

MEMORANDUM

Date: February 8, 2021

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, February 1-7.

News

1. In a major development around emergency funding for hotel and motel shelter, FEMA has been directed to make [the 100% reimbursement retroactive to January 2020](#). This means that municipalities and states that had previously been paying 25% of the cost are eligible to recoup those funds from the federal government.
2. In the wake of this news, [Los Angeles](#) plans to expand Project Roomkey hotel and motel shelter to more unhoused seniors and people with medical vulnerabilities.
3. Tenants and tenant advocates are concerned about the federal government's [allocation formula for rental assistance](#), which uses the general population rather than the renter population (see Andreanecia Morris' presentation in the NLIHC call). Additionally, the "small state minimum" means that every state received at least \$200 million regardless of population.
4. In [Portland, OR](#), a housing authority property management contractor has been evicting people at much higher rates during the pandemic than the housing authority does in properties that it manages directly, raising questions about whether a for-profit management company is aligned with the mission and values of providing affordable housing.
5. A recently published study on rental cost burdens of [low-income renters in Los Angeles](#) shows that households were already cutting back on basic needs like food and healthcare before the pandemic.
6. Democrats' proposed increase of the [federal minimum wage to \\$15 an hour](#) (the Raise the Wage Act) would raise wages for about 32 million workers, and lift 1.3 million people out of poverty. While this would double the current minimum wage, some advocates worry that it still falls short of what is needed to make housing affordable for households in many large metropolitan areas. Additionally, research shows that landlords often increase rents in tandem with increases in income. The minimum wage increase is not included in the proposed COVID relief bill.
7. Representatives Ocasio-Cortez and Bowman led 52 of their House colleagues in sending a letter to Treasury Secretary Janet Yellen, HUD Secretary-designate Marcia Fudge, and Acting

HUD Secretary Matt Ammon, urging the agencies to [replace recent guidance of the administration on the approved \\$25 billion in rental assistance](#). As it currently stands, the agencies' FAQ outlines a burdensome application process that runs counter to the best practices and lessons learned from local agencies who have been tasked with distributing previous federal rental relief funds.

8. In [Washington](#), legislators are debating different strategies for aiding renters, towards a goal of permanently ending the eviction moratorium when it's set to expire on March 31. Some lawmakers are looking at changing the eviction process itself to include policies like 'just cause' protections (tenants cannot have their tenancies terminated without cause) and a 'right to counsel', which would provide attorneys for low-income tenants in eviction court.
9. In [New Jersey](#), lawmakers' efforts to pass a comprehensive renter protection bill has been stalled in the Senate by the objections of a landlord interest group.

National Low-Income Housing Coalition (NLIHC) weekly call and updates (February 1)

Kim Johnson, Policy Analyst, NLIHC: President Biden directed the CDC to extend the eviction moratorium through March 31. It had been slated to expire January 31. This latest extension is essentially a continuation of the existing moratorium. While this was definitely necessary, this straightforward extension is not enough to protect renters during the pandemic. The administration must strengthen and enforce the order. NLIHC submitted a letter to the administration outlining needed changes that was signed by 2,000 advocates and elected officials. We've also requested a meeting with the CDC.

Alayna, NLIHC: Last week we met with Treasury and HUD staff about the problematic items in the emergency rental assistance program. They informed us that it is being revised, and we will keep you updated when that comes out.

Kay Jowers, Senior Policy Associate, Duke University: We became interested in looking at eviction and utility cut off moratoria to see what kind of impact they have on COVID-related deaths. We find that they have significantly decreased both infections and deaths. The benefits we find from the policies extend to all members of the public, not only the recipients of the moratoria. We also find that had these policies been in place across all counties in the country since the *beginning* of the pandemic, limiting evictions could reduce infections by over 14%, and deaths by over 40%. Moratoria on utility shut offs could limit infections by over 8% and deaths by almost 15%. Both moratoria are very important.

Read the working paper [here](#).

Mark Zandi, Chief Economist, Moody's Analytics: Today I'll be sharing revised estimates on the rental eviction crisis. We got an update on the Census Pulse survey, which is one of our primary data sources, so that's helpful. Then another other big change is the \$25 billion in rental assistance

that was recently passed. By our accounting it's getting out into states pretty quickly. Then of course the President has extended the eviction moratorium. So there are a number of moving parts here and our forecast has been updated accordingly. Despite all of the progress being made here the crisis isn't over. This estimate for January does not account for the \$25 billion and assumes no additional support. I'm assuming that about 60% of that \$25 billion will be distributed in February, and the rest in March. In Q3 of 2021, we're assuming that enough people have been vaccinated or have immunity that things will start to get back to normal. Bottom line - despite all of the help, it's not enough.

	Jan	Feb	Mar	Apr	May	Jun
Back rent, utilities and late fees owed, \$ bil	57.3	34.0	33.1	36.3	40.0	43.1
Delinquent renters	10,250,000	6,844,620	6,274,526	6,599,526	6,829,526	7,009,526
Amount delinquent per renter, \$	5,586	4,964	5,282	5,499	5,854	6,148
Rent and utilities, \$ per mo	1,420	1,410	1,401	1,397	1,399	1,400
Rent	1,130	1,120	1,110	1,105	1,105	1,105
Utilities	290	290	291	292	294	295
Late fees, \$ per mo	50	50	50	50	50	50
Months late	3.8	3.4	3.6	3.8	4.0	4.2

Notes:

Based on the Moody's Analytics Jan 2021 baseline economic outlook

Assumes no additional fiscal relief

Includes all delinquent renters, not just renters impacted directly by the pandemic

Sources: Census Pulse Survey, BLS CES, Census HVS, Equifax, Moody's Analytics

This is for all delinquent renters, not just those who are impacted by the pandemic. Given the wide band of uncertainty here, we'd want to err on the side of providing too much assistance rather than not enough. On that note, \$30 billion is a good amount to advocate for in the next package. Renters are generally lower-income and less able to prepare for financial crises, so they're in a different situation than homeowners. One final point, it is very important that we get additional fiscal support.

Read the full report [here](#).

Q: Do you have state-by-state breakdowns, and breakdowns by urban and rural areas?

A: I'm working on it. I actually have done it, but don't feel confident enough to release it yet. I'm working hard at that and hopefully will have some numbers to share soon.

Q: Have you modeled based on other aspects of the President's proposal?

A: Yes, and the picture starts to improve as you move into summer. I'm assuming the pandemic starts winding down by then, so that by Q4 of 2021 the economy is kicking into gear, and there's a lot of demand by higher income households. You marry the demand with cash and the economy should kick in, so the economy should start looking a lot better. The President's new relief package is about sustaining the economy during the crisis, so if that passes the eviction crisis is substantively resolved with that \$30 billion. We still have all kinds of problems long term, but the

existential threat of the eviction crisis will have been staved off. We're also assuming the President will extend the eviction moratorium until the pandemic is over.

Q: Does your estimate include people who have gone into debt - credit card, family, etc. - to pay rent?

A: The Pulse survey asks people about where they're getting their non-income cash, so you can see that delinquent renters are relying more on credit cards and food assistance, stimulus money, friends and family, and savings. But if they're making the payment it's not included in this number of delinquent rent and renters. (*Meaning there is more rent debt not owed to landlords, but owed to other lending entities)

Q: What's the percentage of delinquent rent payments during normal times?

A: It's about three times as high now as usual.

Noelle Porter, National Housing Law Project: Even with this relief at the federal level, there will always be action needed at the local and state levels. At the local level you can take action to more robustly protect tenants. Eventually the relief will run out, and the economic effects of this crisis will reverberate against the poorest Americans. There are two major themes in our [Safe at Home Act document](#). One is, state and local governments have more of a responsibility to enact stabilizing policy than the federal government. If your locality has the capacity to go beyond what's available at the federal level, you should do so. Other ways state and local governments may be able to impact this work are ordinances that create opportunities for people who have been involved with the criminal justice system. Legislation that makes it illegal to discriminate against voucher holders (source of income protections) is another one. We know that landlords are starting to refuse rental assistance and we need to make sure that kind of discrimination is banned. In the second half of this document there's guidance on local negotiations around repayment plans, rental screening, and enforcement of legislation. These aspects are looking forward to what happens after the pandemic is over. Restrictions on landlords reporting evictions are another example. We're asking advocates, family members, anyone who is close to tenants in distress, to start drawing attention to landlords who aren't obeying the rules or are being overly harsh with their policies.

