

FEMA NON-CONGREGATE SHELTERING DURING THE COVID-19 PANDEMIC:

POLICY CHANGES AND NEW OPPORTUNITIES
TO ADDRESS THE NEEDS OF PEOPLE
EXPERIENCING HOMELESSNESS



NATIONAL LOW INCOME
HOUSING COALITION

SARAH SAADIAN

Vice President of Public Policy

NOAH PATTON

Housing Policy Analyst

ALAYNA CALABRO

Housing Policy Analyst

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INTRODUCTION

Our country is more than one year into a national emergency caused by the COVID-19 pandemic that has demonstrated the inextricable connection between housing and health. The ongoing pandemic has underscored the critical need for people experiencing homelessness to be stably housed to stay well and to stop the spread of the virus. People who are homeless and contract coronavirus are [twice as likely to be hospitalized](#), two to four times as likely to require critical care, and two to three times as likely to die than others in the general public - with enormous negative implications for individuals, their communities, and our already overstretched hospital and shelter systems.

Over the past year, [state and local governments](#) have used Federal Emergency Management Agency (FEMA) Public Assistance (PA) funds, along with other federal and state funding streams, to move people experiencing homelessness living in congregate settings - either in shelters or encampments - into hotel rooms and other non-congregate shelters to safely isolate and quarantine.

President Biden on January 21 took bold action to enable states and communities to address the urgent health and housing needs of people experiencing homelessness during the pandemic by [directing FEMA](#) to provide 100 percent reimbursement for eligible non-congregate sheltering costs, as [recommended](#) by NLIHC and the NLIHC-led Disaster Housing Recovery Coalition. FEMA funding through the PA program typically covers 75 percent of eligible costs, leaving governments and nonprofits to cover the remaining 25 percent. FEMA's move to fully cover the cost of non-congregate sheltering in hotels and motels and apply this reimbursement retroactively will allow additional states and localities to access and expand this lifesaving program.

This document provides a brief overview of FEMA non-congregate sheltering during the COVID-19 pandemic and the recent FEMA policy changes that will support state and local efforts to house individuals experiencing homelessness and others living in congregate settings in hotels and motels. This memorandum also provides key recommendations for advocates seeking to ensure their states and localities take advantage of this unprecedented federal funding opportunity.

BRIEF OVERVIEW OF FEMA NCS

In March 2020, President Donald Trump announced a nationwide Declaration of Emergency regarding the coronavirus pandemic, making available critical resources from FEMA to help address public health needs in states and localities. As a result of the national emergency declaration for COVID-19, FEMA activated its [Public Assistance \(PA\) Grant Program](#) to aid state, territorial, tribal, and local government entities and certain private non-profit organizations as they work quickly to respond to and recover from the pandemic.

Under Category B of FEMA's PA program, state and local governments can receive reimbursement for eligible emergency protective measures taken to respond to the COVID-19 pandemic. It is well-established that during pandemics congregate sheltering poses a severe risk to individuals experiencing homelessness and people with disabilities, who are more likely to have pre-existing medical conditions than the general public. People experiencing homelessness and people with disabilities who live in congregate settings are among those individuals who have been hardest hit by the pandemic, suffering from high rates of severe illness and death from coronavirus.

While FEMA generally does not provide PA funding for emergency sheltering in non-congregate environments, such as hotel rooms, motels, and dorms, the agency determined that certain [non-congregate sheltering](#) costs will be reimbursable under the PA program to protect public health and save lives. Given the heavy usage and strain on the current shelter system, the program has allowed many areas experiencing COVID-19 spikes to slow the spread of the disease among individuals experiencing homelessness.

For more information on non-congregate sheltering and FEMA during the COVID-19 pandemic please refer to FEMA's [factsheet](#) on the subject. Learn more from NLIHC's [guidance](#) for working with FEMA during COVID-19 and [toolkit](#) outlining the program's scope in states around the country.

FEMA POLICY CHANGES

REIMBURSEMENT FOR THE DURATION OF THE COVID-19 EMERGENCY

FEMA announced in December 2020 that the agency will approve reimbursement for non-congregate sheltering for the “duration of the [COVID-19] emergency.” The policy change, announced in an [internal memo](#) sent to FEMA Regional Administrators, allows local and state officials to continue offering these critical programs needed to prevent and respond to outbreaks among people experiencing homelessness and to ensure non-congregate shelter residents can transition to permanent housing solutions when the programs eventually end.

