

MEMORANDUM

Date: December 21, 2020

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

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

Subject: Updates on COVID-19 response, housing, and people experiencing homelessness nationwide, December 14-20.

News:

1. On Sunday Congressional leaders reached a deal on a nearly [\\$900 billion COVID relief package](#) that will include \$25 billion of rental assistance. It also extends the CDC moratorium to January 31, at which point it is expected to be further extended by President Elect Biden. The package will be voted on Monday as part of a larger spending bill.
2. FEMA recently changed [the authorization process for non-congregate shelter reimbursement](#) (e.g. hotel rooms) from requiring that reimbursement requests be submitted every 30 days, to authorizing reimbursement for the duration of the COVID-19 emergency. This important update will ensure that state and local governments can continue offering these programs for as long as needed, without worrying about losing funding during the crisis.
3. [Philadelphia](#) has run out of CARES Act federal funding (separate from FEMA) for hotel shelter, and has begun moving about 200 residents out of the Holiday Inn where they had been staying. A city spokesperson said guests are being placed either in permanent housing or temporary safe spaces, but the location of these rooms was not given. Meanwhile, the city will be developing [two tiny-home villages](#) as part of a deal associated with closing a large encampment.
4. [Los Angeles](#) City Council voted unanimously last week to purchase eight motels to house people experiencing homelessness. Funding for the acquisitions comes from Project Homekey, and the purchase will add 701 rooms. Meanwhile, as [California](#) is in the midst of its worst COVID surge yet, the state moratorium is set to expire at the end of December. Around [2 million renter households](#) in the state are at risk of eviction.
5. After [nearly ten months of residing in hotels](#), many houseless guests worry they will be forced back out onto the street or into congregate shelters in the midst of a COVID spike.
6. After a prolonged battle between city and county governments, [Renton](#) City Council (Seattle Metro Area) passed emergency legislation limiting where and how homeless shelters can operate. This will result in over 200 people currently residing in a Red Lion Hotel to move in the coming year.

7. In the [United Kingdom](#), the Everyone In hotel shelter program, which accommodated about 15,000 people, was viewed by advocates and participants as a success. However the program is over and local governments don't have enough funding to shelter everyone during the winter.
8. During the pandemic many residents of [New York City](#)'s public housing are experiencing serious deterioration in the physical condition of their homes. These problems were already an issue before COVID, but have increased noticeably.
9. As the pandemic stretches on, landlords are increasingly [resorting to harassment](#) to circumvent eviction moratoriums. In [Missouri](#), one landlord removed the door of a tenant's residence in retaliation for two months of unpaid rent.

National Low-Income Housing Coalition (NLIHC) weekly call and updates (December 14)

Dr. Mark Zandi, Chief Economist, Moody's Analytics: Diane asked me to weigh in on the eviction crisis and the amount of back rent owed. [We estimate \\$70 billion in back rent](#) and utilities will be due in January 2021. That's for all renters who are behind, not only those impacted by the pandemic. This estimate includes late fees. This assumes that the federal government does not intervene with an aid package. This is significant because without that support the broader economy will suffer job losses and rising unemployment. This contributes to my estimate of rent delinquency. The estimate is based on a large number of sources, including the US Census Bureau's Pulse survey, which provides more detailed data. My estimates of the rent and utilities do reflect where we think we'll see more delinquent renters, which is in urban areas with higher rent and utility costs than in other areas. I also used the Census HVS data and Equifax, which gives us data on homeowners who are behind on mortgage. The total estimate is over 11 million delinquent rental households. The typical delinquent renter will owe just over \$6,000, which includes rent, utilities and late fees for an average of four months late.

One of the key assumptions here is that there will be no additional fiscal support. If we do get a package - and the most recent proposal is for \$900 billion - the numbers will be slightly lower. Rental relief in this package is \$25 billion (versus the \$100 billion in the HEROES Act). In this scenario the total amount of back rent etc. owed is just over \$57 billion. Over half of renters who are currently delinquent feel that it is likely they will be evicted. The proposed \$25 billion would theoretically be enough to get those renters current, but not help with future rent and subsequent evictions. I would advocate for a larger rental assistance package, but I do think that what's been proposed is roughly consistent with these numbers. The unemployment rate is tied to the fiscal package. With a \$2.25 trillion package (along the lines of the HEROES Act) there is a significant difference in unemployment levels from what is being proposed. It is essential for Congress to pass some kind of package so we're not faced with a true rental eviction crisis. A large percentage of delinquent renters are relying on friends and family or credit for assistance, so even for people who are making payments that may only be possible by stretching resources thin.

Brittany Manzo, Chief of Staff, National Innovation Service: I'm really excited to be sharing our latest tool, a [Framework for an Equitable Homelessness Response](#). Equity-based decision-making is grounded in "actively deconstructing the processes and structure that perpetuates racism and oppressions." This tool helps us move from the "what" and "why" to the "how" of centering equity in your work. It starts [with an assessment](#), which entails choosing an example of your work and selecting a subsection of that, and then applying the tool. Today I'm going to use a document I worked on at the Interagency Coalition on Homelessness. The first question is whether the document contains acronyms or jargon, and it does. The next is whether the document clearly states its purpose, and it does. The next is whether a 7th grader could understand it, and the answer is no. Is the document translated into other common languages? No, it isn't. Asking those four questions completes the assessment. If you're curious how we came to these recommendations take a look back at the guidance we released earlier this year. This tool is widely applicable - not just to homeless services. How should we use it? Share it with your colleagues, integrate the recommendations into your workflow, and propose equity-based decision-making guidance using the assessments as a monitoring tool.

Kate Watson, Executive Director, Kansas Statewide Homeless Coalition: I got a call recently about joining the state's vaccine distribution advisory group. They had one meeting and the discussion was around what sectors are not represented here in this committee. Fortunately, they determined that having homeless-service-provider representation was critical. Every state has to have a state vaccine distribution plan. To give you a little highlight of the challenges, a lot of folks who aren't familiar with Kansas think it's mostly Kansas City. But most of the state is very rural and some counties are very sparsely populated. However, there are still homeless people in those counties. What the planning group is working on is some CDC recommendations of the phases in which distribution is going to roll out. The plan is to have a phased approach. The first phase of course is health workers.

We started enrolling health-care providers in a tracking system in September, so we can keep track of demographics, side effects, etc. The plan that the CDC submitted to the state was gleaned from an equity framework. It recognized that the homeless population is an important group to include. In phase 2, people in congregate living environments (homeless shelters, nursing homes, etc.) are going to be vaccinated. In our state, health departments are decentralized, which creates a challenge. Some of the more rural health departments only have one or two people on staff. The other barrier is distributing the vaccine to homeless service providers and to people at risk of becoming homeless. I don't think they know at this point what the timing is going to be. From what I understand, the general public will not have access to the vaccine until May or June. My goal will be to present to the vaccine committee a need to garner support from our providers. We don't know how many have been impacted by COVID and are just starting to collect that data. Our committee will be using GIS to map those populations where we don't have data. The other problem that I see in states across the country is the need for public education around vaccinations in general. I've heard that 30% of nurses across Kansas don't want to take the vaccine. So encouraging people to get the vaccine is crucial. I come from a public health background so I feel a little more secure about getting it, but messaging will be really important.

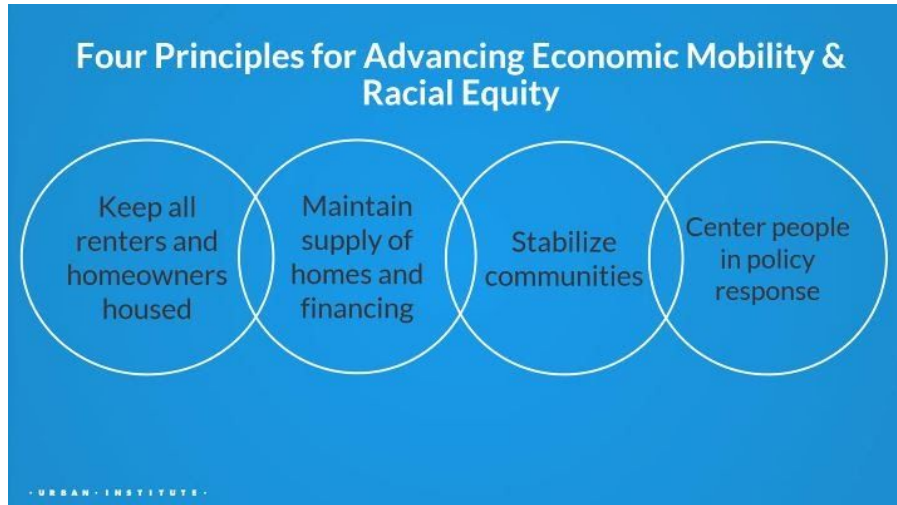
Elissa Margolin, Director, Housing New Hampshire: We have been advocating for a. decompression/quarantine sites for homeless shelters, b. A state housing relief fund, and c. a shelter modification program. We were able to deploy resources really quickly. Philanthropy was a key partner as we worked the administrative mechanisms required to make state and federal resources work for us. We used Emergency Solutions Grants (ESG) for street outreach and rapid rehousing, which required amending our state action plan quickly. The state's Housing Relief Program launched just as our eviction moratorium expired. We learned early on that trying to collect data was slowing the process of distribution, so we changed the application process. We served on the review board for the shelter modification program and provided insight to the folks administering the program.

It was a tall order to make infrastructure improvements by the CARES Act deadline, but we were able to make progress. The results of getting the resources out quickly and of the supportive policy landscape are: 1. Evictions are at an all-time low (half the number of evictions than the previous year), 2. Rent and mortgage support, 3. Shelter decompression and improvements. And 4. COVID diagnostic and antigen testing for shelters. We also have a very visible encampment, which state leaders have been trying to address. The governor established a new council on Housing Stability to replace the State Interagency Council on Homelessness. The framework was finalized last week. We have been building on this wider interest in our issues by focusing on affordable housing, supportive housing, and more. Lessons learned include recognizing the power of philanthropy, paying attention to regulatory frameworks for funds, using virtual platforms like Zoom and blast emails to repeat messaging, advocacy around the homeless population receiving the vaccination, continuing to seek help from new allies, and being grateful.

Urban Institute webinar: Applying an Equitable Framework for Housing Policy Response During COVID-19 and Beyond (December 17)

[Read the full report](#)

Corianna Payton Scally, Principal Research Associate, Metropolitan Housing and Communities Policy Center, Urban Institute: The objective is to develop a framework for not only COVID-19, but for other crises as well as non-crisis times. Mobility entails economic success, being valued in the community, and having power and autonomy in their lives. Centering racial equity means that race no longer determines one's outcomes in life. A framework for equitable recovery should draw from past lessons. We looked at policy responses from Hurricane Katrina and the Great Recession. They were mainly focused on economic recovery and did not include an equity component. Including people of color and tracking outcome metrics by race and ethnicity is key. An exemplar policy is the Unified New Orleans Plan in response to Hurricane Katrina. Also, the National Foreclosure Mitigation Counseling Program in response to the Great Recession. We arrived at these four principles:



Stabilizing communities includes increasing power and autonomy and the sense of belonging by helping people stay rooted where they want to be. Centering people in the response includes making resources more accessible and tailoring aid to each household.

Alexa Rosenberg, Senior Director, National Initiatives, Enterprise Community Partners: We know if we don't look forward to the pandemic response, we will see a loss of housing for renters and homeowners, especially in Black and Brown communities.

Q: Have there been any surprising outcomes during this time?

Maeve Elise Brown, Executive Director and Founder, Housing and Economic Rights Advocates: We're a statewide nonprofit law office in California with a racial justice and equity mission. We work with a wide range of people in various circumstances. Loss of intergenerational landlord wealth is one of the striking features of what we've been seeing at our door. We've found about 50% of small landlords are seniors, about 75% are people of color. These are one or two unit properties. It's been really eye-opening to see how they're handling the situation. Then the implications for loss of family wealth for people of color has been surprising. We've seen a lot of suspicion over forbearance or rent assistance programs. We've had people demand to know who we are, even while they're frightened about foreclosure.

Paul A. Young, Director, Housing and Community Development: I'm the director of Housing and Community Development for the City of Memphis. One of the things most surprising in the early days of the pandemic was the lack of concern among the landlords about their own financial situations. They were telling us they were actually seeing pre-payments. But they did say at that time they were concerned about what they were going to be seeing during the fall. We were and still are seeing many people and families that are really struggling right now. We have a number of issues around homelessness, and are seeing a high uptick in calls from families that are on the verge of losing their housing. We heard from our small landlords, and many of them are facing similar challenges as tenants. Another thing we've been hearing are about issues around broadband

connectivity. We have students that have still not attended any classes for various reasons. I talked to one family who didn't have Wi-Fi at the hotel where they were staying, for example. So we need to think about broadband connectivity as another essential utility.

Michelle Whetten, Vice President and Gulf Coast Market Leader, Enterprise Community

Partners: It's important to understand the pre-COVID housing landscape in New Orleans. Rent burden was already high, and tourism is a major economic sector. We have a very high poverty rate among Black families. Like Memphis we have a lot of small rental properties - over half are in small buildings. We also have very low maximum unemployment benefits that are some of the lowest in the country. The brunt of the economic downturn is felt most in the hospitality sector, and many of those individuals are Black and are renters. So one of my biggest concerns is what's going to happen in January. We're predicting as many as 140,000 families will lose their housing when the eviction moratorium is lifted and the rent is due. The city has made some rental assistance available, but it's not nearly enough. One anomaly is the single family home market. Prices have gone up 5%, and there are less houses available and a low interest rate. At the same time lenders are requiring higher down payments, so first time buyers are often shut out. We've also had 7 hurricanes this season, so that has been a double whammy.

Rosenberg: This is not the first housing crisis we've seen in the Gulf Region, and we know past responses have fallen short at addressing equity. What can we do differently?

Whetten: The short answer is that they don't address the four recommendations in the Urban Institute report. We've had enough disasters since Katrina to understand that people of color are the hardest hit and have the most difficulty recovering. If you don't have savings or access to transportation it is very difficult to safely evacuate so you are more likely to be in harm's way. Housing that costs less tends to be in riskier areas with lower ground. Lower income people are also more likely to live in housing that's not well-built. Renters often don't have insurance so they aren't able to replace all the furniture and appliances they've lost. For homeowners, you have to wait on federal resources so you're in limbo for a long time. Disaster recovery programs are generally designed to be accessed equally by everyone and don't account for disproportionate impacts on people of color. Public officials often want to be able to make funding commitments, which often means there's an urgency to get programs designed without input from impacted communities so that process gets short circuited. There's a real need to get input from those parties. As for developers, contractors and nonprofits, minority-owned firms often get overlooked for those contracts. In the early days of Katrina recovery, there were plentiful resources and those companies and organizations that have been able to access those are now doing well. We need to get better at recognizing the value of those organizations.

Rosenberg: Regarding the fourth principle about individualized attention, can you tell us about your work?

Brown: The national response to the foreclosure crisis was to focus on financial institutions. I would say that it's a foolish choice as people were last in line. So putting people first is essential to

an ethical and equitable path towards recovery. We center people in our work by realizing there's not a one-size-fits-all solution. It's been really interesting to us to learn about how many of our clients have a small business on the side plus a wage job. Many people have spent down their life savings to pay their mortgage. We have some renters who have done the same thing. Renters tend to have less in the way of reserves anyway, but have been spending what they have. There's also been a widespread lack of clear information about the rules right now. We have this complicated household composition right now with millennials coming to live with the parents, which means that households have different needs. People of color and women have not finished recovering from the Great Recession, so this just layers onto the problem. Lack of clear information on the policy front is troubling. It's worse than usual. We've had a series of eviction and foreclosure moratoria at different levels, and there hasn't been good information communicating those policies to households. The lack of reliable, accurate information leads to worse outcomes.

Young: We just received a second allocation of CDBG CARES Act dollars. With that funding we wanted to collaborate with our partners in the community, so we worked with a local nonprofit to convene a group of stakeholders to best allocate those funds. Between March and June, we were able to implement a new program to provide tenants facing eviction with legal and rental assistance. Previously these landlords would have filed eviction, had the tenant removed, wouldn't get paid anyway and then the tenant would have that strike on their record. So now the tenant avoids the eviction on their record and the landlord gets their money. This is something I hope we can continue beyond this pandemic.

Rosenberg: What's the most important policy shift you hope will take root?

Young: I hope it's a growing awareness of inequity in this country, and that will continue to drive people working in this space. I think there's a lot more collaboration and intention happening today that I would like to see stay with us

Brown: I see a level of coordination among state entities and a desire to take a bigger picture view. I'd like to see that continue, and specifically this conversation about where people are at. Not having these one size fits all policies because it doesn't work for people's individual lives. One last thought is to aim for less positionality in our gatherings and meetings and have more people in the room that have traditionally seen each other as opponents to have well-guided conversations and educate advocates. These would be having bigger conversations about how to move things forward. Positionality keeps us locked in our views. One specific example is - when folks say landlord they're thinking of a large landlord - but most of the landlords in our state are not large landlords. You have lots of individual households and these are households of color. Weaving in consciousness around the racial and gender-based wealth gap in our country.

