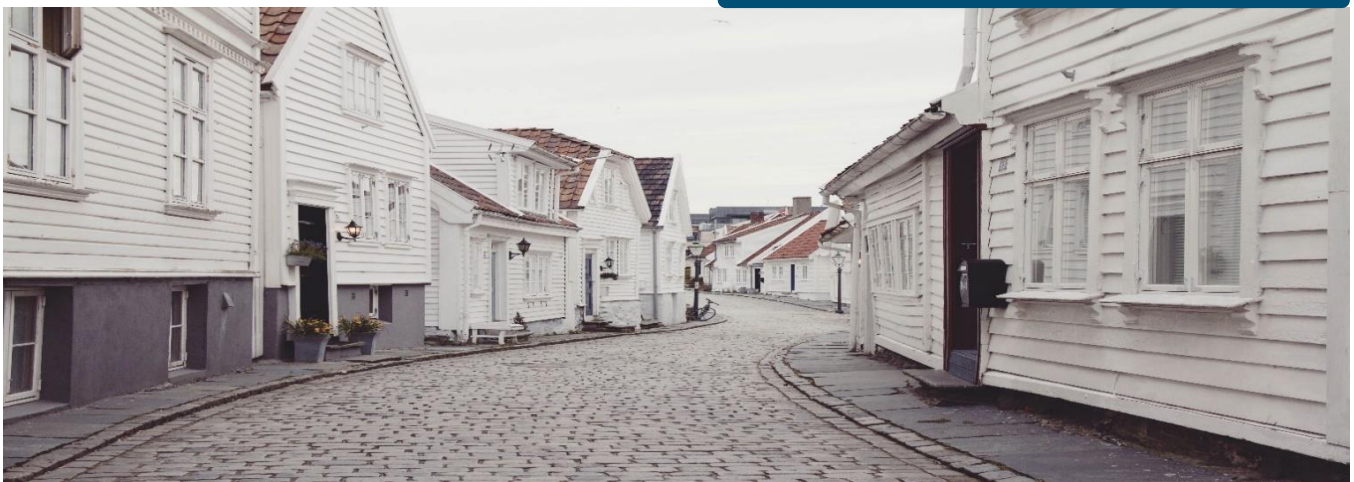
Ohio needs a centralized approach to address the needs of renters who are facing unemployment and financial instability as a result of the COVID-19 pandemic and Ohio's stay-at-home order. Without resources to stabilize the rental housing market, Ohio will likely see an increase in evictions making it hard for Ohioans to re-enter the workforce as the economy recovers.

Ohio's major metropolitan areas all have an eviction moratorium in place. However, some rural counties are continuing with business as usual. And, even when evictions are on hold, rent payments are not. Based on their experiences from the 2008 Great Recession and other downturns in the economy, legal aid attorneys across the state are preparing for a surge in evictions and related housing issues that are sure to come as a result of the economic impact caused by the COVID-19 pandemic. The fear is that it could be worse than the Great Recession of 2008.

The good news is that Ohio has time to prepare for this looming crisis by establishing a broad-based rental assistance program that will protect low-income renters, property owners, and financial institutions from a system-wide increase of evictions and economic losses. Ohio currently has resources at its disposal from the CARES Act and other state sources to construct a program, which can be scaled up as the need increases and new funding becomes available.

"Since the stay-at-home order was issued, our housing team has been preventing illegal self-help evictions and seeking temporary restraining orders to prevent lock-outs and shut-offs, working with community partners to identify sources of emergency funding for tenants unable to pay rent, and preparing for the tsunami of eviction cases we anticipate will be filed in the coming months."

Melissa Benson, Legal Aid Society of Columbus



Renters in Ohio

In Ohio, more than 3,545,527¹ people in 1,572,000 households—or 34 percent of all households—rent their homes.² In 2019, the fair market value rent for a two-bedroom apartment in Ohio was \$818. A family needed to earn almost twice the minimum wage—or \$15.73 per hour—to afford this rent.³

A household is considered “rent burdened” by the U.S. Census Bureau if it pays more than 30 percent of its income on housing.⁴ Households that pay more than half of their income are considered “severely burdened.” In 2018, an estimated 710,100 Ohioans were severely rent burdened.⁵ According to the Federal Reserve, “[w]hen households devote a large share of income to rent, an unexpected shortfall in income may leave them unable to pay rent and could lead to eviction. Moreover, households that have little income left after paying rent may not be able to afford other necessities, such as food, clothes, health care, and transportation.”⁶ These statistics pre-date the current crisis, which over time will push these numbers to new heights. In the past few weeks, 855,197 Ohioans filed unemployment claims.⁷

Federal rental assistance programs help lessen the risk of eviction for some Ohio renters. However, only 15 percent of renting households get federal rental assistance in the form of Housing Choice Vouchers, project-based Section 8, public housing, or rural rental assistance. These rental assistance programs help approximately 63,500 seniors, 107,000 people with disabilities, and 285,300 people in families with children avoid homelessness.⁸

RENTER’S STORY

Jennifer, a secretary at an adult day care center, was laid off when her work was forced to close due to COVID-19. While working, she had been living paycheck to paycheck, earning enough money to pay her rent and car payment each month with little left for groceries. She now has zero income. She applied for unemployment immediately, but her claims were denied without any reason given or insights on how to fix any errors in her application. She is running out of money and the government assistance promised still has not come.

