

# HOUSING INSTABILITY AND HOMELESSNESS

## CARES Act Suggestions for State, Local, Tribal, and Territorial Elected Officials

**H**ousing instability and homelessness are two of the most significant obstacles to flattening the curve and ending the COVID-19 pandemic. Residents and households on the economic margins and other marginalized populations require extraordinary intervention from state, local, tribal, and territorial governments to maintain housing stability and prevent homelessness. Under the bipartisan [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), the [U.S. Department of Housing and Urban Development \(HUD\)](#) and Department of the Treasury is allocating billions to state, local, tribal, and territorial governments that may be used for emergency housing assistance.

The [National League of Cities](#), [National Low Income Housing Coalition](#), and [National Alliance to End Homelessness](#), and [Mayors & CEOs for U.S. Housing Investments](#) have prepared this guidance for elected officials to help maximize federal resources made available under the CARES Act to reduce housing instability and homelessness resulting from measures to control the spread of COVID-19.

## Federal Programs and Funding to Prevent Housing Instability and Homelessness

The CARES Act provides additional flexible funding to state, local, tribal, and territorial governments, and public agencies, through familiar and new programs that can be used to address housing instability and homelessness. Some of these resources include:

- **Community Development Block Grants: \$5 billion.** Of that amount:
  - \$2 billion is allocated directly to state, local, and territorial governments entitled to CDBG through the regular program formula. States may pass these funds through to local governments with less than 50,000 in population. [Funding levels for each city, state, and territory](#) is available on HUD's website.
  - \$1 billion is allocated directly to the states and territories for expenditures.
  - \$2 billion remaining will be allocated to state, local, or territorial governments based on need, according to a formula to be developed by the HUD Secretary.
  - The CARES Act suspends the 15% services cap on CDBG expenditures so that grantees may spend up to 100% of their grant funding on rent payment assistance for distressed, low-income households.
  - **Eligible Activities** include housing assistance payments for rent, mortgage, and utilities, emergency home maintenance and rehabilitation, emergency public housing maintenance, meal and medicine delivery, and acquisition of hotels and motels to expand capacity of hospitals for COVID-19 patient treatment and isolation.
- **Emergency Services Grants (Homeless Assistance): \$4 billion.** Of that amount:
  - Up to \$2 billion allocation by formula to current grantees within 30 days of enactment.
  - The remaining amount will be allocated by HUD to state, local, and territorial governments based

on need, according to a formula to be developed by the HUD Secretary.

- **Eligible Activities** include street outreach (urgent needs, equipping staff, transportation, and referrals), rapid re-housing, homelessness prevention, shelter operations (supplies, furnishing, equipment and transportation) and administration.
- **Coronavirus Relief Fund (CRF): \$150 billion.** Of that amount:
  - \$139 billion is allocated directly to state and tribal governments and to [local governments with populations of 500,000 residents](#) or more. States have the option, but are not required, to provide CRF dollars to local governments with fewer than 500,000 residents.
  - \$8 billion is set aside for governments in tribal areas.
  - \$3 billion is allotted to governments in territories, including the District of Columbia and Puerto Rico.
  - **Eligible Activities.** The CARES Act requires that payments from the Coronavirus Relief Fund only be used to cover expenses that:
    - (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
    - (2) were not accounted for in the budget most recently approved as of the date of enactment (March 27, 2020) for the state or government; and
    - (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.
  - The U.S. Department of the Treasury [released](#) guidance to recipients of CRF funds that expressly allows CRF dollars to be used to cover:
    - expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
    - expenses associated with the provision of economic support in connection with the COVID-19 public health emergency. Under this criteria, CRF dollars may be used to provide emergency rental, mortgage, and utility assistance to help keep individuals stably housed.
  - In a [FAQ](#), the Treasury Department responds to questions about using CRF funds to prevent eviction and assist in preventing homelessness.
    - In the FAQ, the Treasury Department makes clear that funds can be used for emergency rental assistance, if the state or local government considers the grants to be a necessary expense due to the COVID-19 public health emergency. It advises grantees to structure this assistance “to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.” These funds cannot be used to directly replace lost revenue, including revenue from property taxes and utilities, but resources can be provided to individuals facing economic hardship to help them pay these costs.
  - Unless the CARES Act is amended, CRF payments MAY NOT DIRECTLY REPLACE lost revenue resulting from the COVID-19 outbreak, such as declines in sales or income taxes or losses on waived fees. CRF payments MAY INDIRECTLY ASSIST with government revenue shortfalls in cases where budgeted expenditures for housing and homeless assistance would otherwise be reallocated for COVID-19 related expenses.
  - If possible, local governments should delay cutbacks and reallocations of budgeted funds for housing and homelessness until after states determine how their share of CRF will be used.