Before this policy change, FEMA required state and local officials to request extensions for non-congregate sheltering reimbursement in short, 30 to 60-day increments. This requirement created a continuous threat of funding loss for non-congregate sheltering programs, as cash-strapped state and local governments are largely unable to fund such programs without federal assistance. Time extension requests require substantial information gathering, reporting, and local or state level public health declarations from public health officials, constituting a substantial administrative lift for multiple sectors of state and local government. Moreover, FEMA often refrained from accepting extension requests until the last moment, creating confusion and concern that the agency would abruptly stop reimbursing hotel rooms.

Due to this rule change, state and local officials are no longer required to submit periodic approvals. Instead, reimbursements for non-congregate sheltering will be approved nationwide until the national emergency ends. Recipients are still required to send reporting data to FEMA every 30 days.

FEDERAL COST-SHARE

President Biden signed an [executive order](#) in January 2021 directing FEMA to provide 100 percent reimbursement for the cost of approved non-congregate sheltering in hotels and motels across the country through September 2021, including for people experiencing homelessness and residents of congregate living facilities. FEMA announced that President Biden’s [directive](#) allows FEMA to fully cover the costs of moving individuals experiencing homelessness into hotels and motels and apply full funding retroactively. This means that state and local governments will receive 100 percent reimbursement for all approved non-congregate sheltering costs they have incurred from the start of the pandemic in January 2020 to September 30, 2021.

FEMA PA funding typically covers 75 percent of eligible costs, and state or local governments are required to pay the remaining 25 percent. The federal-cost share requirement places significant strain on state and local budgets already depleted from COVID-19 response, resulting in some areas being unable to take advantage of this critical program. In many cash-strapped communities, the resources needed to keep people experiencing homelessness safe during the public health emergency exceeded the response and funding capabilities of state and local governments.

The Biden administration’s policy change will enable states and communities to address the urgent health and housing needs of people experiencing homelessness and other residents of congregate facilities during the pandemic. For projects that have already been approved, FEMA will amend the existing awards to adjust the federal funding amounts. In a [statement](#) clarifying President Biden’s directive on the subject, FEMA stated that the agency would handle award adjustment on its own and no action is needed from grantees to receive this additional reimbursement.

RECOMMENDATIONS

FEMA's decision to fully cover the costs of approved non-congregate sheltering through its PA program offers state and local governments an unprecedented opportunity to address the urgent health and housing needs of individuals who are homeless and others living in congregate settings.

Advocates and community leaders, however, must take action to ensure their elected officials take advantage of FEMA non-congregate sheltering reimbursement and fight for broad eligibility criteria to ensure all individuals have access to safe housing during the public health emergency.

To ensure that residents of non-congregate shelters are not pushed back into homelessness when these programs end, advocates and community officials must shift their focus to providing exit solutions. Advocates should work to ensure state and local efforts to house individuals in hotels and motels are inclusive and intersectional.

URGE OFFICIALS TO ESTABLISH OR EXPAND NON-CONGREGATE SHELTER PROGRAMS

Some state and local officials were hesitant to establish or continue non-congregate shelter programs due to the federal cost-share requirement. Advocates should urge their officials to take advantage of President Biden's executive action directing FEMA to fully cover the cost of moving individuals who are homeless into hotels or motels.

A significant challenge facing local officials and homeless service providers has been FEMA's narrow eligibility criteria. FEMA limited reimbursements for Category B expenses to only cover individuals experiencing homelessness that have been exposed to or tested positive for COVID-19 or are medically at-risk. Available resources and policy decisions from FEMA focused non-congregate sheltering efforts on people falling within narrowly defined categories, contributing to the [limited reach of initial efforts](#) to house individuals experiencing homelessness and others in congregate living facilities in hotels and motels. Since systems have targeted much of these FEMA resources towards narrowly defined categories of individuals, only a small fraction of people experiencing homelessness within communities are in hotel or motel rooms at a given time. A limited number of states were able to receive a more expansive eligibility standard to include all individuals experiencing homelessness or all residents of congregate shelters. While securing an expansive eligibility standard is critical, local officials and service providers must ensure that all individuals in congregate settings, including people with disabilities, are included in non-congregate sheltering plans.

Individuals living with disabilities commonly reside in congregate settings, such as long-term care or nursing homes, that provide little protection from the spread of COVID-19 for the commonly medically at-risk individuals who reside there. Individuals living with disabilities are [two to four times more likely](#) to die during disasters than those living without disabilities. This fact has given rise to substantial advocacy efforts surrounding the protection of their lives and rights during disasters. Throughout the COVID-19 pandemic, this community of advocates has pushed for non-congregate sheltering – both to ensure that congregate living facilities are deconcentrated to decrease the infection risk from COVID-19 and as an alternative to forced institutionalization that often places individuals able to live independently under the care of congregate facilities due to a disaster. Even in states that have successfully expanded their non-congregate shelter eligibility standards to include individuals experiencing homelessness, programs leaders did not expand their programs to serve people with disabilities in congregate settings.

To ensure the broadest eligibility for FEMA resources, advocates should urge their state public health officials to release guidance explicitly stating that providing non-congregate shelter is needed for all people living in congregate settings, including people experiencing homelessness and people with

disabilities, as a public health imperative. Defining public health needs more narrowly has, in many cases, resulted in fewer FEMA resources.

Advocates should work with their governors and state emergency management agencies to ensure requests to FEMA for statewide non-congregate sheltering reimbursement include the entire population identified in the state's public health directive. Additionally, advocates should collaborate with emergency managers and elected officials to ensure that the needs of individuals experiencing homelessness and others living in congregate settings, such as people with disabilities, are included in the scope of their disaster planning. See NLIHC's *Getting to Yes* memorandum for detailed recommendations on where state and local advocacy can have the greatest impact on the scope of assistance provided by FEMA to address the need for non-congregate shelter.

Policy Recommendations

FEMA should employ broad-based categories of eligibility, with the aim that every at-risk person receives the assistance to which they are entitled. Expanding eligibility for FEMA non-congregate sheltering reimbursements to all individuals experiencing homelessness would help ensure that everyone has access to safe, non-congregate shelter during the pandemic and lower the administrative burden on municipalities and states when submitting reimbursement requests. At a minimum, FEMA should issue a clear statement that eligibility for reimbursement for non-congregate sheltering can be broad - not limited to certain individuals who meet a narrow definition of need.

EXIT SOLUTIONS FOR PEOPLE EXPERIENCING HOMELESSNESS IN NON-CONGREGATE SHELTER

During the pandemic, states and localities worked quickly and creatively to move individuals experiencing homelessness into non-congregate settings, including hotels and motels. Now, communities need resources to help individuals exit these facilities to permanent housing solutions, rather than allowing them to be pushed back into homelessness.

The National Alliance to End Homelessness' [November 2020 survey](#) of Continuums of Care (CoC) finds that most individuals exiting motels and hotels return to unstable or unknown living situations. Despite some new investments in permanent housing, respondents estimated that only approximately a third of those exiting non-congregate shelters move to permanent housing. Throughout the pandemic, CoCs have consistently listed permanent housing as the number one priority, should new resources become available.

Advocates and local officials should start considering [hotel and motel acquisitions](#) in the context of their community's overall rehousing strategy. Early coordination between states, local governments, public housing agencies, and nonprofit developers can ensure that hotel and motel acquisitions are coordinated within a broader assessment of all potential rehousing strategies. It is critical for community leaders to center equity and proactively engage individuals with lived experience. Localities should leverage existing community partnerships to gather meaningful input from people with lived expertise, the lowest-income renters, people with disabilities, and other marginalized individuals.

Congress has provided \$5 billion in homelessness assistance that can be used to provide rental assistance and supportive services, to develop affordable rental housing, and to help acquire non-congregate shelter to be converted into permanent affordable housing or used as emergency shelter. These dedicated homelessness resources can be used to provide exit solutions for individuals residing in hotels and motels.

For an overview of key considerations for states and localities to consider regarding hotel and motel acquisition, see the Corporation for Supportive Housing's "From Hotel to Home" series: [Part 1](#) and [Part 2](#).

Policy Recommendations

NLIHC estimates that [\\$44 billion](#) in Housing Trust Fund resources is needed to help states and localities acquire and convert non-traditional properties, including hotels, motels, and commercial real estate, into long-term housing solutions for people experiencing homelessness. Funding for operating support and supportive services will also be needed. Congress should provide these resources to enable states and localities to provide permanent housing solutions for individuals residing in non-congregate settings.

Before FEMA ends its PA programs, states should request that FEMA activate the [Disaster Housing Assistance Program \(DHAP\)](#) to help transition individuals residing in hotels and hotels into permanent housing. DHAP plays a critical role in providing safe, decent, and affordable homes to individuals with the greatest needs after a disaster by providing longer-term rental assistance and wrap-around services. Both Democratic and Republican administrations have recognized DHAP as a best practice for disaster recovery. Despite the need and a successful track record, the Trump administration refused to activate DHAP after recent disasters. FEMA should activate DHAP to ensure individuals exiting non-congregate shelters do not return to unsafe or unstable living conditions. Such assistance should be provided to survivors for as long as it is needed.

