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June 10, 2020

## **The Rent Is Still Due: America's Renters, COVID-19, and an Unprecedented Eviction Crisis**

### **Testimony of Ann Oliva, Visiting Senior Fellow, Before the House Financial Services Committee, Subcommittee on Housing, Community Development and Insurance**

Thank you for the opportunity to testify. My name is Ann Oliva; I am a Visiting Senior Fellow at the Center on Budget and Policy Priorities. The Center is an independent, nonprofit policy institute that conducts research and analysis on a range of federal and state policy issues affecting low- and moderate-income individuals and families. The Center's housing work focuses on increasing access to and improving the effectiveness of federal low-income rental assistance programs. Prior to coming to the Center, I spent ten years as a senior career public servant at the U.S. Department of Housing and Urban Development (HUD), most recently as Deputy Assistant Secretary for Special Needs. At HUD I implemented the Homelessness Prevention and Rapid Re-Housing Program (HPRP), funded by the 2009 Recovery Act, which serves as a foundation for the emergency rental assistance program in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, H.R. 6800.

I want to begin today by acknowledging the events of the last several weeks and the systemic racism resulting in the deaths of George Floyd, Breonna Taylor, Ahmaud Arbery, and many other Black Americans. As a nation we must pursue racial justice and equity, and housing justice must be a part of the discussion because systemic racism also results in homelessness, housing instability, and the disproportionate impact of COVID-19 on communities of color. It is unjust that we can predict a child's health, wealth, and overall well-being in adulthood based on the zip code they were born in. It is also unjust that the zip codes with the worst outcomes also have a disproportionate share of low-income people of color living in them. Racist and discriminatory housing policies and programs have led to the overrepresentation of people of color in communities that policymakers have neglected.

Most of us have heard the data. PolicyLink<sup>1</sup> reported recently that Black people are dying of COVID-19 at 2.4 times the rate of white people. The May unemployment data, while apparently

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<sup>1</sup> Abbie Langston *et al.*, "Race, Risk, and Workforce Equity in the Coronavirus Economy," PolicyLink, <https://www.policylink.org/our-work/economy/national-equity-atlas/COVID-workforce>.

understating joblessness due a data coding error, showed unemployment (relative to April) falling among white workers but rising among Black and Latinx workers, to 16.8 percent and 17.6 percent, respectively. May unemployment for Latinas aged 20 and over was 19 percent. These communities have been disproportionately impacted both by the virus itself and by the related economic crisis.

HUD data released in January 2020<sup>2</sup> show that in January 2019, Black people accounted for 40 percent of those experiencing homelessness, although they make up only 13 percent of the U.S. population. Latinx people made up 22 percent of the homeless population but only 18 percent of the population.

The COVID-19 pandemic has created an extraordinary need for flexible rental assistance. But if our response to the current health and economic crises follows the same policy script as in the past, we will do too little to stop a spike in evictions and homelessness and Black and Latinx communities will be hardest hit. We must actively combat disparities caused by systemic racism, not exacerbate them by conducting business as usual.

The federal response to addressing housing needs should focus on three groups: people now experiencing homelessness; people at risk of homelessness, including those who may need longer-term help affording housing; and people now receiving federal assistance who need additional help.

Specifically, it is essential that Congress provide:

1. An additional \$11.5 billion for homelessness services through the Emergency Solutions Grant program, as included in the HEROES Act, to close the gap between what is needed to provide proper shelter and access to medical services for people experiencing homelessness or at high risk of becoming homeless as a result of the pandemic, and what has already been appropriated for this purpose.
2. Significant additional funding for emergency rental assistance to prevent homelessness for those who are at risk and safely house people who are already experiencing homelessness, in settings consistent with Centers for Disease Control and Prevention (CDC) guidance.
3. At least \$10 billion for 200,000 Housing Choice Vouchers to help those who will need longer-term assistance due both to the pandemic and to the difficulty of raising their incomes sufficiently to afford adequate, safe housing.
4. Additional funding for federal rental assistance programs so they can continue serving currently assisted residents despite budget challenges due to residents' reduced income (and, thus, reduced rental payments) and additional costs to keep residents safe during the pandemic.

As HPRP showed, funding for emergency purposes can have not only immediate benefits in addressing the crisis but also long-term benefits by leveraging funding and innovation to achieve systemic change.

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<sup>2</sup> The 2019 Annual Homeless Assessment Report to Congress, Part 1," Department of Housing and Urban Development, January 2020, <https://files.hudexchange.info/resources/documents/2019-AHAR-Part-1.pdf>.

## The Need for Housing Assistance

Housing assistance will be a key component in community recovery from COVID-19's public health and economic impacts.

### Public Health Impact

COVID-19 has shown vividly that housing is a form of health care. People living in doubled-up or overcrowded situations, congregate settings like shelters and jails, or on the street cannot socially isolate and follow other basic public health guidance. Many of them are older<sup>3</sup> or have disabilities or underlying health conditions that make them more susceptible to getting sick. Further, many individuals are being released early from jails and prisons due to concerns about the spread of COVID-19.<sup>4</sup> An estimated 40 percent of people who are incarcerated report having chronic health conditions that could put them at higher risk of contracting or having serious complications from COVID-19, either while incarcerated or upon release;<sup>5</sup> many have nowhere to go and could end up in shelters or on the street without housing support.

Disproportionately Black counties have five times — and disproportionately Hispanic counties have three times — as many confirmed COVID-19 cases per capita as disproportionately white counties, a recent analysis found.<sup>6</sup> Early state and local data also show that Black and Hispanic people are dying of complications from COVID-19 at higher rates than white people.<sup>7</sup> The Indian Health Service also reports concerns due to lack of testing and outbreaks during the pandemic's early stages within the Navajo Nation.<sup>8</sup>

COVID-19 is particularly harmful for people with underlying health conditions like lung disease, diabetes, and high blood pressure; obesity and smoking are also risk factors for the worst COVID-19 health outcomes. Black people and American Indians and Native Alaskans experience chronic health conditions more often than white people.<sup>9</sup> Both populations have higher rates of heart disease, lung disease and asthma, diabetes, kidney and liver disease, and immuno-compromising

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<sup>3</sup> Dennis Culhane *et al.*, “The Emerging Crisis of Aged Homelessness: Could Housing Solutions Be Funded by Avoidance of Excess Shelter, Hospital, and Nursing Home Costs?” Actionable Intelligence for Social Policy, January 2019, <https://www.aisp.upenn.edu/aginghomelessness/>.

<sup>4</sup> LaDonna Pavetti and Peggy Bailey, “Boost the Safety Net to Help People With Fewest Resources Pay for Basics During the Crisis,” CBPP, April 29, 2020, <https://www.cbpp.org/research/poverty-and-inequality/boost-the-safety-net-to-help-people-with-fewest-resources-pay-for>.

<sup>5</sup> Laura M. Maruschak, Marcus Berzofsky, and Jennifer Unangst, “Medical Problems of State and Federal Prisoners and Jail Inmates, 2011-12,” Department of Justice Bureau of Justice Statistics, October 4, 2016, <https://www.bjs.gov/content/pub/pdf/mpsfpii1112.pdf>.

<sup>6</sup> Jillian McGrath, Jim Kessler, and Akunna Cook, “Coronavirus is Decimating Racially Diverse Communities Large and Small,” Third Way, April 2020, <https://thirdway.imgix.net/pdfs/override/Coronavirus-is-Decimating-Racially-Diverse-Communities-Large-and-Small-website.pdf>.

<sup>7</sup> Centers for Disease Control and Prevention (CDC), “COVID-19 in Racial and Ethnic Minority Groups,” April 22, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html>.

<sup>8</sup> Kent Sepkowitz, “The risk to Native American Nations from Covid-19,” CNN, April 7, 2020, <https://www.cnn.com/2020/04/07/opinions/natve-american-nations-risk-from-covid-19-sepkowitz/index.html>.

<sup>9</sup> Samantha Artiga, Rachel Garfield, and Kendal Orgera, “Communities of Color at Higher Risk for Health and Economic Challenges due to COVID-19,” Kaiser Family Foundation, April 7, 2020, <https://www.kff.org/disparities-policy/issue-brief/communities-of-color-at-higher-risk-for-health-and-economic-challenges-due-to-covid-19/>.

diseases. Also, Hispanic people have high rates of diabetes, asthma, and obesity.<sup>10</sup> Adult residents of Puerto Rico, with higher rates of diabetes, coronary heart disease, and obesity, are also at high risk of COVID-19 complications.<sup>11</sup>

These health disparities exist because people of color have experienced years of economic hardship, receive lower-quality health care, and have been segregated into neighborhoods that lack access to nutritious food, green space for exercise, clean air, and jobs that pay enough for families to have the money or time for recreational outlets such as belonging to a gym.<sup>12</sup>

## Economic Impact

Rental assistance is also needed to address COVID-19's *economic* impact. Even before the pandemic, 23 million people in 10.7 million low-income households paid more than half their income in rent,<sup>13</sup> and rents across the country had become increasingly unaffordable.<sup>14</sup> (See Figure 1.) The median renter household income rose just 0.5 percent from 2001 to 2018 after adjusting for inflation, while rents rose nearly 13 percent. Even before the pandemic, a parent working full-time at the federal minimum wage could not afford a modest two-bedroom apartment in any state<sup>15</sup> without receiving rental assistance or having to make tough choices between paying the rent and meeting essential daily needs such as food, medicine, and child care.<sup>16</sup>

When families spend so much of their income on rent, it is harder for them to save, which makes it nearly impossible to meet basic needs if they lose a job, their income falls, or costs for basic needs rise. Without assistance, some could lose their homes and be compelled to live with other family members or friends, in shelters, or on the street. Before the crisis, 3 in 4 households likely eligible for federal rental assistance didn't receive it due to scarcity of funding,<sup>17</sup> and the need for housing

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<sup>10</sup> Artiga, Garfield, and Orgera, *op. cit.*; CDC, "Adult Obesity Facts," February 27, 2020, <https://www.cdc.gov/obesity/data/adult.html>; and U.S. Department of Health and Human Services Office of Minority Health, "Asthma and Hispanic Americans," March 13, 2017, <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=4&lvlid=60>.

<sup>11</sup> Josiemer Mattei *et al.*, "Health conditions and lifestyle risk factors of adults living in Puerto Rico: a cross-sectional study," *BMC Public Health*, April 12, 2018, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5898045/>.

<sup>12</sup> Martha Hostetter and Sarah Klein, "In Focus: Reducing Racial Disparities in Health Care by Confronting Racism," Commonwealth Fund, September 27, 2018, <https://www.commonwealthfund.org/publications/newsletter-article/2018/sep/focus-reducing-racial-disparities-health-care-confronting>.

<sup>13</sup> CBPP, "Federal Rental Assistance Fact Sheets," updated December 10, 2019, <https://www.cbpp.org/research/housing/federal-rental-assistance-fact-sheets#US>.

<sup>14</sup> Alicia Mazzara, "Rents Have Risen More Than Incomes in Nearly Every State Since 2001," CBPP, December 10, 2019, <https://www.cbpp.org/blog/rents-have-risen-more-than-incomes-in-nearly-every-state-since-2001>; and Alicia Mazzara, "Report: Rental Housing Affordability Crisis Worst for Lowest-Income Families," CBPP, January 31, 2020, <https://www.cbpp.org/blog/report-rental-housing-affordability-crisis-worst-for-lowest-income-families>.

<sup>15</sup> National Low Income Housing Coalition, "How Much do you Need to Earn to Afford a Modest Apartment in Your State?"

<sup>16</sup> Douglas Rice, Stephanie Schmit, and Hannah Matthews, "Child Care and Housing: Big Expenses With Too Little Help Available," Center on Budget and Policy Priorities and CLASP, April 26, 2019, <https://www.cbpp.org/research/housing/child-care-and-housing-big-expenses-with-too-little-help-available>.

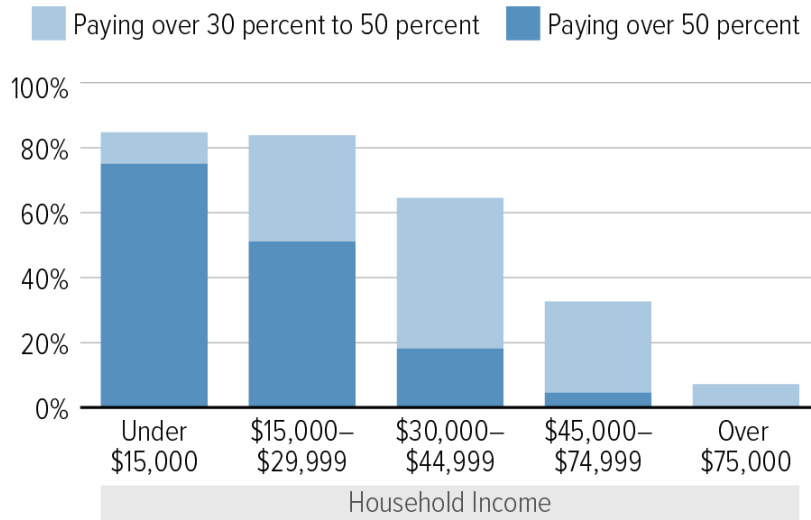
<sup>17</sup> CBPP, "Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance," August 2017, <https://www.cbpp.org/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance>.

assistance will grow significantly during this economic downturn, as it did during the Great Recession.<sup>18</sup>

FIGURE 1

### Renters With Lowest Incomes Are Most Likely to Pay High Share of Income on Housing

Share of renter households paying over 30 percent of their income for rent and utilities



Note: The median renter household income was \$40,500 in 2018. Households with zero or negative income are assumed to be severely burdened, while households paying no cash rent are assumed to be unburdened.

Source: Harvard Joint Center for Housing Studies tabulations of 2018 American Community Survey 1-Year Estimates

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As many as 44.7 million people could be out of work due to COVID-19, preliminary figures from the Census Bureau’s Household Pulse Survey for the week of May 21-26 show. The unemployment rate was 13.3 percent in May, and the pandemic’s economic effects could be long-lasting;<sup>19</sup> the Congressional Budget Office estimates that unemployment will be 8.6 percent in the fourth quarter of 2021, more than double the pre-crisis level of 3.5 percent.<sup>20</sup>

<sup>18</sup> Barbara Sard, “More Households Facing Unaffordable Housing Costs Than Before Recession,” CBPP, February 9, 2015, <https://www.cbpp.org/blog/more-households-facing-unaffordable-housing-costs-than-before-recession>.

<sup>19</sup> Pavetti and Bailey, *op. cit.*

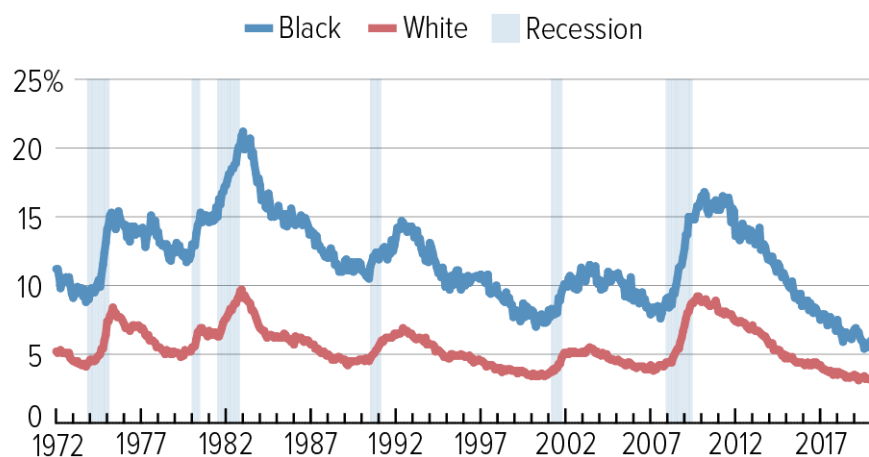
<sup>20</sup> Congressional Budget Office, “Interim Economic Projections for 2020 and 2021,” May 2020, <https://www.cbo.gov/system/files/2020-05/56351-CBO-interim-projections.pdf>. The data on unemployment prior to the crisis reflect the average unemployment rate for the December 2019-February 2020 period.

The gap between Black and White unemployment rates tends to grow when unemployment rises.<sup>21</sup> When unemployment initially spiked in March and April, unemployment remained significantly higher among Black and Latinx workers than among White workers but the gap did not widen significantly. May data, however, showed the gap widening, with unemployment falling among White workers but rising for Black workers, though more data will be needed to see these trends over time (and to understand the impact of a coding error identified by the Bureau of Labor Statistics).

Historically, the gaps that widen during downturns do not narrow until unemployment has fallen substantially, and even then, a large disparity remains. (See Figure 2.) Not until several years after the Great Recession did the Black unemployment rate return to its pre-recession level, and it remained well above the white rate.<sup>22</sup>

FIGURE 2

### Black Unemployment Fell to Historic Low But Remains Much Higher Than White Rate



Note: Black unemployment data were first available beginning January 1972.

Source: Bureau of Labor Statistics and National Bureau of Economic Research

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Thus, history shows that as the economy begins recovering overall, the labor market can remain weak far longer for Black workers than for white workers. This means that many Black households will continue struggling with low or no earnings — and face significant difficulties affording housing — for long periods of time.

<sup>21</sup> Center on Budget and Policy Priorities (CBPP), “Chart Book: Tracking the Post-Great Recession Economy,” updated regularly, <https://www.cbpp.org/research/economy/chart-book-tracking-the-post-great-recession-economy>.

<sup>22</sup> Vincent Adejumo, “African-Americans’ economic setbacks from the Great Recession are ongoing – and could be repeated,” *The Conversation*, February 5, 2019, <https://theconversation.com/african-americans-economic-setbacks-from-the-great-recession-are-ongoing-and-could-be-repeated-109612>; Chad Stone, “Fiscal Stimulus Needed to Fight Recessions,” CBPP, April 16, 2020, <https://www.cbpp.org/sites/default/files/atoms/files/4-16-20econ.pdf>.

## Recommendations: Federal Investments in Housing for COVID-19 Recovery

Communities must have a variety of short-, medium- and longer-term rental assistance options that together form a comprehensive COVID-19 response for a variety of housing needs. The options must include housing and services for people currently experiencing homelessness, as well as homelessness prevention and housing vouchers for households that will need longer-term help to weather the current storm and remain housed until they can afford rent. Together, these resources can provide additional housing stability during the health and economic crisis and as the nation recovers.<sup>23</sup>

### Helping People Currently Experiencing Homelessness

Researchers from the University of Pennsylvania, the University of California at Los Angeles, and Boston University recently estimated that the homeless system needs \$11.5 billion in funding above its pre-crisis level to ensure that those currently experiencing homelessness can have proper shelter and access to medical services.<sup>24</sup> Importantly, this estimate did not include temporary rental assistance for rehousing or homelessness prevention. The CARES Act provided \$4 billion for ESG grants for the above purposes, but the recent study makes clear that significantly more will be needed.

The HEROES Act includes critical resources for homelessness services through ESG. States and localities can use ESG grants to reconfigure or reimagine congregate shelters so that residents and staff can adhere to proper social distancing guidance, to deliver medical respite services to people who contract the virus or are at high risk of serious complications if they contract the virus, to support people in temporary housing such as hotels and motels, and to increase street outreach to provide medical, hygiene, and other supports to people living in unsheltered settings. They can also use the grants to prevent homelessness for at-risk families. ESG under the CARES Act does not require matching funds, a critical advantage given the sharp revenue declines for states and localities.<sup>25</sup>

### Providing Flexible Emergency Rental Assistance for Households Impacted by COVID-19

Substantial additional resources are needed for short- and medium-term rental assistance that prioritizes extremely low-income households impacted by COVID-19 but gives localities flexibility to serve other households facing illness, job loss, or reduced earnings. Communities could use these resources to shorten people's time spent without housing and help people stay in their current home and avoid homelessness altogether. Innovative tools like the Urban Institute tool that maps low-income job losses can be used to target this assistance to the communities most impacted by COVID-19, such as neighborhoods whose residents primarily have low incomes and are people of

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<sup>23</sup> Will Fischer, "Urgent Need for More Housing Vouchers, Other Rental Assistance Amid Pandemic," CBPP, April 24, 2020, <https://www.cbpp.org/blog/urgent-need-for-more-housing-vouchers-other-rental-assistance-amid-pandemic>.

<sup>24</sup> Dennis Culhane *et al.*, "Estimated Emergency and Observation/Quarantine Capacity Need for the US Homeless Population Related to COVID-19 Exposure by County; Projected Hospitalizations, Intensive Care Units and Mortality," National Alliance to End Homelessness, March 2020, [https://endhomelessness.org/wp-content/uploads/2020/03/COVID-paper\\_clean-636pm.pdf](https://endhomelessness.org/wp-content/uploads/2020/03/COVID-paper_clean-636pm.pdf).

<sup>25</sup> Michael Leachman, "Projected State Shortfalls Grow as Economic Forecasts Worsen," CBPP, May 20, 2020, <https://www.cbpp.org/blog/projected-state-shortfalls-grow-as-economic-forecasts-worsen>.

color.<sup>26</sup> (See below for more detail on using these funds to create systemic change within the housing and homelessness services systems.)

### **Providing Sustainable Assistance to People with High Needs**

Evidence shows vouchers are highly effective at preventing homelessness and housing instability, and vouchers would assist families until their incomes rise enough that they can afford housing on their own. Thus, a robust increase in housing vouchers should be part of our overall housing strategy in response to the current crisis.

The \$10 billion in the Emergency Housing Voucher Act of 2020 (H.R. 7084) would enable some 200,000 additional families to receive Housing Choice Vouchers, significantly reducing the number of families facing eviction and homelessness due to the current crisis if the funds are properly targeted. These vouchers should be aimed at people experiencing homelessness and with significant barriers to housing, people at risk of homelessness (such as those leaving jails or prisons without a safe place to live and those leaving nursing homes or hospitals), and people with other challenges to securing stable housing (such as people leaving violent or otherwise unsafe living environments).

A key advantage of vouchers is that households can use them as long as they need help affording rent. This ensures that individuals who get help now can remain stably housed even if it takes them longer to have incomes high enough to no longer need assistance. Given the long period that unemployment remained high after the Great Recession — particularly for Black and Latinx families — many families may need the lasting help that vouchers can provide.

### **Protecting Against Adverse System-Level Impacts of COVID-19**

Federal rental assistance enables more than 5 million households to obtain decent, stable housing, primarily through three major programs administered by state and local agencies and private owners: Housing Choice Vouchers, Section 8 Project-Based Rental Assistance (PBRA), and public housing.

Federal rental assistance is well designed to enable families to continue to afford housing even as their incomes drop due to the pandemic and the economic downturn. Housing agencies and owners must recalculate a household's rent — which generally equals 30 percent of its income — when its income falls. But agencies and owners can only maintain properties and continue assisting the same number of families if they receive adequate federal subsidies to both make up for the reduced rent payments and cover the costs of activities such as providing services to quarantined residents, encouraging social distancing, sanitizing developments, and transitioning to remote operations. Otherwise, the number of assisted families could fall substantially. In addition, inadequate funding for site-based programs such as public housing, PBRA, and other privately owned assisted housing could jeopardize the safety and well-being of residents, more than half of whom are seniors or people with disabilities.

The HEROES Act provides \$2 billion in needed supplemental funding for public housing operating subsidies. The CARES Act provided \$685 million for that purpose, but much of that funding is needed simply to offset the decline in housing agencies' rent revenues as

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<sup>26</sup> Urban Institute, "Where Low-Income Jobs Are Being Lost to COVID-19," June 5, 2020, <https://www.urban.org/features/where-low-income-jobs-are-being-lost-covid-19>.



the incomes of public housing tenants fall. Agencies need additional funds now for expenses related to the virus.

## What Happens If We Do Nothing?

Further action is needed to prevent the current health and economic crises from causing a large increase in homelessness.

### Homelessness

In many areas, community-based homeless service providers and local leaders have made heroic efforts to protect the health and safety of people experiencing homelessness by opening overflow or non-congregate shelter options to isolate and quarantine high-risk individuals. To cite just a few examples:

- In Los Angeles, Project Roomkey — a collaborative effort by the state, city, county, and the Los Angeles Homeless Services Authority — secures hotel and motel rooms for vulnerable people experiencing homelessness to enable them to stay inside and prevent the spread of COVID-19. It has served more than 4,000 people in 33 hotels to date.<sup>27</sup>
- North Carolina’s non-congregate sheltering program is a collaborative effort between the state, counties, and local partners to secure hotel and motel rooms, as well as essential wraparound services, for individuals with no other safe place to quarantine, isolate, or social distance. It has secured over 3,800 hotel and motel rooms for health care workers, farm workers, individuals experiencing homelessness, and other individuals and families that have been exposed to or are at high risk for the disease and need a safe place to stay.
- In Louisiana, nearly 1,200 people experiencing homelessness have received non-congregate shelter across the state through a state-led COVID-19 program. The Continuum of Care reports that essentially all of the unsheltered population in New Orleans and Jefferson Parish have been sheltered. The program provides services such as meals; COVID-19 and other infectious disease testing; assistance with Medicaid, SNAP, SSI/SSDI, and unemployment benefits; links to employment; and assistance with securing government identification.
- In Connecticut, homeless services providers have relocated 50 percent of homeless shelter residents (approximately 1,000 people) to 15 hotels to enable greater social distancing among staff and residents. Homeless services providers relocated operations and staff to provide services within those hotel settings. In order to avoid future outbreaks of COVID-19, providers in Connecticut estimate that 1,000 people must be housed in the next four months and that as many people as possible must be diverted from shelters so the shelters can operate at 50 percent of their pre-COVID capacity.
- San Diego took a slightly different approach based on its deep experience with other public health crises, including a Hepatitis A outbreak that significantly impacted people experiencing homelessness in 2017. Non-congregate shelter is being used to decompress family shelters and for people who are homeless and over 65, and the San Diego Convention Center is housing another 1,500 people experiencing homelessness in compliance with CDC standards.

However, getting vulnerable people off the streets during the pandemic will be a short-lived victory if people now housed in safe, non-congregate settings or other temporary locations are

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<sup>27</sup> “The Road Home: News and Updates from LAHSA,” <https://www.lahsa.org/>.

pushed back to the street because no rental assistance is available to transition them to more permanent solutions. And, while many communities have made strides, large numbers of people living in unsheltered locations who want to come inside continue to be ignored, criminalized, and underserved.

The only way to make long-term progress — and to avoid rather than simply delay homelessness for many families — is to put additional resources into rental assistance and target that aid to those most at risk of homelessness, rather than more politically favored populations with higher incomes.

### **People at Risk of Homelessness**

While eviction moratoria are protecting some households for the moment, renters who cannot afford to pay rent continue to accrue debt that may cause a wave of evictions once the moratoria end. Some households will continue to pay rent by stopping payment on other bills like utilities, or will use credit cards or short-term loans and acquire debt that may be difficult to repay — placing them at high risk of losing their housing. When housing costs too much, households — particularly seniors and families with children — spend less on food and health care. Also, they often have little money left to cover other basic needs, putting them one financial emergency away from eviction or homelessness.<sup>28</sup> Rental assistance can reduce these hardships and improve stability.

Forty percent of working-age renters are worried about paying their rent, according to a recent survey,<sup>29</sup> and a recent analysis<sup>30</sup> projects that homelessness could rise by as much as 40-45 percent this year without additional income supports. These are not perfect predictors of what is to come, but they illuminate an important point: COVID-19 has created a perfect storm of factors that will weaken communities and widen disparities with long-lasting effects unless flexible rental assistance is available to address short-, medium-, and long-term needs of extremely low-income people and renters.

### **Lessons From HPRP and Beyond for Improving Housing and Homelessness Systems**

At HUD I led the team that designed and implemented the Homelessness Prevention and Rapid Re-Housing Program (HPRP), funded by the 2009 Recovery Act. That \$1.5 billion program was the first time HUD funded either rapid re-housing or homelessness prevention at that scale. As a field we learned a great deal implementing HPRP, and those lessons can inform the design and implementation of new emergency rental assistance programs responding to COVID-19.

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<sup>28</sup> Will Fischer, Douglas Rice, and Alicia Mazzara, “Research Shows Rental Assistance Reduces Hardship and Provides Platform to Expand Opportunity for Low-Income Families,” CBPP, December 5, 2019, <https://www.cbpp.org/research/housing/research-shows-rental-assistance-reduces-hardship-and-provides-platform-to-expand>.

<sup>29</sup> Mary K. Cunningham, “When People Can’t Pay Their Rent, What Comes Next?” Urban Institute, May 5, 2020, <https://www.urban.org/urban-wire/when-people-cant-pay-their-rent-what-comes-next>.

<sup>30</sup> “Analysis on Unemployment Projects 40-45% Increase in Homelessness This Year,” Community Solutions, May 11, 2020, <https://community.solutions/analysis-on-unemployment-projects-40-45-increase-in-homelessness-this-year/>.

## Background on HPRP

Rental assistance in HPRP — and in the permanent Emergency Solutions Grants program — is designed to be flexible to meet a household’s needs based on its specific circumstances. It generally takes one of two forms: rapid re-housing for households already experiencing homelessness or homelessness prevention for households at risk of homelessness. Both interventions can include financial assistance, like rent subsidies or payment of rent or utility arrears or moving costs, and services to support housing stability. HPRP’s income limit for homelessness prevention services was 50 percent of the area median income.

HUD allocated HPRP funding to 454 state and local government grantees and 2,545 subgrantees,<sup>31</sup> and the program served over 1.3 million people in roughly 537,000 households between July 2009 and its end on September 30, 2012. Approximately 78 percent of participants received homelessness prevention assistance and 23 percent received rapid re-housing assistance, making it the largest homelessness prevention program in U.S. history<sup>32</sup> to date. Guidance for HPRP was released 30 days after the Recovery Act’s passage, which allowed communities to get new programs up and running quickly. Many communities used HPRP funds to make long-term changes in their homeless systems, including implementing permanent coordinated entry processes and rapid re-housing programs, building more robust partnerships across government and non-profits, and increasing analytical capability so that data can be used in real time for improved decision-making.

It is important to note that HUD has not yet released guidance on several CARES Act programs, including Emergency Solutions Grants. This delay is causing confusion at the local level and harming the most heavily affected communities, who need help quickly.

