

MEMORANDUM

Date: November 23, 2020

To: Marisa A. Zapata, PhD
Director, PSU-HRAC

From: Lauren E. M. Everett
Graduate Research Assistant, PSU-HRAC

Subject: Updates on COVID-19 and disaster response, housing, and people experiencing homelessness nationwide, November 16-22.

News

1. Local governments across the country are struggling to distribute [CARES Act relief funds](#) in a timely manner. The funds must be distributed by the end of the year, or returned to the federal government, and a bill to extend the deadline has been stuck in a Senate committee since August.
2. A new study by the Federal Reserve found that almost [240,000 renter households in California](#) have fallen behind on rent, with an average debt of \$6,953 per household. A federal judge recently denied a request by Southern California's largest landlord organization to halt [Los Angeles' eviction moratorium](#). The court's decision held that landlord's interests must "yield precedence to the vital interests of the public as a whole."
3. [Boston's Housing Stability Notification Act](#) mandates that landlords and constables must provide tenants facing eviction with information on their rights and resources.
4. In [Oregon](#), the Land Conservation and Development Commission passed new rules to implement a bill that aims to address housing needs in the state. The adopted rules require cities with populations over 10,000 people to develop housing production strategies to achieve fair and equitable outcomes. These strategies are required to include people experiencing homelessness in the city's unmet housing needs, a possible first in the US. On Monday the House Housing Committee will hear a proposal on [extending the eviction moratorium](#) (with some modifications) until June 30.
5. Despite [the CDC's eviction moratorium](#), evictions are moving forward across the country, pointing to a critical lack of enforcement and tenant education. In [Arizona](#), more than 900 evictions were filed against tenants who should have been protected by the eviction moratorium in the CARES Act that was in effect until July 26, 2020.
6. In [California](#), Governor Newsom announced an emergency allocation of \$62 million to extend the Project Roomkey hotel program, as few clients have been placed in permanent housing. This includes \$35 million for rehousing efforts, such as rental subsidies, housing navigation, and landlord incentives. In [San Francisco](#), city leaders and advocates are speaking out against a plan to phase out the city's homeless hotel program.

7. In the ongoing saga of the Lucerne Hotel in [New York City](#), a judge upheld a temporary restraining order preventing the city from moving residents to another hotel downtown. Meanwhile some of the men living in the hotel are getting paid to pick up trash in the area as part of a program called [Green Keepers](#).
8. In [Los Angeles](#), a group of unhoused and housing-insecure families who have been occupying thirteen vacant houses owned by CalTrans as part of the “Reclaiming Our Homes” movement will be living in the residences legally. The homes will be transitional housing leased to and by the city’s Housing Authority. However, the activists would rather see them transferred to the El Sereno Community Land Trust where they can serve as long-term housing for community members.
9. The [Philadelphia](#) Housing Authority announced a plan to transfer 240 vacant properties to nonprofit developers, where they will become permanent affordable housing.
10. Residents of [Milpitas, CA](#) (Santa Clara County) filed a temporary restraining order to block the acquisition and conversion of a local hotel into permanent supportive housing for more than 100 people experiencing homelessness. On Monday a judge ruled that the project can proceed.

National Low-Income Housing Coalition (NLIHC) weekly call and updates (November 16)

Peter Hepburn, Assistant Professor of Sociology, Rutgers University-Newark: We’ve been analyzing the efficacy of state and federal eviction moratoriums. We’re tracking 25 cities across the country. As of Nov 7, we’ve observed 105,691 eviction filings in those cities, and almost 3,000 of those are from just the first week of November. In cities like Philadelphia, filings were very low during the local moratorium and started climbing when the state’s moratorium was lifted, despite the CDC moratorium. They were still below historic levels. In Kansas City, MO this pattern is the same, with eviction filings above historical averages in recent weeks. When you average out all the filings, in the two weeks between the CARES Act moratorium lapsed and the CDC moratorium was implemented, there was a large spike. The eviction process is frozen in different parts of the timeline, according to local moratoria. Those that suspended the process in the early stages (e.g. the notice stage) there were much lower filing rates. Filings are trending upward. They remain mostly under historical levels except for a few sites. The CDC moratorium covers more renters than the CARES moratorium, but does not freeze filings, and is open to interpretation in some critical ways that undermine its efficacy.¹ Actions taken by state and local governments in the form of local moratoriums had a substantial impact on keeping filings low.

Q: Have there been any states that are trying to preempt local moratoriums?

A: This has been a concern in some jurisdictions. There were some cities in Texas that were concerned about this and decided not to pursue local policies.

¹ Moratoriums that allow evictions to be heard in the courts mean that even though a tenant may have longer to stay in their homes, they will also have an eviction on their record, which will make it difficult to find housing in the future.

Q: Are informal evictions reflected in the data?

A: No, and it's really alarming because there's an additional number of people who are facing illegal eviction and there's no way to track that.

Q: Where should people put their energy - should it be asking local and state governments to establish moratoriums, or asking Congress to strengthen the federal one? And what do you think will happen when it expires at the end of the year?

A: There's a lot of value in having a universal moratorium but in the absence of that states should take action on implementing their own. If we get to a point where we're rolling over into 2021 and no actions have been taken on the federal moratorium and no substantial rental assistance is forthcoming, I think we're going to be seeing a lot of evictions.

Alayna Calabro, Policy Analyst, NLIHC: We released [a new report last week](#) on using FEMA funds to house people experiencing homelessness during the pandemic. It identifies best practices, challenges, success stories, and opportunities to apply lessons learned, as well as policy recommendations. We know that housing is healthcare, and people with disabilities who live in congregate settings have experienced high death rates. FEMA has determined that certain non-congregate sheltering costs are reimbursable during the pandemic. So we've reached out to partners across the country to learn about state and local efforts. Some of the issues raised by our partners are around existing issues we've seen in past disasters, and some are unique to this crisis. Our partners identified challenges related to eligibility, lack of FEMA transparency, resistance from local communities and officials, and placing people in permanent housing. We learned that a lack of clear guidance and transparency from FEMA hindered efforts. FEMA does not accept extension applications until the last minute, which creates a lot of uncertainty. In Los Angeles and San Francisco, the cities started winding down their programs without permanent housing for participants. Complicated hotel negotiations hindered some efforts to move people into hotels. Local opposition was also an issue, with NIMBYs fighting hotel programs. Our report spotlights the situation in New York City where local residents were pressuring the mayor to move people back into congregate settings, and Legal Aid brought suit against the city. While many communities experienced challenges using FEMA funding for non-congregate shelters, there were also many examples of success.

Bob Palmer, Policy Director, Housing Action Illinois: We're having a resurgence of COVID cases and hospitalizations. A couple of days ago the mayor instituted a stay at home advisory, and the governor suggested that if the upward trend continues he may reimplement the stay at home order. The state rental assistance fund of \$100 million was about to assist about 30,000 households before it expired, out of 80,000 completed applications (filled out by both landlords and tenants - there may have been some renters who were not able to get their landlords to participate). There was also a very significant response and need for mortgage assistance, and that assisted about 10,000 households while 20,000 applied. The governor just implemented a new eviction moratorium that is similar to the CDC moratorium, with some improvements: the landlord must submit the blank declaration form when filing the eviction so the tenant may fill it out if they choose. There seems to

be a loophole in the state moratorium, which is if a tenant is up to date on their rent and doesn't have a health condition, the landlord can still terminate their lease under "no-cause" policy. We're going to be participating in the call later this week to remind our senators that we need more money for rent relief. Other state and local governments are experiencing really significant budget deficits, so as part of the relief package we need robust funding to cover deficits related to homelessness and housing.

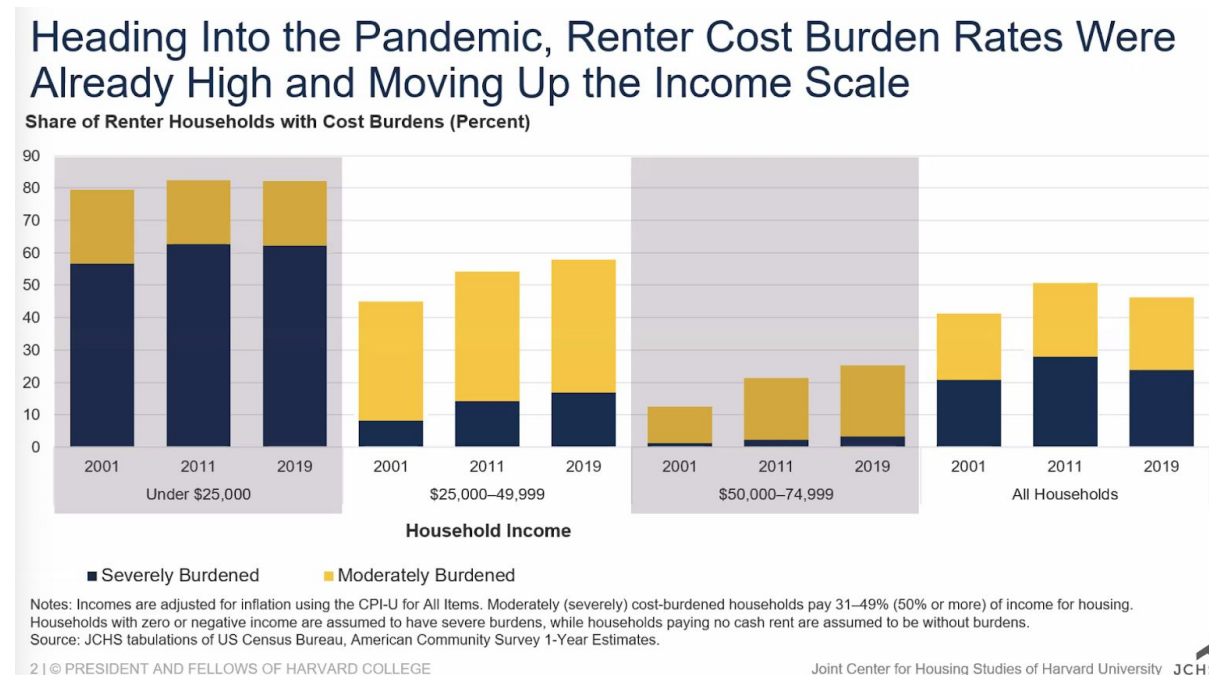
Q: How long does the state moratorium last?

A: Right now it goes through December 12, and we'll be advocating that the governor continue to extend it for as long as necessary.

Harvard Joint Center for Housing Studies webinar (November 19): *The State of the Nation's Housing 2020*

Watch the recording [here](#). Read the full report [here](#).

Daniel McCue: Heading into 2020 cost burdens were already high and were moving up the income scale. More than four-fifths of households with incomes under \$20,000 were cost burdened. The economic fallout from the pandemic has made this worse, with more than half of renters having lost income. Thus far moratoriums have slowed evictions, but back rent will put them at risk without federal aid.



Homeowners haven't been spared during the pandemic. As of late September the share of owners behind on their mortgages varies widely by income, with the lowest income predictably the most

behind. It also varies by race, with Latino households seeing the highest rates, followed by Black and then White and Asian. Home sales rebounded quickly after the beginning of the pandemic, especially new homes sales. This has made housing a bright spot in the pandemic economy.

Affluent people of color are more likely to live in high-poverty neighborhoods than white households. People of color had much higher cost burden rates, and are disproportionately represented in the homeless population. The homeownership gap is larger by race than it has been in some time, as well. The number of cost-burdened renters has grown as housing assistance has become a lower budget priority. Only one in four households who qualify for assistance receive it, and the amount of aid diminished as the rate of cost burden increased, in the 2005-2009 time period. The magnitude of the problem suggests that we may be in a position to make bold moves to address our broken housing system.

Panel: Chris Herbert, Marietta Rodriguez, Toby Bozzuto, Mayor Keisha Lance Bottoms
Moderator: Nicole Friedman

Chris: As Dan said, the situation for renters has been in crisis for the last decade. Between 2001 and 2004, the number of cost-burdened renters has grown considerably. We have 10.5 million renters right now who were severely cost burdened before the pandemic. Four-fifths are cost burdened, and two-thirds of those are severely cost burdened.

Mayor Bottoms: I was looking at some recent statistics in Atlanta, and 23% of City of Atlanta residents who were employed prior to COVID were laid off or furloughed. About 39% said they had hours reduced or had to quit their jobs for safety reasons. At the onset of the pandemic, we just began in rapid fire thinking of things and ways we could help. We began to suspend water payments, we set up some food give away programs for seniors and families, and we created a series of funds including some rental assistance that we've been able to move from our city reserves plus the CARES Act funding. One can get up to \$5,000 for rent or mortgage. If you're an owner, you can also access that funding. We set up a hotel for people experiencing homelessness and cleared out an encampment and housed 75 people. So in many ways this has been an opportunity for us to be creative and move faster.

Q: What have you been hearing from your network organizations with NeighborWorks?

Marietta: We've been hearing from over 240 organizations and serving them in real time. Organizations have experienced huge increases in service demands, including services they don't normally provide. Along with this increased service demands, organizations have seen skyrocketing unexpected expenses, like paying for PPE. They report that since the start of the pandemic until September they've experienced \$30 million in unexpected costs. We've also been hearing that homeowners are delinquent or expect to be. More troubling, many owners who reach out are not aware of the forbearance protections right now. We serve owners of 175,000 affordable rental units across the country, and they're seeing large revenue losses. We started this pandemic with low inventory, particularly on the affordable side, so this could put even more pressure on the market.

This pandemic has highlighted the lack of stable broadband, especially in rural areas. This is an issue right now for accessing education, telehealth, and more.

Q: Toby what are you seeing as far as COVID and the demand for rental housing?

Toby: We're in a perfect storm of several things: the pandemic, racial unrest, and climate change. These challenges are like a tide that has receded and laid bare these existing problems. My company operates in the Class A space, which is the higher-end rental properties found in large urban spaces and their suburbs. Across 80,000 units we manage we've seen a decline in urban occupancy, which has a downturn effect on rents. Class A renters are college educated and they have jobs that allow them to work from home, and they have not suffered as much economically as others. So the rental market is becoming a case of the haves and the have nots, which needs to be addressed on the national level.

Q: What are lessons learned from the last crisis that we should apply?

Marietta: In the 2008 crisis, we saw real leadership and alignment across all sectors. There were reps from the financial services industry, government, and nonprofits working on a coordinated response, and we haven't seen that. Federal resources were quickly deployed through various channels, with a lot of mortgage assistance. So that rapid resources deployment is important. There was also a lot of attention to outreach so people were aware of these resources, and about scam-assistance schemes.

Chris: If I could add to that, Marietta mentioned NeighborWorks' role in providing housing counseling services, and in this pandemic we don't have an infrastructure to reach out to renters and landlords, so we need to build that up. We have the lessons, so we need to build the infrastructure. One of the lessons here is that we need to build it up before the next crisis.

Q: One of the biggest surprises is how much home sales are booming, and they're at the highest since 2006. Why is that?

Chris: As we came into 2020 we saw a homebuyer market that was on the upswing. This is partly because the millennial generation was moving into their 30s, and saw a surge being led by young households. I thought the pandemic would take the wind out of the sales of the home market, but after the dust settled people in the middle income market were spending less on vacations and other things, and this summer saw house prices rising. So we have a very strong home buyer market. Many of those young, educated millennials are taking advantage of low interest rates as well, so we anticipate that will stay strong.

Mayor Bottoms: My community is still under water from the 2008 crisis, and for the first time my home is within \$20,000 of what I purchased it for. Is this still the case for Black and brown communities?

Chris: That's a good question, because there isn't one market. To the extent this boom is being led by young millennials with jobs, the demand is segregated as well and the boom does not extend to this community.

Q: Mayor, I wanted to ask about housing in Atlanta. What is affordability like right now?

Mayor Bottoms: Affordable housing had been a challenge in the city for a long time. When I ran for Mayor we set a very ambitious goal for affordable housing investment. We've made some great strides. Just before the pandemic hit, voters approved a housing bond for the area. Now we've had to slow down on the affordable housing bond, which is problematic. But we were able to get out our housing affordability action plan, which outlines steps we can take in the city to reach our goals. It's still a challenge in the city, but we were very clear about our goals and metrics so we've been able to track it.

Q: As we saw earlier, homeownership rose this last year, but the Black/White gap is the largest since 1983. How can we address this?

Marietta: This gap is the result of decades of policies that have made it hard for Black and Latino households to enter and maintain ownership. This is particularly true for Black households. Communities of color have taken a long time to recover from the 2008 crisis. We know that ownership is one of the main ways to build wealth, and owners also have much more of a voice in their communities since ownership is a cornerstone of citizenship. We have a golden opportunity as banks are looking at modifying the Community Reinvestment Act. We need more ownership counseling to make sure people are able to take on a mortgage and understand what the right fit for them is, in terms of mortgage. We need to address the lack of affordable inventory - there just isn't enough. We need to think about building equitable market channels that would support our desired outcome for building ownership in these areas. Thinking about new market structures is important. Also, doubling down on strategies that work, like down payment assistance and mortgage structures that are effective.

Mayor Bottoms: The vast majority of our workforce can't afford to live in the city. So we're looking at ways to make that more accessible. Even in areas of the city that are still affordable, there's the challenge of not having schools where they need to be. We offer incentives to move into communities, rehabilitate houses, etc. But if you don't address community issues comprehensively (school, transit, etc.) you're going to lose those young families. At times it seems almost overwhelming, and there isn't enough time during the day to address all the challenges.

Marietta: We've come to the point where we need to look at cross-sectoral work, for example the connections between education and housing. Both locally and nationally.

Q: Toby what would it take to expand the affordable housing supply?

Toby: The lack of housing affordability is a human issue, and if it's not addressed we're going to continue to perpetuate inequities. We need a federal stimulus package. Housing should be an integral part of any infrastructure plan. We need an all hands on deck approach that involves all the actors. We should put measures into place to get money into the hands of everyone who needs it, such as expanding the HCV (Housing Choice Voucher) program, rather than tax credits because it takes so long to build housing. Almost a third of the cost of building is in regulatory costs and impact fees, which makes developing affordable housing really expensive. The government needs to preserve the affordability of mortgage financing.

Mayor Bottoms: Education is a key component. There are many people in our legacy neighborhoods that own homes but don't recognize the value. As our neighborhoods improve and redevelop and gentrify, it's important to understand it's for everyone. We also need education so people don't sell their family homes just because there's an offer and the taxes are high.

Marietta: We have a whole team that works with communities about neighborhood marketing. As neighborhoods get stronger and improve—maybe there's a little bit of gentrification—the neighborhood can take on a new identity. They can rebrand themselves as places that are attractive to these new buyers. More communities need to employ strategies like that.

Chris: We need more incentives for rental housing that's between "capital A affordable housing" and Class A—and I'll bet developers like Toby would be happy to build that housing if there were incentives. We need a lot of stuff in between the two.

Q: One of the key conclusions of the report is that the US needs a national housing policy.

Chris: We've been writing this report for 32 years, and when we did the 30th anniversary we looked back at the beginning and the story was pretty similar. As we look at the challenges we face as a country, it all points to the fact that having a stable home is fundamental. This should be a bedrock of what it means to be an American. When we look at all these pieces, we have to ask what can be done comprehensively to address this. We need to do a broader assessment of our housing policy to make sure all levels of government are doing what they should be.

Toby: I couldn't agree more. My biggest take away from this report is that humanity has been exposed now in all its good and bad. This is our time, and we need to make a difference now. We need leaders like Mayor Bottoms who will make housing a priority. If not now, when?

Q: As a Mayor do you want the federal government to take a bigger role?

Mayor: I would love for the federal government to take a bigger role in housing policy. If we want to address the systemic racial issues, we need to start with housing, and access to resources like education and transit is crucial.

Q: What's been the impact of the moratoriums?

Mayor Bottoms: We have a moratorium and rental relief, but what we're seeing is that a lot of people who are applying for aid don't live in Atlanta. We were able to directly access CARES funding because we have more than 500,000 people residing in the city, but every other jurisdiction has had to compete with each other for those funds. It's unfortunate that we're living and experiencing this pandemic but we can't access the resources we need.

Marietta: On the rental eviction side, the moratoriums have provided a tremendous amount of relief. You still have landlords who need to do debt service and maintain those properties, so we need to think about how to help them. This is particularly true for people who only own a few properties. The moratorium is about to expire soon, so we are worried about what's going to happen at that time. The other thing we haven't talked about is the Paycheck Protection Program, which provided a great deal of support and is about to expire. Our network applied for many PPP loans which were able to sustain providing our services.

Chris: And what do we do about the back rent that's due? On the forbearance side there's more flexibility because the lender has the option to tack that on to the end of the loan. On the eviction side, people have been talking about an eviction wave for a while but it hasn't happened yet, but unemployment is about to run out. As the year ends I think we're about to see the problem worsen. I think there's still time to take action to make sure that doesn't happen.

Other resources:

1. [The Urban Institute's report](#) on *Community Strategies to Understand and Reduce Veteran Inflow into Homelessness*.
2. According to a new study from Dartmouth College, [Black homeowners](#) are twice as likely to lose their homes and return to renting than whites.
3. The cost of [COVID-related evictions](#) if federal intervention isn't forthcoming.