She has reached out to her landlord multiple times, but they have not agreed to allow her to pay partial rent or work out any payment plan. If she is forced to move out of her home, the only place she can go is her parents' house. Her parents are both elderly and her father has an autoimmune disorder, so moving in with them is not safe.

¹ U.S. Census Bureau. Total Population in Renter Occupied Housing Units by Units in Structure, ACS 2018 (5-Year Estimates). Prepared by Social Explorer

² National Low Income Housing Coalition, *Out of Reach 2019 Report* (June 2016), <https://reports.nlihc.org/oor/ohio>

³ Id.

⁴ U.S. Census Bureau, Mary Schwartz and Ellen Wilson, *Who Can Afford To Live in a Home?: A look at data from the 2006 American Community Survey*, <https://www.census.gov/housing/census/publications/who-can-afford.pdf>

⁵ Center on Budget and Policy Priorities, *Federal Rental Assistance Fact Sheets* (December 2019), <https://bit.ly/2Vu5irw>

⁶ Jeff Larrimore, Board of Governors of the Federal Reserve System, and Jenny Schuetz, Brookings Institution, *Assessing the Severity of Rent Burden on Low-Income Families* (December 2017), <https://bit.ly/3eHELi5>

⁷ Ohio Department of Job and Family Services, Ohio Initial Jobless Claims for Sunday, April 5, through Saturday, April 11, 2020, <http://jfs.ohio.gov/ocomm/pdf/Ohio-Initial-Jobless-Claims.pdf>

⁸ Center on Budget and Policy Priorities, *Federal Rental Assistance Fact Sheets* (December 2019), <https://bit.ly/2Vu5irw>

COVID-19 and Evictions

There is no statewide policy regarding evictions during this time of crisis in Ohio. Despite support from the Governor, guidance from the Chief Justice of the Ohio Supreme Court, and legislation that allows courts to toll hearing timelines, evictions continue in our state. Ohio is one of only six states who has not addressed evictions on a statewide basis.⁹ The Eviction Lab at Princeton University released a “COVID-19 Housing Policy Scorecard” for states based on responses related to eviction and housing. Due to its lack of any statewide response, Ohio scored a .08 out of 5.¹⁰

In each community, the local court has decided whether to continue to allow eviction filings, to hear eviction cases, or to postpone these actions. In this time of crisis and while Ohio is under a stay-at-home order, all courts should be halting eviction filings and hearings. As of April 21, approximately 27 courts continue to hold eviction hearings.¹¹



⁹ Research conducted by Emily A. Benfer, Columbia Law School Visiting Associate Clinical Professor of Law and Director of the Health Justice Advocacy Clinic and students from Columbia Law School, Columbia University School of Public Health, and University of Pennsylvania Law School (last access April 21, 2020), <https://bit.ly/2Y2KUzD>

¹⁰ Eviction Lab, COVID-19 Housing Policy Scorecard (April 2020), <https://bit.ly/2KlZrhB>

¹¹ Legal Aid of Western Ohio, Eviction Moratorium Map (last accessed April 21, 2020), legallaidline.lawolaw.org/covid19/

The Need for Emergency Rental Assistance

Stable housing is good for individual health and is essential for economic recovery from this public health crisis. Those experiencing homelessness are at extreme risk during the pandemic because they lack the ability to quarantine, isolate, and recover. Ensuring that all Ohioans are stably housed is essential to the continued success of stopping the spread of the coronavirus and maintaining social distancing as restrictions are gradually lifted in the coming months.

Those who were already spending a high portion of their income on rent are at risk of eviction due to loss of income. Non-essential business and restaurant closings have greatly increased the number of Ohioans at-risk of losing their housing. According to the Bureau of Labor Statistics there are 501,990 Ohioans

LANDLORD'S STORY

Ana is the director of a rental property in central Ohio. Her three properties house over 800 tenants. Her business caters to immigrant families and people who have difficulty finding other housing due to criminal records or other barriers. Since the beginning of the crisis, she has been willing to accept partial or deferred rent payments. However, her employer will be unable to make its mortgage payments if a substantial number of tenants are unable to pay rent. She is philosophically opposed to evicting tenants in trouble and has always strived to be flexible, however she is worried she may have no choice but to begin evictions in the coming months.

working in Food Preparation and Serving Related Occupations.¹² Their median hourly wage is \$9.93, which is well below the \$15.73 needed to afford fair market rent and not be rent burdened.

Landlords do not have the capacity to be infinitely flexible. They have their own mortgage obligations. At some point, rent will come due. Many laid-off workers and struggling families will not have the resources to pay current and back rent. Evictions—now or later—will increase without rental assistance to stabilize the housing market.

While some landlords are working with their tenants to avoid evictions, others are not so sympathetic. Some will resort “self-help evictions,” where a landlord circumvents the legal eviction process and attempts to remove a tenant by changing locks, removing doors, or other manners of intimidation.

