

COVID Relief Legislation

In 2020, Congress enacted two major bills to provide essential resources and protections to address the health and housing needs of America's lowest-income renters and people experiencing homelessness during the COVID-19 pandemic: the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" enacted in March 2020 and additional relief enacted in December 2020. Congress enacted the "American Rescue Plan Act" in March 2021. The legislation provides urgently needed COVID-19 relief resources that will help prevent millions of low-income people from losing their homes during the pandemic and will provide cities and states with the resources they need to help people experiencing homelessness be safely housed during and after the pandemic.

"CARES ACT"

Overall, the "CARES Act" provided more than \$12 billion in funding for U.S. Department of Housing and Urban Development (HUD) programs, including: \$4 billion for Emergency Solutions Grants for homelessness assistance, \$5 billion in Community Development Block Grants (CDBG), \$1.25 billion for the Housing Choice Voucher program, \$1 billion for project-based rental assistance, \$685 million for public housing, \$300 million for tribal nations, \$65 million for Housing for Persons with AIDS, \$50 million for Section 202 Housing for the Elderly, and \$15 million for Section 811 Housing for Persons with Disabilities.

Emergency Solutions Grants funds were provided to help prevent and respond to outbreaks among sheltered and unsheltered people experiencing homelessness. The funds could be used for eviction prevention assistance, including rapid rehousing, housing counseling, and rental deposit assistance to help mitigate the adverse impacts of the pandemic.

Of the \$5 billion provided for CDBG, \$2 billion was allocated to states and units of local governments that received an allocation under the FY20 formula. Another \$1 billion went

directly to states and insular areas based on public health needs, the risk of transmission, the number of coronavirus cases, and economic and housing market disruptions. The remaining \$2 billion were allocated to states and units of local government based on the prevalence and risk of COVID-19 and related economic and housing disruptions resulting from coronavirus. Some jurisdictions used CDBG funds to provide emergency rental assistance.

Congress provided in the legislation a \$150 billion Coronavirus Relief Fund (CRF) for state, tribal, and local governments to help broadly cover any "necessary expenditures incurred due to the public health emergency" created by COVID-19. Many cities and states used these funds to provide emergency rental assistance.

In addition to resources, the bill instituted a temporary moratorium on evictions for residents of federally subsidized apartments, including those supported by HUD or the U.S. Departments of Agriculture (USDA) or Treasury.

DECEMBER 2020 RELIEF PACKAGE

Congressional leaders reached a deal on an emergency COVID-19 relief bill in December 2020 that included \$25 billion in emergency rental assistance and an extension of the federal eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) through January 31. This moratorium was later extended through March 31 through executive order by President Biden.

Under the bipartisan proposal, \$25 billion for emergency rental assistance was provided through CRF and administered by the U.S. Department of the Treasury. At least 90% of the funds must be used to provide financial assistance, including back and forward rent and utility payments, and other housing expenses. Assistance can be provided for up to 15 months. Funds must be used for households with incomes below 80% of area median income (AMI), and

states and localities must prioritize households below 50% of AMI or those who are unemployed and have been unemployed for 90-days.

The bill also extended the deadline from December 30, 2020 to December 31, 2021 for funds provided by Congress in the “CARES Act” through the Coronavirus Relief Fund (CRF).

AMERICAN RESCUE PLAN ACT

Congress enacted and President Biden signed into law the “American Rescue Plan Act” (ARP) in March 2021. The legislation includes nearly \$50 billion in essential housing and homelessness assistance, including over \$27 billion for rental assistance and \$5 billion in new funding for states and cities to provide housing stability for tens of thousands of people experiencing homelessness. The \$27 billion for rental assistance, combined with the \$25 billion provided by Congress last year and a separate \$5 billion for utilities in the ARP, can eliminate the over \$50 billion of rent and utility arrears that renters have accrued during the pandemic and will enable longer-term housing stability for some renters.

The relief package includes:

- \$27.4 billion for rental housing assistance, including \$21.55 billion for emergency rental assistance (ERA), \$750 million for tribal housing needs, \$100 million for rural housing, and \$5 billion in emergency housing vouchers.
- \$5 billion to assist people experiencing homelessness with immediate and longer-term assistance.
- \$9.96 billion for homeowner assistance.
- \$120 million for housing counseling and fair housing.
- \$5 billion in utility and water assistance.
- \$1,400 individual stimulus checks.
- Other critical resources for states, communities, and people.

OTHER NEEDED MEASURES

NLIHC has encouraged the administration and Congress to extend, strengthen, and enforce federal eviction moratorium. To prevent the spread of COVID-19 and help keep millions of renters stably housed, policymakers should extend and improve the federal eviction moratorium issued by the CDC and extended by Congress in the December 2020 emergency relief bill. The American Rescue Plan Act did not include an extension of the federal eviction moratorium because the mechanism (“reconciliation”) that Democrats used to quickly pass the bill did not allow for it to be included.

The moratorium should be extended through the duration of the public health emergency, and it should be improved to address the many shortcomings that have prevented some renters from making use of its protections. The moratorium should provide an automatic, universal protection to keep more renters in their homes; the moratorium should apply to all stages of eviction; and federal agencies must enforce its protections.

FOR MORE INFORMATION

The “Coronavirus Aid, Relief, and Economic Security (CARES) Act” (Pub. L. No. 116-136), <https://bit.ly/36HqwrX>.

NLIHC’s Analysis of the CARES Act, <https://bit.ly/2JODPxe>.

The “Consolidated Appropriations Act of 2021” (Pub. L. No. 116-260), <https://www.congress.gov/bill/116th-congress/house-bill/133>.

NLIHC’s Fact Sheet on the December 2020 COVID-19 Relief Package, <https://bit.ly/30BCn6H>.

The “American Rescue Plan Act of 2021” (Pub. L. No: 117-2), <https://bit.ly/30BD8wz>.

NLIHC’s Fact Sheet on the American Rescue Plan Act, <https://bit.ly/2PMf08b>.