

June 12, 2020

The Honorable Mike Shirkey
Senate Majority Leader
P.O. Box 30036
Lansing, MI 48909-7536

The Honorable Lee Chatfield
Speaker of the House
P.O. Box 30014
Lansing, MI 48909-7514

Dear Senator Shirkey and Representative Chatfield,

We write to urge state officials to include rental assistance as an essential component of Michigan's COVID-19 recovery strategy so that families affected by the crisis remain stably housed. We understand that the state faces unprecedented budget challenges right now; however, as Michiganders demonstrated by staying home as much as possible over the last few months, a safe place to live is the primary defense against the spread of contagious illness. Continued access to housing will be crucial in protecting health and rebuilding the economy.

The pandemic has worsened what was already a crisis-level shortage of affordable housing that hits renters the hardest. A full-time worker must earn \$13.59 an hour to afford a one-bedroom apartment in Michigan. Some of the state's most common occupations pay less than that, making it hard for tenants to keep up on rent or save for emergencies. Low-wage workers are concentrated in jobs such as retail sales, restaurant workers, cashiers, and personal care aides,¹ which have been disproportionately touched by layoffs or risk of coronavirus exposure. Additionally, Black and Latinx people are more likely to rent and to work in these jobs.² Overall, an estimated 42% of Michigan renter households include at least one worker affected by the COVID-19 crisis.³

As of June 8, 2020, rent payment is the third most common reason people have contacted 2-1-1 for COVID-related assistance, accounting for nearly 3,100 requests.⁴ During this recession, more than 430,000 Michigan renter households with very or extremely low incomes (less than 50% and 30% of area median income, respectively) will likely face unaffordable housing costs. For 297,000 of them, housing is projected to consume more than half of their income. Federal relief funds to date are sufficient to assist only a fraction of these families, leaving a collective rent shortfall of approximately \$2 billion through the end of 2020.⁵

¹ National Low Income Housing Coalition. <https://reports.nlihc.org/oor/michigan>.

² Urban Institute. <https://housingmatters.urban.org/feature/future-shared-why-supporting-renters-during-covid-19-critical-housing-market-stability>.

³ Turner Center for Housing Innovation. <https://turnercenter.berkeley.edu/blog/estimating-covid-19-impact-renters>.

⁴ Michigan 2-1-1.

<https://app.powerbi.com/view?r=eyJrljoiMTIjNjZhYjktMjY1MS00MmU3LTg5NWYtZWQ1NGI4NjRiNTUxliwidCI6IjdkZWFiMDVklTQ1NGYtNGM0MC05ZDE2LTlhZTI3MzY1YTQ4NiIsImMiOiN9>.

⁵ National Low Income Housing Coalition. <https://nlihc.org/sites/default/files/Need-for-Rental-Assistance-During-the-COVID-19-and-Economic-Crisis.pdf>.

Rental assistance works hand-in-hand with eviction moratoriums. Tenants are still obligated to pay rent, placing those who accumulate arrearages at risk of displacement when the moratoriums expire — June 30, in the case of the state moratorium. With regard to the Great Recession, Michigan evictions peaked at nearly 75,000 in 2008 and remained high for several years afterward,⁶ even as the economy improved. With the economic impact of COVID-19 being even more widespread and compressed into a period of only a few weeks, households are likely to struggle for a long time to come. Tenants need rent relief to avoid a looming eviction crisis.

Rental assistance will help landlords continue providing quality housing. Nationwide, nearly half of all rental units are owned by individual operators and profit margins are narrow, especially for those in the affordable housing sector.⁷ Without rental assistance, landlords might have to defer needed maintenance or miss mortgage and property tax payments, jeopardizing the already-inadequate supply of affordable housing.

Rental assistance will benefit the local economy and stabilize the community. Rent relief will free up money in tenants' tight budgets for other essentials like food, school supplies and healthcare. Landlords will be able to continue employing staff, purchasing local goods and services and contributing to the property tax base, which is critical as municipalities face daunting revenue shortfalls and fiscal relief from the federal government is uncertain.

Rental assistance will protect renters in need who do not currently receive federal rental subsidies. Funding for federal housing programs has been slashed over the last several decades. As a result, 80% of families with incomes low enough to qualify for rental assistance don't receive any.⁸ Nationwide, these households include tens of millions of renters, many of whom are among those at the highest risk of homelessness as well as the adverse outcomes of coronavirus: people of color, people with disabilities, and older adults.

Michigan had the third highest new unemployment claims in the nation following the start of the pandemic, a 6,866% increase over pre-pandemic levels.⁹ More than 1.4 million Michigan workers — 29% of the state's labor force — filed for unemployment between the weeks of March 14 and May 16.¹⁰ These devastating financial setbacks will continue to challenge families in Michigan even as businesses resume operations and people get back to work. The state cannot allow people to lose their homes before they've gotten back on their feet and the public health impacts of increasing travel and in-person interaction are known.

⁶ Eviction Lab. <https://evictionlab.org/map/#/2015?geography=states&type=er&locations=26,-87.449,45.693>. Accessed June 4, 2020.

⁷ Urban Institute. <https://housingmatters.urban.org/feature/future-shared-why-supporting-renters-during-covid-19-critical-housing-market-stability>.

⁸ Ibid.

⁹ Economic Policy Institute. <https://www.epi.org/blog/states-continue-to-see-record-high-levels-of-initial-unemployment-insurance-claims-including-in-the-south/>.

¹⁰ Economic Policy Institute. <https://www.epi.org/blog/more-than-a-quarter-of-the-workforce-has-filed-for-unemployment-in-10-states/>.

Prioritizing rent relief would meet an immediate need and also better prepare Michigan for future crises. We thank you for your time and stand ready to support you in fighting for safe, affordable housing for all Michiganders during the COVID-19 crisis and beyond.

Sincerely,

Avalon Housing
Center for Civil Justice
Community Economic Development Association of Michigan (CEDAM)
Council of Michigan Foundations
Ecology Center
Emergency Shelter Services
Enterprise Community Partners
Grandville Avenue Arts & Humanities
Groundcover News
Guiding Life to Independence through Development and Education
Habitat for Humanity of Michigan
Habitat Kent County
Healthy Homes Coalition of West Michigan
Hispanic Service Center
Housing North
Housing Resources, Inc.
Housing Services Mid Michigan
Interfaith Hospitality Network of Washtenaw County
Mel Trotter Ministries
Michigan Coalition Against Homelessness
Michigan Community Action
Michigan Environmental Council
Michigan League for Public Policy
Michigan Nonprofit Association
Michigan Poverty Law Program
Michigan's Children
National Housing Trust
Natural Resources Defense Council
Open Door Outreach Center
Parents for Healthy Homes
Ruth Ellis Center
The Hispanic Center of Western Michigan
Voces
Washtenaw Health Plan
Washtenaw Housing Alliance
Washtenaw Housing Authority