Sources of Funding

The recently passed federal CARES Act addresses some urgent short-term housing needs by instituting a temporary moratorium on some evictions and providing \$12 billion for HUD programs, including \$4 billion to support homeless shelters, and \$5 billion for Community Development Block Grants (CDBG). CDBG dollars are being disbursed to the states over time based on data on the spread of the virus. Ohio received over \$90 million from the first disbursement which has already been distributed to current CDBG grantees. In addition to these HUD programs, the CARES Act created a \$150 billion Coronavirus Relief

¹² U.S Bureau of Labor Statistics, Occupational Employment Statistics (May 2019), <https://bit.ly/2V007zl>

Fund, to help states combat the crisis. Ohio will receive approximately \$4.5 billion from the fund. These funds will help communities respond to some of their urgent housing needs but will not be enough.

Ohio uses a portion of its Temporary Aid for Needy Families block grant to fund its Prevention, Retention, and Contingency (PRC) program each year. PRC dollars are administered at the county level to families who are at risk of job loss to an unforeseen emergency. County Job and Family Services agencies have been amending their PRC programs to make emergency assistance dollars quickly available to families for rent and other expenses. However, the PRC program is not nearly large enough to meet the anticipated need. The Franklin County PRC program offered one time \$500 assistance checks and was exhausted in 24 hours.¹³ According to the Job and Family Services Director's Association, there are multiple counties that have or will soon exhaust their PRC funds.

Local governments have responded too. For example, the Franklin County Commissioners approved \$250,000 for the Ohio Hispanic Coalition to provide rent assistance and other emergency services to Spanish-speaking residents disproportionately impacted by COVID-19.

The need now and in the coming months far outweighs the resources for the more than 1.5 million renting households and the property owners who lease to them.

CINCINNATI'S EVICTION PREVENTION PROGRAM: A FRAMEWORK FOR OTHER COMMUNITIES

Cincinnati has implemented an eviction prevention program that could be replicated throughout the state. Before the coronavirus, Cincinnati already had an eviction crisis. Its eviction rate was 34 percent greater than the national average.

To address this problem, the Legal Aid Society of Greater Cincinnati partnered with the Cincinnati-Hamilton County Community Action Agency (CAA) last year to start the Eviction Prevention Assistance Program. For tenants who contact the project before an eviction is filed, the CAA administers rental assistance to prevent an eviction from ever being filed. When an eviction has been filed, Legal Aid works to get it dismissed and removed from the court's online records. The program is applying for additional CDBG funds made available through the CARES Act to reach more households in danger of losing their housing.

There are Legal Aid programs, community action agencies, and other community-based non-profit agencies in every county in Ohio that are similarly well positioned to assist landlords and tenants resolve rent issues without litigation and distribute rental assistance payments.

¹³ Marc Kovac, Columbus Dispatch, *\$1.5 million in Franklin County coronavirus assistance exhausted in 24 hours* (April 3, 2020), <https://bit.ly/3ammQKh>

Ohio Needs to Allocate More Resources for Rental Assistance

Unemployment compensation benefits combined with the one-time stimulus payment will help with some expenses but will be insufficient to bring low-wage workers housing stability.

We call on Ohio's leaders to ensure housing stability for renters and property owners by committing resources to rental assistance and eviction prevention.

As Congress considers an additional relief package, it is critical that it includes support for housing stability and rental assistance. The measures that have already passed target just one segment of the housing market and do not assist the vast majority of renters, many of whom have lost their jobs and are at risk of eviction and homelessness if they miss one or more monthly rental payments.

While advocating for additional federal dollars, Ohio can take these immediate actions:

- **Allocate Temporary Assistance for Needy Families (TANF) dollars:** Immediately, allocate \$35 million of TANF dollars to create the Homeless Family Assistance Program to support evidenced-based rapid rehousing and homeless prevention strategies to reduce the number of children and families that experience homelessness. The Ohio Department of Job and Family Services currently has a reserve of at least \$400 million in unspent TANF dollars that could be allocated.
- **Use more Community Development Block Grant Dollars (CDBG) resources:** Communities throughout Ohio have already received additional CDBG dollars from the CARES Act and more dollars will be allocated in the future. The Ohio Development Service Agency has approximately \$27 million in additional CARES Act CDBG dollars that could be used for rental assistance in areas with unmet needs.
- **Use CARES Act Coronavirus Relief Fund:** Ensuring that our hospital systems have resources to expand bed capacity and secure respirators and that our health care workers and first responders have necessary PPE is the highest priority for CARES Act money coming to the state. Only a fraction of the \$4.5 billion that Ohio is receiving has been requested for those needs. The Administration should use a portion of the CARES Act money not needed for rental assistance.
- **Create a broad-based rental assistance program.** This requires planning but is urgently needed. The DeWine Administration should convene a group of stakeholders to create a plan to begin distributing money now and to be ready when more funding becomes available. This can prevent the tsunami of eviction cases that are anticipated in the coming months.

With the May 1st rent due date approaching, both renters and property owners are struggling and urgently need this critical support.



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