## Recommended Action Steps for Elected Officials

State, local, tribal, and territorial governments are leading the way forward through this unprecedented public health and economic crisis. Elected officials are coordinating across jurisdictional lines, enacting difficult and fiscally challenging emergency measures to slow the coronavirus epidemic, passing ordinances to limit the worst economic outcomes for residents and small businesses and spending such sums as necessary to protect public health and the economy.

Urgent and bold action is necessary to preserve avenues for economic opportunity in the long run, after the current crisis ends. This is especially true for households on the economic margins and our most vulnerable residents. State, local, tribal, and territorial governments should take the following action steps to preserve housing stability [because housing stability is a prerequisite for economic mobility, job security, and health and well-being](#).

- 1. Appoint a Housing Stability Lead.** Designate a member of your leadership team to coordinate state and local agency action and to serve as the main point of communication for housing stakeholders, including financial institutions, property owners, renters, housing counselors, and legal aid organizations.
- 2. Identify Multiple Funding Opportunities for Housing Assistance.** Federal funds under the CARES Act can complement funding from foundations, charitable networks, and private enterprise. Set up a fund like the [#ATLStrong](#) Fund to accept individual and corporate contributions to support residents experiencing housing instability and homelessness.
- 3. Address racial equity and disproportionate impact on marginalized communities.** People of color are disproportionately represented among people experiencing homelessness and low-income, cost-burdened households. Data is emerging that coronavirus is infecting and killing black Americans at a disproportionately high rate. State, local, tribal, and territorial governments and their housing leads should work across jurisdictional lines to pair targeted housing and health outreach to higher-risk communities to stabilize households and suppress the spread of COVID-19.

Marginalized populations, including people of color, Native people, immigrants, people with criminal records, people with limited English proficiency, and other individuals, should have full and equitable access to these resources. Many federal resources provided under the CARES Act, including unemployment insurance and direct stimulus checks, are unavailable to undocumented immigrants. Moreover, many people exiting the criminal justice system are unable to access regular HUD housing assistance and must overcome significant barriers to obtaining affordable, accessible housing. The flexibility of ESG, CDBG, and CRF can also be used to address the urgent housing needs of these and other marginalized populations.

While staying at home is important for slowing the virus, it has created a difficult and often dangerous situation for people who are experiencing domestic violence. Many organizations have modified service delivery to provide virtual support, but it remains difficult for a survivor to confidentially access those resources if they reside in the same home as the abusive partner. As we continue to face this health pandemic, elected officials should help provide safe emergency housing options available for survivors, their children, and their pets during this crisis.

- 4. Enact a Temporary, Uniform Moratorium on Evictions within Your Jurisdiction.** Most families living in poverty spend at least half of their incomes on housing, leaving [virtually no margin](#) for an unexpected expense. Temporary declines of income and unreimbursed medical bills will quickly send the lowest-income households down the spiral of housing instability, eviction, and even homelessness. With the Coronavirus, many low-income, hourly wage workers will see reduced wages, whether because they have become sick or need to care for a family member or because their employer cut back on their hours.

The CARES Act enacted a 120-day moratorium on evictions for residents in federally assisted housing, including housing supported by HUD, USDA, and Low Income Housing Tax Credits,

as well as renters living in properties covered by the FHA, Fannie Mae, or Freddie Mac. State, local, tribal, and territorial governments should take whatever steps necessary to make the moratorium apply uniformly for every resident within their jurisdiction. The moratorium should extend to long-term residents in hotels and motels. Moratoriums should provide renters with a minimum of 12 months to make up for any missed rental payments and should prohibit any back rent accrued during the crisis from serving as the basis for an eviction once the moratorium is lifted.

**5. Use CARES Act Funds for Emergency Rent and Mortgage Payments.** Temporary eviction and foreclosure moratoriums are an appropriate immediate response to the COVID-19 pandemic. However, eviction moratoriums are not enough. State, local, tribal, and territorial governments should take steps to ensure that renters – especially those with the lowest incomes – do not face an eviction cliff when moratoria are lifted. This financial cliff could cancel out the positive impact of any economic stimulus if not done in tandem with emergency rental assistance or good-faith payments to impacted landlords and property owners. CDBG and ESG funding can be used immediately to make temporary rent payments to landlords and mortgage companies on behalf of residents in distress. Payments must meet HUD requirements within each program. The U.S. Department of the Treasury, which administers CRF, is expected to provide additional clarity and direction to state and local governments regarding CRF payments to support emergency housing expenditures due to COVID-19.

**6. Designate Agency Response Leads to Accelerate Rapid-Rehousing to Prevent Homelessness.** Local governments, housing agencies, and service providers should coordinate on a plan to use and expedite rapid rehousing to help prevent an increase in homelessness. