

Testimony by:

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Thank you, Senators Saval and Pittman, for inviting me to testify at this Senate Urban Affairs and Housing Committee meeting to discuss Senate Bill No. 1135, which introduces the Whole-Home Repairs Program and Whole-Home Repairs Fund. Also, thank you to Jane Allen and Sarah Stauffer for your work on the proposed Act and for organizing all of the logistics around this testimony. There are significant needs for investment in the housing stock across the Commonwealth of Pennsylvania. These needs are distributed unevenly by race, ethnicity, income, and age, contributing significantly to housing inequality in Pennsylvania. Programs that have made investments in housing repair, especially those that have targeted such investments to the most vulnerable households, have proven to have multiple benefits for residents who live in these properties and for the neighborhoods where they live.

My name is Vincent Reina. I am an Associate Professor of City and Regional Planning at the University of Pennsylvania and the Faculty Director of the Housing Initiative at Penn (HIP). My research focuses primarily on the impact of housing, and housing-related programs and investments, on households and neighborhoods. In 2018 I helped the City of Philadelphia write its 10-year housing plan, alongside the Local Initiatives Support Corporation. The plan highlighted the need for significant investments to preserve Philadelphia's existing housing stock, and to make access to safe and decent housing more equitable. My colleagues and I at HIP then completed the Pennsylvania Comprehensive Housing Study for the Pennsylvania Housing Finance Agency, which included detailed analyses for every county in the Commonwealth of Pennsylvania.¹ This report highlighted many things, not the least of which is the statewide need for housing investments like those proposed in the Senate Bill No. 1135. My testimony is supported by a broad set of studies conducted by myself, and by many other researchers across the country, some of which I will specifically reference today.

First, I am going to start by presenting just a few basic facts to highlight the scale of the housing quality needs in the State of Pennsylvania. Because of a lack of housing quality data, researchers often use housing unit age as a proxy for housing investment needs. The general idea is that older homes are more likely to need repairs and systems upgrades, due to their natural degradation and depreciation over time. A simple way of saying this is that we all know the roof of a property must be repaired and replaced every certain number of years, and this same principle holds true for most systems. In our 2020 statewide report, my colleagues and I found that the median home in Pennsylvania belongs to a structure that was built in 1962 and is now more than fifty years old. To put that in context, this is 16 years older than the age of the median home nationwide. To further elucidate the point, this means that the median home in Pennsylvania is in a structure older than the median home in every other state except New York (1956), Massachusetts (1961),

¹ https://www.phfa.org/forms/housing_study/2020/pennsylvania-comprehensive-housing-study-full-report.pdf

and Rhode Island (1961). Based on age alone, we can guess that Pennsylvania's housing stock has substantial repair and rehabilitation needs.

There is also reason to believe housing quality issues have gotten worse since that initial report was released, with the COVID-19 pandemic affecting property owners' financial wellbeing and ability to make needed repairs to much of the housing stock. Based on a study of rental property owners in Philadelphia, my colleagues and I at HIP, along with researchers from the Joint Center for Housing Studies at Harvard, found that in 2020, almost 36 percent of survey respondents were deferring maintenance to their property.² This represented an over 30 percentage point increase from the 5.4 percent of the same property owners who said they deferred property maintenance in 2019. Deferred maintenance often results in compounding housing quality problems and will likely necessitate even greater property investments than if repairs had been addressed right away. Many of the property owners surveyed are "smaller landlords" who own five or fewer units. These smaller landlords often have more difficulty accessing the financing needed to make necessary repairs to their properties. Increasing evidence suggests these trends have affected all owners well beyond Philadelphia. In summary, the need for housing repairs has likely only increased in recent years.

Further, housing repair needs will almost certainly continue to grow given the changing demographics of the state. Of the many findings presented in our 2020 statewide report, one of the most striking is the rate at which households in Pennsylvania are aging. We found that the statewide population of seniors increased by 14% between 2000 and 2017. As a result, Pennsylvania is now one of the most elderly states in the country, with over 17% of its population aged 65 or older. Many senior-headed households live on fixed incomes that limit their ability to afford major repairs, but many also expect to age in place. The report also points to an increasing need for accessible housing, with 45.5% of those aged 65 and over living with a disability. Very few homes in Pennsylvania are currently equipped to accommodate mobility or other impairments, so we can expect significant demand for accessibility improvements as the state's population ages.

