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Housing Assistance in House COVID Bill Would Prevent Millions of Evictions, Help People Experiencing Homelessness

By Douglas Rice and Ann Oliva

The legislation that the House Financial Services Committee will consider this week to meet its reconciliation instructions under the House budget resolution includes critical housing assistance for millions of people who are struggling to pay their rent and avoid eviction, as well as badly needed resources to help communities address homelessness during the pandemic. The committee should quickly approve these measures, and the full House and Senate should enact them as part of the broader COVID-19 relief package that Congress will consider in coming weeks.

Some 15 million adults — 1 in 5 adult renters — report that they are not caught up on their rent payments, according to the latest Census Pulse survey.¹ (See Figure 1.) While estimates vary, experts agree that renters likely already owe tens of billions of dollars in back rent and will need more help paying rent in coming months. Nearly 5 million renters say they have lost employment income and expect to be evicted soon.² Renters struggling to keep up on their rent are disproportionately households with children and people of color, particularly people who are Black or Latino.

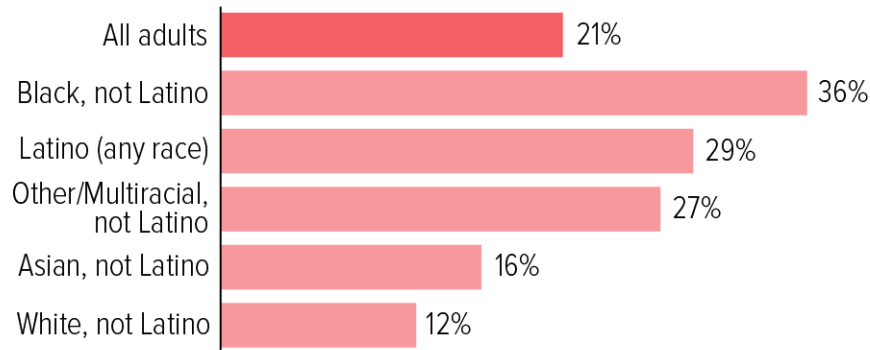
¹ CBPP, “Tracking the COVID-19 Recession’s Effects on Food, Housing, and Employment Hardships,” updated January 28, 2021, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>.

² Erik Gartland, “Wave of Evictions Nears as Moratorium Set to Expire,” CBPP, December 9, 2020, <https://www.cbpp.org/blog/wave-of-evictions-nears-as-moratorium-set-to-expire>.

FIGURE 1

1 in 5 Renters Not Caught Up on Rent During Pandemic, With Renters of Color Facing Greatest Hardship

Share of adult renters saying their household is not caught up on rent



Note: Other/Multiracial, not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Chart excludes renters who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey tables for January 6-18, 2021

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Communities are also struggling to provide safe, non-congregate shelter and housing options to the more than half a million people experiencing homelessness. Adding to the urgency of addressing these problems, emerging evidence shows that evictions and homelessness may exacerbate the spread of COVID-19 and cause severe hardship.³

Bill Would Reduce Evictions and Other Hardship

Policymakers have taken some actions in recent months to mitigate housing-related hardship. The Trump Administration and Congress provided \$25 billion for rental assistance in December's COVID-19 relief package, for example, and the Biden Administration recently extended a Centers for Disease Control and Prevention order prohibiting most evictions through the end of March. This assistance, while substantial, will likely be enough to help only a fraction of the 15 million renters who have fallen behind on their rent.

³ See Emily A. Benfer *et al.*, "Eviction, Health Inequity, and the Spread of COVID-19," *Journal of Urban Health*, January 7, 2021, <https://link.springer.com/article/10.1007/s11524-020-00502-1>; Kay Jowers *et al.*, "Housing Precarity & the COVID-19 Pandemic," National Bureau of Economic Research Working Paper 28394, January 2021, <https://www.nber.org/papers/w28394>; Amir Mohsenpour *et al.*, "SARS-Cov-2 prevalence, transmission, health-related outcomes and control strategies in homeless shelters," December 22, 2020, <https://www.medrxiv.org/content/medrxiv/early/2021/01/15/2021.01.14.21249851.full.pdf>; and Tara Kiran *et al.*, "Association of homelessness with COVID-19 positivity among individuals visiting a testing center," January 12, 2021, <https://www.medrxiv.org/content/medrxiv/early/2021/01/12/2021.01.04.20248661.full.pdf>.