## Elements of a COVID-19 Emergency Rental Assistance Program

Given both the HPRP experience and the evolution of the field since then, a new Emergency Rental Assistance program should incorporate several key elements:

1. *HUD should require communities to use a racial justice and equity approach in their programs.* It is critical that planning, design, and implementation of responses to COVID-19 aim to close gaps in systems of care that lead to disparities and disproportionate impacts. Communities should consult the people most affected by these gaps to understand their impacts and identify effective responses. For example, funding recipients should hire people with lived expertise to design and operate programs and should solicit and incorporate direct community input into program design and outreach.
2. *Recipients should use funds to end homelessness for as many people as possible.* Pressure to spend these resources rapidly can motivate communities to spend more on preventing evictions than on targeting people already experiencing homelessness, because prevention is faster and easier to administer. Communities should resist this pressure and instead re-house as many people as possible with emergency rental assistance to protect individual and community health.

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<sup>31</sup> Homelessness Prevention and Rapid Re-Housing Program (HPRP): Year 3 & Final Program Summary, HUD, June 2016, <https://files.hudexchange.info/resources/documents/HPRP-Year-3-Summary.pdf>.

<sup>32</sup> Gabriel Piña & Maureen Pirog, “The Impact of Homeless Prevention on Residential Instability: Evidence From the Homelessness Prevention and Rapid Re-Housing Program,” *Housing Policy Debate*, Vol. 29 No. 4, December 13, 2018, [10.1080/10511482.2018.1532448](https://doi.org/10.1080/10511482.2018.1532448).

3. *When designing prevention programs, recipients should focus on homelessness prevention before eviction prevention.* The two are not the same, and as the Center for Evidence Based Solutions to Homelessness explains, “the single best predictor of eventual homelessness is having previously been in a shelter.”<sup>33</sup> First targeting funds to extremely low-income households that have experienced homelessness (or who have multiple predictors) will reduce the number of households becoming homeless more effectively.
4. *Both HUD and state/local recipients should eliminate barriers that prevent historically marginalized populations and other subpopulations from accessing the funds.* Recipients should work with homeless assistance and affordable housing providers to ensure that people of color, LGBTQ people, youth and young adults, people with disabilities, survivors of domestic violence, immigrants, families with children, and others have access to resources, such as through robust community outreach and inclusive program design.
5. *Recipients should work with non-traditional partners that can reach into highly impacted neighborhoods.* Pressure to spend funds quickly can also motivate funding recipients to limit subrecipients to organizations with whom they traditionally partner. To reach the hardest-hit neighborhoods, recipients must foster new relationships with community-based organizations.
6. *Recipients should work closely with landlords.* Both rapid re-housing and homelessness prevention rely on relationships with landlords; communities with the most effective such programs have strong connections with landlords. We also know that small landlords can be especially impacted when their tenants are behind in rent, making those neighborhoods vulnerable to gentrification and loss of affordable housing. Recipients and subrecipients should execute landlord engagement strategies that reach small landlords with tenants who may be eligible for homelessness prevention, while also identifying new units to house people experiencing homelessness.

### **A Framework for an Equitable COVID-19 Homelessness Response**

The Center has partnered with a number of national experts, including the National Alliance to End Homelessness, National Health Care for the Homeless Council, National Low Income Housing Coalition, National Innovation Service, Urban Institute, and former U.S. Interagency Council on Homelessness Executive Directors Barbara Poppe and Matthew Doherty, to develop a Framework and related tools for communities as they create and implement public health and economic recovery plans.<sup>34</sup> While it is oriented toward the use of CARES Act funding and related resources, it will also be a useful tool in designing or expanding current efforts as Congress makes additional resources available and in using these funds most effectively.

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<sup>33</sup> Marybeth Shinn and Rebecca Cohen, “Homelessness Prevention: A Review of the Literature,” Center for Evidence-based Solutions to Homelessness, January 2019, [http://www.evidenceonhomelessness.com/wp-content/uploads/2019/02/Homelessness\\_Prevention\\_Literature\\_Synthesis.pdf](http://www.evidenceonhomelessness.com/wp-content/uploads/2019/02/Homelessness_Prevention_Literature_Synthesis.pdf).

<sup>34</sup> “The Framework for an Equitable COVID-19 Homelessness Response,” <https://endhomelessness.org/a-framework-for-covid-19-homelessness-response-responding-to-the-intersecting-crises-of-homelessness-and-covid-19/>.