RACIAL AND OTHER INEQUITIES

As with other disasters, the federal response to the COVID-19 pandemic has underscored deep inequities in our nation's disaster housing response and recovery system and the urgent need for reform. COVID-19 is exacerbating preexisting racial inequities entrenched in our country's healthcare, housing, and economic systems. Black and Native people - who, even before the pandemic, faced higher rates of homelessness and housing instability - are most at risk of severe illness and death due to the coronavirus, and Black and Latino people are disproportionately harmed by the resulting economic impacts.

Disability rights advocates have called attention to several communities that have excluded people with disabilities from their hotel and motel programs. When providing non-congregate shelter, states and communities should work with disability advocates to ensure that options are medically-appropriate, inclusive, and comply with federal civil rights laws pertaining to individuals with disabilities. Learn more about the housing needs of people with disabilities during the COVID-19 pandemic, from this [fact sheet](#) from NLIHC and the Consortium for Citizens with Disabilities.

Policy Recommendations

Congress should [center racial equity](#) when making the investments and systemic reforms needed to address the short- and long-term impacts of the coronavirus pandemic. Equity must be a central and explicit goal of federal disaster housing response and recovery efforts, and each stage of the response and recovery must be examined and reformed to ensure that federal, state, and local efforts actively dismantle systems of oppression.

NLIHC, the National Alliance to End Homelessness, the Center on Budget and Policy Priorities, and National Health Care for the Homeless Council have developed the [Framework for an Equitable COVID-19 Homelessness Response](#), which provides guidance for how homelessness systems can leverage the CARES Act and approval of other funding sources, such as FEMA PA, to simultaneously conduct emergency protective measures and plan for recovery-oriented uses of these funds. All components of the framework, which are continuously updated, include a racial justice and equity lens.

CONCLUSION

Recent policy changes to FEMA's PA program provide new opportunities for states and localities to address the urgent health and housing needs of individuals experiencing homelessness and others living in non-congregate settings, including people with disabilities. State and local advocates can take advantage of these policy changes and utilize new federal COVID-19 relief funds to ensure people who are homeless are safely housed during and after the pandemic.

STATES AND LOCALITIES EXPANDING NON-CONGREGATE SHELTERING PROGRAMS

STATE/LOCALITY	DESCRIPTION
Los Angeles, California	<p>Los Angeles Mayor Eric Garcetti authorized up-front funding to extend the city's leases for three Project Roomkey hotels with a total of about 1,200 rooms through September 30, 2021. The Los Angeles Business Council has called for a significant expansion of Project Roomkey, urging officials to pursue obtaining 15,000 hotel rooms.</p> <p>Los Angeles County officials announced they will maintain existing Project Roomkey programs at 11 of the 12 participating hotels through September 2021, but they will not expand the program.</p>
San Francisco, California	<p>The San Francisco Board of Supervisors passed emergency legislation to expand the city's shelter-in-place (SIP) hotel program. The legislation aims to quickly fill vacant hotel rooms and expand the SIP program to house 600 more individuals in the next two months.</p>
Clinton County, Iowa	<p>Clinton County supervisors unanimously approved authorizing their emergency management coordinator to request approval for FEMA's non-congregate sheltering program. Other counties in the region have successfully received approval for reimbursement from FEMA for non-congregate sheltering costs.</p>
Chattanooga, Tennessee	<p>With FEMA offering to provide full reimbursement for non-congregate sheltering, the city of Chattanooga is seeking to extend and expand its non-congregate sheltering program for people experiencing homelessness. The city is looking to spend up to \$400,000 to rent as many as 100 hotel rooms.</p>
Seattle, Washington	<p>After weeks of disputes between Mayor Jenny Durkan and members of the Seattle City Council over whether the city would expand non-congregate shelter and request reimbursement from FEMA, the city council unanimously approved \$12 million to lease 200 hotel rooms and build some tiny homes to provide shelter to people experiencing homelessness. The city will seek reimbursement from FEMA.</p>

Additional communities are in various stages of decision-making concerning the expansion of non-congregate sheltering programs. Advocates in [Baltimore](#), [Philadelphia](#), and [Washington, D.C.](#), for example, are urging local officials to take advantage of FEMA fully covering the costs of moving individuals experiencing homelessness to hotels and motels. Officials resisting advocates' calls to expand lifesaving non-congregate shelter programs point to the difficulties in fronting the costs for the hotels without knowing when they will receive reimbursement from FEMA. Local officials also cite non-federally reimbursable costs and an overall lack of capacity to operate the programs as rationale against continuing or expanding hotel programs.