The House bill provides critical additional relief to reduce evictions and other hardship:

- **\$19 billion in emergency aid for low-income renters who have lost income or are otherwise experiencing hardship due to COVID-19 and risk losing their housing.**

These funds, combined with the renter aid in the December relief package, would help millions of households pay arrearages and keep up on their rent, thereby avoiding eviction or other instability this year. For example, if renters receive an average of six months of rental assistance (including for arrearages), the combined emergency rental assistance in the two packages would help about 4 to 6 million low-income households, we estimate. (The actual number assisted would depend partly on how state and local governments choose to distribute the aid to needy households.) The aid would also indirectly help owners of rental property, some of whom are having difficulty paying their own bills as renters fall behind.

- **\$5 billion for Housing Choice Vouchers for people recovering from homelessness and renters at greatest risk of homelessness if they lose their current housing.**

Housing vouchers are more effective than emergency aid for people who will likely face a longer path to financial stability in the wake of the pandemic. Renters with extremely low incomes and histories of homelessness could risk eviction and hardship when emergency aid runs out; vouchers offer longer-lasting support that can help them remain stably housed as the recovery takes hold. Providing vouchers to this at-risk population would also enable state and localities to target emergency rental assistance — which is limited to 18 months — to renters who need only temporary aid to remain in the homes. Most renters who have lost income and fallen behind on rent during the pandemic will recover quickly as the economy improves.

Housing vouchers are also essential to addressing homelessness effectively during the pandemic. (See Figure 2.) To avoid returning to homelessness, a significant share of people now living in emergency shelters or who have temporary housing subsidies will require affordable or supportive housing over the longer term.⁴ The Department of Housing and Urban Development’s (HUD) rigorous Family Options Study found, for example, that more than one-third of formerly homeless families with children experienced subsequent episodes of homelessness or housing instability over a three-year period unless they received housing vouchers or other longer-term rental assistance.⁵ Formerly homeless people with underlying health or behavioral health conditions are also likely to face significantly longer recoveries, and housing vouchers paired with mainstream services such as mental health support, health care, or substance use treatment can help provide them with stable housing during that time.

⁴ Ehren Dohler *et al.*, “Supportive Housing Helps Vulnerable People Live and Thrive in the Community,” CBPP, May 31, 2016, <https://www.cbpp.org/research/housing/supportive-housing-helps-vulnerable-people-live-and-thrive-in-the-community>.

⁵ Department of Housing and Urban Development, “The Family Options Study,” https://www.huduser.gov/portal/family_options_study.html.

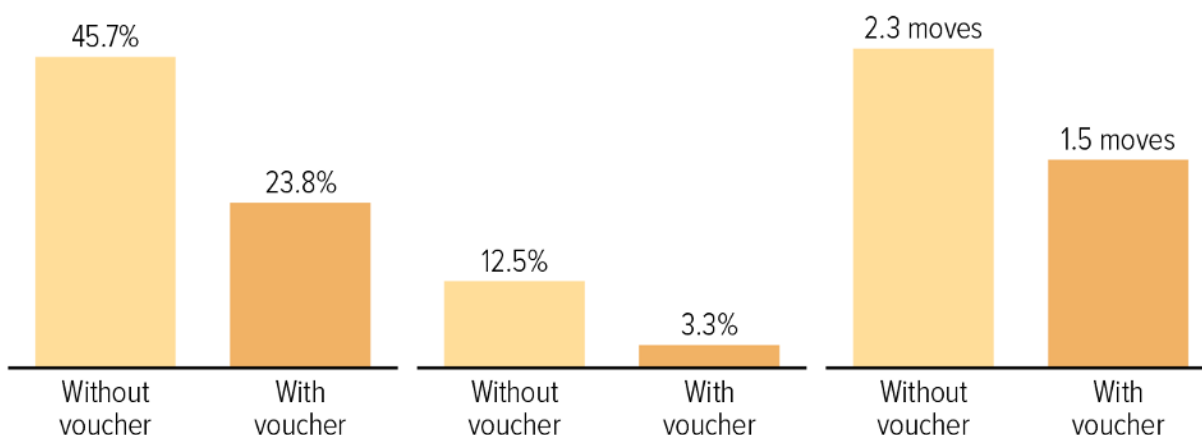
FIGURE 2

Housing Choice Vouchers Sharply Reduced Crowded Housing, Homelessness, and Frequent Moves, Study Shows

Vouchers reduced the number living in crowded housing by half...

... reduced homelessness by three-quarters

... and reduced the number of moves over a five-year period by more than one-third.



Note: The chart compares the housing status of low-income families in six U.S. cities who were randomly selected to receive a voucher and used it for at least part of the previous year to families in a control group who did not use vouchers. Families experiencing "crowded housing" were living in housing that has less than one room per household member. Number of moves reflects the average moves over a 4.5- to 5-year period since random assignment.

Source: Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," Housing Policy Debate, 2008.

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• **\$5 billion for homelessness assistance through the HOME Investment Partnerships Program.** Communities could use this flexible funding for affordable housing development, tenant-based rental assistance, and support services for people living in temporary housing. Of particular note, the House bill authorizes communities to acquire commercial properties such as hotels and motels — which are available at relatively low cost in many communities — and convert them to healthier non-congregate shelter, affordable housing, or supportive housing for people living in shelters or unsheltered locations. These investments would help meet immediate needs for healthier housing options for people experiencing homelessness. They also would better prepare homelessness assistance systems for future crises by making a down payment toward the longer-term goals of replacing congregate shelters with housing options that are safer and healthier for people experiencing homelessness as well as the front-line staff who serve them.

Many communities are reporting increases in the number of people living unsheltered due to reductions in shelter capacity (stemming from social distancing requirements) and increases in

homelessness related to financial hardship.⁶ In order to ensure that the HOME funds are used to meet the needs of people facing the most severe challenges, it will be important for HUD to provide guidance and technical support to HOME grantees in developing their programs and require them to work closely with Emergency Solutions Grants recipients and continuums of care to allocate funds to projects and providers.

- **\$750 million for assistance to tribal nations and Native Hawaiians.** Native Americans living in tribal areas and remote Alaskan villages face high levels of overcrowding and substandard housing (such as lack of plumbing and heat), which have left them particularly vulnerable to the spread of COVID-19. Tribes do not receive housing assistance through the voucher program, HOME, or many other HUD programs, so the relief funds in the House bill are a critical resource for tribes to reduce housing-related health risks during the pandemic. In combination with emergency rental assistance provided in the December COVID relief package, this funding would also help Native Americans living in tribal areas or on Native Hawaiian home lands pay back rent and stay stably housed.

The House bill also includes \$139 million for several rural housing assistance programs and \$100 million to provide housing counseling services to renters and homeowners. In addition, the bill provides \$10 billion in aid for homeowners who are experiencing financial hardship due to COVID to keep up on their mortgage, tax, and utility payments and avoid foreclosure and displacement.

Congress should act quickly to approve the bill's additional renter relief and resources to enable communities to address homelessness while mitigating the spread of COVID-19.

⁶ Samantha Batko, "Why Communities Should Prioritize Rapid Re-housing for People Forced to Live Outside," Urban Institute, July 16, 2020, <https://www.urban.org/urban-wire/why-communities-should-prioritize-rapid-re-housing-people-forced-live-outside>.