

COVID Response: Homelessness Assistance Round 2 Needs

Developed by: Center on Budget and Policy Priorities, National Alliance to End Homelessness, National Low Income Housing Coalition, and that National Coalition for Housing Justice**

Introduction

The attached table outlines the need and related assumptions for dedicated homeless assistance funding as part of the next COVID-19 Relief package passed by Congress. It takes into account the following:

- Currently, the only dedicated COVID relief funding for people experiencing homelessness was passed as part of the CARES Act (\$4 Billion for Emergency Solutions Grants), although it is important to note that other emergency funding sources like the FEMA Public Assistance, Coronavirus Relief Fund and CDBG could be used to serve this population.
- Congress has also passed \$25 Billion in Emergency Rental Assistance to be used by communities for homelessness and eviction prevention, which will have an impact on inflow into homelessness by households who are experiencing housing instability.
- The Biden Administration has put forward a proposal that includes an additional \$5 Billion in dedicated homelessness funding to serve people experiencing homelessness and housing instability and to convert available hotel/motel properties to housing in the future.

Values

In developing these estimates, CBPP and our partners agreed on certain values and themes that would help to determine the assumptions used to calculate need. These values include:

- Pursuing the end of homelessness and our response to COVID-19 for this population through [a racial justice and equity approach](#). This includes [targeting assistance to highly impacted/marginalized communities](#) and support of a funding shift to universal vouchers.
- All unsheltered people should be provided with non-congregate shelter (NCS) options in order to conduct permanent housing placement, [stabilize their health and well-being](#), and prevent the spread of COVID-19.
- People experiencing homelessness should be full partners in this work, and we should address critical concerns raised by people experiencing homelessness as quickly as possible. This includes funding support to shift away from the [current congregate shelter model to a non-congregate crisis housing model](#).
- Incentives to encourage increased regional planning will improve options for people experiencing homelessness and maximize the efficiency and allocation of resources at the local level.

Assumptions

Because data on the use and expenditure rate of CARES Act and FEMA Funds is not publicly available, a number of assumptions were required to create the attached need estimates. Key assumptions include:

- People placed in NCS should have access to basic health/housing stability support services. 20% of the population in NCS may need more intensive services to address physical or behavioral health needs.
- The most recently available unsheltered data from HUD is from the 2019 point-in-time count. Estimates here follow the Culhane assumption of a 40% undercount of people living unsheltered.
- Emergency Rental Assistance (\$25 Billion) for eviction and homelessness prevention will positively impact inflow into homelessness. Therefore, we account for 50% inflow for the purposes of projecting the need for rapid re-housing (RRH) interventions. RRH interventions are calculated on an average cost per household basis, regardless of the length of time the household is served.

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- Estimates for the amount of back rent owed vary widely, but even using the middle of the range to estimate need shows that additional resources for homelessness and eviction prevention are likely needed. The attached table assumes full payment of back rent plus 3 months prospective rent, with an unmet need of \$32.5 Billion. This unmet need, if not addressed, may have a longer-term impact on the number of households entering homelessness in the future.
- Capital investment in housing infrastructure will be key to long term success. This includes the development of [105,000 units of supportive housing](#) (and related service/operating costs) and investment in dedicated affordable and emergency housing resources.
- The homelessness/affordable housing sector should take advantage of the availability of hotel/motel and commercial property availability where possible to quickly create these types of housing options. Our estimates assume that 20% of the converted stock is made available for emergency non-congregate housing as a replacement for congregate shelter.
- Operation and service dollar amounts include the first 5 years of funding and are assumed to be renewable through new or existing funding mechanisms.

Funding Vehicles

There is no perfect funding vehicle that includes all of the activities and targeting requirements represented in the need projections. While the Emergency Solutions Grants program can be used for short and medium term needs, its current formula is not targeted with an equity or need-based lens and funds used in this program cannot currently provide permanent supportive or affordable housing. Therefore, changes to the statutory framework would be needed for the specific purpose of COVID-19 relief. The Housing Trust Fund or HOME programs, which could be the vehicles used for capital investments, would also need statutory changes to accommodate this purpose (i.e. homelessness and high-need areas). Project-based vouchers (or a similar alternative) would be necessary to support the long term operation of the units.

Scalability

The estimates provided do not take into account community capacity or other local conditions that may impact the expenditure of these funds. All of the sources included can be scaled as needed based on funding availability and Congressional/Administration intent so long as the internal contingencies are also addressed.

***National Coalition for Housing Justice organizations include: A Way Home America, Center on Budget and Policy Priorities, Community Solutions, CSH, Funders Together to End Homelessness, Heartland Alliance, National Alliance to End Homelessness, National Coalition for Homeless Veterans, National Health Care for the Homeless Council, National Homelessness Law Center, National Innovation Service, National Low Income Housing Coalition, True Colors United, Youth Collaboratory*