Housing repair needs are distributed unequally by race, ethnicity, and income. Data from the 2019 American Housing Survey show that while the median White household's home was built in 1963, the median Black household's home is 15 years older (built in 1948), the median Latino household's home is 17 years older (built in 1946), and the median Indigenous household's home is nearly 30 years older (built in 1934). In 2017, more than 25,000 loans were originated to finance home improvements for White Pennsylvanians, compared to only about 1,300 for Black Pennsylvanians, 700 for Latino/a Pennsylvanians, 400 for Asian Pennsylvanians, and 200 for Indigenous Pennsylvanians. These data also show that the home improvement denial rate for applicants who are Black is 59%, which is similarly high for Latinx applicants (58%), slightly lower for those who are Indigenous (47%) and Asian (43%), and much lower for applicants who are White (28%). Even if some of this variation is explained by difference in income, credit scores, or collateral, it still represents a staggering inequity in access to loans that allow households to make repairs to their home and build housing equity by race.

² https://www.housinginitiative.org/uploads/1/3/2/9/132946414/hip_jchs_landlords_report_aug2021.pdf

Investing in home repairs is likely to have important impacts on both residents and communities across the Commonwealth. A research article in the *American Journal of Public Health* by Drs. Krieger and Higgins reviewed the significant body of research showing the connection between housing and health, and particularly how poor housing quality is associated with chronic illness, injuries, poor mental wellbeing, and morbidity from infectious diseases.³ The evidence has only grown since that article was published nearly 20 years ago. Despite this evidence, many critical housing needs remain unaddressed. This context is why the Children's Hospital of Philadelphia launched its Community Asthma Prevention Program Plus (CAPP+) Home Repair Programs, which involves investing \$13,000 to \$15,000 to homes repairs with the expectation that it would improve household health, and particular things like children's asthma.⁴ This program repairs roofs, fixes plumbing leaks, and seals holes and gaps in order to keep out pests and water with the goal of reducing exposures known to exacerbate health issues for youth in particular and for the household in general. Dr. Turcotte and colleagues studied a program in Lowell, Massachusetts that similarly provided a suite of home-related interventions, mostly focused on remediation but including some structural interventions.⁵ The researchers found that the program was associated with significant health improvements, including improvement in children's asthma indicators, reduced medical use, and decreases in hospitalizations and healthcare utilization. The authors also found the interventions resulted in substantial costs savings for both households and healthcare systems.

In 2021, I published a paper with my colleagues at the University of Pennsylvania, Drs. Eugenia South and John MacDonald, in which we looked at the impact of the Basic Systems Repair Program (BSRP), a structural repair grant program for homeowners, on neighborhood crime levels.⁶ The BSRP program offers grants up to \$20,000 to low-income homeowners in Philadelphia to fund structural repairs to roofs and to electrical, plumbing, and heating systems. We found that a BSRP grant was associated with a 21.9% decrease in the expected count of total crimes on the block where the home was located, and that this effect held true across all types of crime. Further, we found a dose effect whereby each additional home treated with a BSRP intervention resulted in further crime reduction, with the additional positive effect leveling off after four homes received a grant on a block. This research, which was published in the *Journal of the American Medical Association's* open access journal (*JAMA Open*), shows that home repairs and investments have broader neighborhood effects. This may not be surprising, given that a home is so essential to a household's health and sense of belonging, and is often an individual's largest financial asset. Thus, home repair programs have the potential to improve both improve the housing stock and the welfare of people and neighborhoods through a series of multiplier effects. We would expect the impact to be even greater when programs target those most in need, and those who have been systemically excluded from public and private investment, as was the case in the BSRP program.

In conclusion, my research and that of my colleagues shows significant and growing housing repair needs in Pennsylvania, which have disproportionate impacts by race, ethnicity, income,

³ <https://ajph.aphapublications.org/doi/full/10.2105/AJPH.92.5.758>

⁴ <https://www.chop.edu/video/repairing-home-improving-childs-health-capp>

⁵ https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2013.301695?casa_token=Ba2Sm5ORjvoAAAAA%3AaEsQkm6QqFgnxq9euiOI1EZH1zsuLfjZcwpXZO1XqOZxa_D8iIEGKZhbQgNou87NlUGJuNu_f-6H

⁶ <https://jamanetwork.com/journals/jamanetworkopen/article-abstract/2782142>

and age. Further, programs that have made targeted investments in housing repair have proven to have multiple benefits for both residents and their neighborhoods. Combined, this points to both a need for a home repair program like the one proposed in the Whole-Homes Act, and the potential for that program to have a significant impact across the Commonwealth of Pennsylvania.