Andreanecia Morris, ED, HousingLOUISIANA: Rental assistance from the second stimulus package has started to trickle into Louisiana, and we've been dealing with a lot of the things we've been talking about. We're worried about the management of these funds. The state took \$25 million of rental assistance and were only able to get \$2 million out the door over a period of months. I'm glad to hear that there's a push for the FAQ to be updated, because the application is a major barrier. We're pushing for this state agency to not be in charge this time. New Orleans is going to get \$25 million in rental assistance to manage, and they've been fairly successful. With the next tranche of funds we need to make sure that we get a proportional funding allocation. The way it's been going is that funds are distributed according to population, not *renter* population.

We are also hoping to encourage our local officials to take advantage of the adjustment to the FEMA reimbursement to secure hotel and motel shelters for people who have already been evicted. The

larger scale landlords have found loopholes to evict tenants despite the moratorium. One of them is not renewing leases when they end. We are hoping we can get the state and localities to replicate some of the hotel housing we did early on and expand it to work with the chronically homeless as well as people who have been evicted and are doubled up. The 100% FEMA reimbursement is really vital because we also have had two hurricanes and people still haven't received their aid packages. We need better strategies all around to make sure we're lifting these issues up and dealing with them correctly.

Councilmember Greg Casar, Austin, Texas: Despite having some of the strongest eviction moratoriums in the country, we know that there is increasing homelessness in our communities. And for the folks that are experiencing homelessness, people are having a much more difficult time finding food and dealing with the reality of the pandemic. Here in Austin we have been leasing hotels for noncongregate shelter, and will continue to use FEMA dollars to do so. We need to also keep thinking about how we come out better on the other side. One thing we've been doing is purchasing hotels to turn into permanent supportive housing. The real challenge is how to actually operate hotels as Permanent Supportive Housing (PSH). How do we get the operating dollars every year to make sure we can fulfill that commitment? Many cities like Austin are banned from implementing new progressive revenue sources by state law, so we have reallocated some of our police budget to address these issues. We reallocated over \$20 million dollars from this budget, and have moved some of it into funding permanent supportive housing. At our first council meeting of the year, we purchased 80 rooms and are looking to buy 70 rooms next week, partially using these funds. Federal dollars will eventually go away, so we're looking right now on what it looks like as a city to purchase those hotels and ramp up our PSH in a way we haven't been able to before.

Sam Tepper-Gelfant, Managing Attorney, Public Advocates: We're based in California and our goal is that no renter should end up evicted, or with crushing rental debt at the end of this pandemic. The state extended the statewide moratorium through the end of June 2021. The basic structure is that renters cannot be evicted, and in the long term they would need to pay 20% of the rent by the end of June and the rent would be consumer debt. Landlords would have an option of taking aid for 80% of the unpaid rent and then forgive the rest, but if they choose not to then they can pursue consumer debt later in court. There are also strong incentives for local jurisdictions to align their assistance funds with the state, either by having a local program with the same parameters or pooling their money with the state. One thing that is missing is any expectation from landlords who receive this assistance for longer term renter protections, so they could receive this money and still evict their tenants when the moratorium is over.

Francisco Duenas, ED, Housing Now! California: Los Angeles has been the epicenter of the pandemic since November, particularly for communities of color and Latinos. In LA County Latino population is almost 50%, and COVID deaths have been disproportionate to that number. We've been pushing for this campaign since early April, to keep tenants in their homes. When the money was allocated by the federal government we really thought we would be part of figuring out how this money would be doled out. But renter voices and tenant attorneys were not at the table and it really shows in the policy. I also think there was a false choice between engaging community voices

and the need to speed up with distribution. I think it's important that we push back on that and that communities have their preferred plan ready to go. The main critique is that the option for landlords to refuse the money could leave a lot of renters vulnerable, especially renters living in gentrifying neighborhoods and people of color - it leaves a lot of room for discrimination. We did a lot of campaigning and encouraging constituents to call into their legislators, but in the end even state legislators felt they weren't given a lot of voice in designing this policy, due to backroom deals. We want to continue pushing at the state as we think about how we can support federal work.

NLIHC: And to clarify, the new policy will be that if the landlord refuses the 80% deal then the tenant can apply directly for the full amount.

Other resources:

1. NLIHC's [Virtual Housing Policy Forum 2021: A New Day](#) will take place March 30-31.
2. NLIHC's FAQ about [assistance eligibility based on immigration status](#).