



TO: Members of the Senate Housing and Human Services Committee

FROM: Monique Stanton, President & CEO, Michigan League for Public Policy

DATE: May 16, 2023

SUBJECT: Support for Senate Bills 205-207

The Michigan League for Public Policy is pleased to express our support for Senate Bills 205-207. We thank Senators Irwin, Bayer and Cavanagh for sponsoring this important legislation to protect renters' civil rights in securing the survival need of safe, affordable housing.

The League is a nonpartisan research and advocacy organization that promotes economic opportunity for all and analyzes the impact of public policy on the lives of Michiganders who have been systemically left out of prosperity. The League is also the state's Kids Count organization, working as a part of a national effort to measure the well-being of children at the state and local levels and to shape efforts that improve the lives of Michigan children.

Communities across the state are facing an affordable housing shortage. Everyone needs a safe place to live, but wages for some of Michigan's most common occupations, such as cashiers, food service workers, and home health aides, are too low to afford even a one-bedroom apartment. Housing Choice Vouchers (HCVs) and disability and veterans benefits are critical for many families, but too few landlords accept tenants with these income sources.

Under the federal HCV program, a family receives a voucher to offset the cost of renting a home from a private landlord. In theory, this allows struggling families to choose a suitable home in a location that best meets their needs. In reality, these families still face many barriers: funding shortages and long waiting lists mean that most eligible families never actually receive a voucher, and the few that do have to wait an average of more than two years. We hear from impacted families across the state that once they finally receive a voucher, it's extremely difficult to find a landlord who will accept it within the short time frame allowed by program rules.

Today, assisted housing units are concentrated in areas of high poverty, environmental contamination and vulnerability to natural disasters. Voucher acceptance rates are lowest in well-resourced neighborhoods with access to good schools, jobs, clean air and water, and other features necessary for family well-being. Discrimination based on source of income has the

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greatest impact on households against whom it would otherwise be illegal to discriminate: families of color and those that include disabled people, older adults, and children. This perpetuates racial health disparities and economic inequity.

Several Michigan communities protect families that pay rent with HCVs, disability or veterans benefits, and other non-wage sources of income from discrimination by landlords. It's time to expand these protections statewide.

Vouchers have proven benefits for children and families, our communities and the economy. There are more than 65,000 HCVs available in Michigan, helping families in every county afford a place to live. Nearly two-thirds of these households have incomes under \$15,000 a year. Four in 10 have children and more than 1 in 4 include a person with a disability.

With HCVs, families can afford higher quality housing and other basic needs, which leads to better outcomes in terms of health, school, work, and economic security. Compared to peers remaining in public housing, a young child whose family uses a voucher to move to a well-resourced neighborhood is more likely to attend college, earns \$302,000 more during their lifetime, and pays \$11,200 more in total lifetime taxes. Additionally, future generations of their family are less likely to live in poverty. Young children living in assisted housing are less likely to experience lead poisoning, food insecurity, and serious underweight compared to their counterparts on the voucher waiting list.

Families who receive housing vouchers after an emergency shelter stay are significantly less likely to end up homeless again in the future. Additionally, housing vouchers have been key to the 50% reduction in veteran homelessness the U.S. achieved from 2010 to 2020.

Vouchers are a stepping stone for households pursuing self-sufficiency. Typically, families use their vouchers for less than five years, during which time they are able to increase their income enough to exit the program. This positive impact would be magnified if vouchers were accepted in more units and in neighborhoods with better opportunities for health and upward mobility.

Housing vouchers are also an important stimulus for the larger economy and promote quality of life in our communities. In 2022, families using HCVs generated more than \$706,000,000 in revenue for Michigan landlords—that's more than the gross domestic product of Cheboygan County. This revenue helps maintain stability in the rental housing market during tough times, such as a global pandemic. Additionally, it enables landlords to maintain their property, hire workers, purchase goods and services, and contribute to the local tax base.

No child should be denied a safe home because of how their parents pay the rent. It's time to protect the rights of renter families statewide and ensure that those using Housing Choice Vouchers and other non-wage forms of income actually have a meaningful choice to live in homes and neighborhoods where they can thrive. We thank the Committee for your consideration of this important legislation to advance housing justice and urge your support.

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