Whetten: It's crucial that Congress extend the moratorium and pass rental assistance immediately. We need to figure out how to speed up the allocation of resources during a disaster. We have some recommendations for that. This would free up advocates from having to focus on lobbying for resources so they can attend to the crisis. More broadly I think this crisis is showing us how

precarious many millions of households are, being only one paycheck away from not being able to feed their families. We need to take a look at how our government benefits are provided. There are a lot of exciting models out there. There's a great one in Jackson, Mississippi that's providing an unrestricted \$1,000 in cash to single mothers. It is proven that cash prompts mobility and it is changing people's lives. We need to take a look at these private models and see how we can modify our government responses.

Brown: I think we're ready for some new concepts in housing. The concept of housing tenure is one I've really been drawn to. The notion of risk analysis with the type of housing that someone's in is kind of brilliant. It's good for us as advocates, those in governments, individuals living in the housing, etc. It's important to understand that certain types of housing have a higher risk of displacement. It's about beginning to think about how we invest our energy, and then that should filter to the public so they think about their own housing choices. Someone in the questions asked about commodification of housing and it would be wonderful to have a fuller discussion about that, including commodification of housing by local governments. How localities get paid (e.g. property taxes) is crucially important for untangling the system we're in. There are constraints on municipalities to meet their budget, so unpacking the property tax issue and how it drives decision making. I think that needs to be a piece of the puzzle.

Q: We talk about the plight of renters, owners and landlords, but what are the responsibilities of financial institutions?

Brown: One of the failings during the financial crisis of 2008 is that there wasn't an oversight to make sure financial institutions passed the benefits they received to the public. Those who received federal relief funds were supposed to participate in the Home Affordable Modification Program. But in reality you tell them to do something and there's a court order, but it doesn't happen. We have to have enforcement: it's not enough to have rules. There's still huge resistance in many of these institutions to being placed in this position of passing down the benefits. There's also the issue of access to credit. Credit standards had tightened for homebuyers and then stayed tight. There's a huge racial equity question to me here because I think in some cases it enabled lenders to discriminate against people of color under the guise of these regulations.

Whetten: A lot of the small landlords in New Orleans have properties their families have owned for generations. So they might not have mortgages but there are a lot of other bills, and those are the bills they're struggling to pay. The rental income also might be that family's only source of income.

Brown: Yes we're seeing owners who can't even pay the property taxes.

Rosenberg: Another related question is, what are the other threats facing housing supply? Are you concerned about out of town investors?

Young: That's a major concern for us. We have one community that had a downturn but values are starting to inch up. When we were doing our Comprehensive Report we noticed that the Frazier

neighborhood had the highest number of sales, and found out investment firms were buying these homes. So now people who would become first time homeowners are competing with large companies. It's not like rental housing is a bad thing, however we have opportunities to stabilize neighborhoods through homeownership so this is a challenge in the Frazier neighborhood and others in Memphis. We have down payment assistance for low- and middle-income buyers in these areas where we'd like to see homeownership grow. We're also investing more in homeownership counseling. All of the applicants for assistance are getting counseling as well, so even if they don't get funding through the program they at least get that benefit.

Whetten: Out of town investors had been a big issue as far as buying up our historic single family homes and duplexes in central New Orleans. The city passed a short term rental ordinance last year which made a pretty big difference (e.g. AirBnB). We've seen a lot of those homes put on the market. The downside is that some of those folks were local folks who have lost that source of income. A lot of long-time New Orleans residents were displaced from their neighborhoods by out of town investors.

Other resources:

1. The [National Alliance to End Homelessness's](#) Voices from the Field project surveyed homeless service providers about their experience maintaining services during COVID.
2. NAEH's guide to [Meeting the Needs of People Experiencing Homelessness in the Time of COVID-19](#).
3. The Joint Center for Housing Studies at Harvard outlines [the state of the homelessness crisis](#) leading up to the pandemic.
4. A new report from the University of Southern California looks at how [renters in Los Angeles coped with unaffordability](#) before the pandemic.