

HOUSING PROVISIONS IN THE BIPARTISAN COVID-19 RELIEF BILL



A bipartisan group of senators and representatives released on December 14 two bills to provide \$908 billion in COVID-19 relief. *The Bipartisan State and Local Support and Small Business Protections Act* would provide [\\$160 billion](#) for state and local fiscal relief, and the *Emergency Coronavirus Relief Act* would provide [\\$748 billion](#) in other assistance, including \$25 billion for emergency rental assistance and a one-month extension of the federal eviction moratorium issued by the Centers for Disease Control and Prevention (CDC). The bipartisan package also includes unemployment assistance and aid for small businesses, vaccine distribution, and schools, among other priorities.

EMERGENCY RENTAL ASSISTANCE

Under the bipartisan proposal, \$25 billion for emergency rental assistance would be funded through the Coronavirus Relief Fund (CRF) and administered by the U.S. Department of the Treasury.

Allocation

Of the total amount, \$500 million would be allocated to U.S. territories and \$800 million to tribal communities. The remaining funds would be distributed to states and cities with populations of 200,000 or more. Each state would receive a minimum of \$200 million.

Uses of Funds

At least 90% of the funds must be used to provide financial assistance, including back and forward rent and utility payments for up to 18 months. Recipients would be able to use the remainder of funds (up to 10%) to provide housing stability services, such as case management, eviction prevention, and rehousing services. Not more than 10% of the amount paid to grantees may be used for administrative costs to provide financial assistance and housing stability services, including data collection and reporting requirements.

Under the legislation, cities and states can make payments directly to landlords or utility companies on behalf of renters. If landlord refuses to accept the rental assistance, cities and states can give assistance directly to the renter, who can then make payments to the landlord or utility provider.

Eligibility

The proposed legislation requires cities and states to prioritize households most at risk of eviction in the coming months. Funds must be used for households below 80% of area median income (AMI), with a preference for those below 50% AMI. Income determination would be based on the monthly income the household is receiving at the time of application.

Under the bill, households are eligible for emergency rental assistance funds if one or more individuals: (1) has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to or during the pandemic; (2) can demonstrate a risk of experiencing homelessness or housing instability; and (3) has a household income below 80% AMI.

Rental assistance provided through the CRF would not be regarded as income or considered when determining eligibility for federal benefits or federally-assisted programs.

Role for Landlords

The proposed legislation allows landlords and property owners to aid tenants in applying for assistance. If landlords apply for assistance on behalf of their tenant, the tenant must cosign the application, the landlord must provide the tenant documentation of the application, and the payments must be used to pay the tenant's rental obligations.

Deadlines

Any funds not obligated by October 1, 2022 may be used to provide affordable housing to very low-income or extremely low-income families. Prior to using unobligated funds this way, state and local governments would have to submit a plan for approval by the Treasury Secretary.

Reporting Requirements

The bill requires the Treasury Department to report quarterly on how each state, local, tribal, and territorial government is using emergency rental assistance funds. Each report must include how much assistance the state and local government received, the amount disbursed to households, the number of households served, the acceptance rate for applicants, the types of assistance provided to each eligible household, the average number of monthly payments that households receive, and outcomes for eligible households at the end of the assistance period. The data collected must be disaggregated by income level and the gender, race, and ethnicity of the primary applicant in the household, provided by zip code. Under the bill, the Treasury Secretary can make full, unredacted data available for statistical research.

FEDERAL EVICTION MORATORIUM

The bipartisan proposal would extend through January 31 the CDC eviction moratorium to keep renters in their homes while state and local governments work quickly to distribute aid to households in need.

CORONAVIRUS RELIEF FUND

In addition to providing \$160 billion in state and local fiscal relief, the bipartisan bill extends the deadline for funds provided by Congress in the CARES Act through the Coronavirus Relief Fund (CRF). If enacted, the deadline would be extended from December 30, 2020 to December 31, 2021. Many states and localities have used CRF resources to provide emergency rental assistance during the pandemic.

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