

# FACT SHEET



## Preventing Evictions & Creating Affordable Housing

August 2021 Special Session

**Problem:** Virginia does not have enough affordable housing. According to the National Low-Income Housing Coalition, 71 percent of very low-income Virginians spend more than half their incomes on housing. The pandemic has highlighted these problems and how close too many families are to becoming homeless.

During the pandemic, the federal government issued an eviction moratorium until July 31, 2021 and offered rental assistance to help families stay housed. As of June 2021, Virginia's Rent Relief Program had distributed \$244.6 million for 49,000 rent and mortgage relief payments for households. The new American Rescue Plan (ARP) has additional dedicated dollars for rental and mortgage assistance that Virginia will distribute to low-income families to keep them housed. Unfortunately, some landlords would prefer to evict tenants rather than apply for federal funds to cover their tenants' rents. Some landlords don't want to do the paperwork. Some don't want to share financial information. Others do not want income reported to the IRS because they are used to receiving rent that is "off the books."

Consequently, families are at risk of being evicted, even though there is a fair amount of money available for rent and mortgage assistance for low-income families. Families need the rental assistance, but they also need for landlords to accept the rental assistance. In addition, families need access to legal representation to help them navigate housing court. One study showed that tenants without legal representation were 77 percent more likely to be evicted than those with a lawyer.

Utilities are also another financial burden for low-income families, such as water, electricity and gas. Virginia had instituted a utility shutoff ban, but it has expired. Now many families find themselves facing large debts to utility companies, making it hard for them to "recover" from the pandemic even once they are back at work.

**Solution:** VICCP recommends the following policy changes and uses of the American Rescue Plan (ARP) dollars to address the current housing and utility crises and build more affordable housing:

***Require landlords to work with tenants to get rental assistance before evicting them for nonpayment of rent.***

This would not require any state funds but would dramatically reduce evictions. The Virginia Poverty Law Center is leading this effort.

***Invest \$430 million to create 7,000 new, permanent, affordable housing units.*** This proposal has been developed by the Virginia Housing Alliance and reflects the current capacity of nonprofit housing developers. More is needed but this is a good first step and a great use of ARP dollars.

***Provide \$30 million for legal services*** to prevent evictions and increase housing stability for low-income families. This is proposed by the Legal Services Corporation of Virginia and recommended by the Department of Housing and Community Development.

***Set aside \$190 million to clear all utility assistance arrears.*** Although some families may be able to pay back their utility debts, providing a jubilee on utility debts for low-income families would help them recover faster. This has been proposed by the Department of Social Services.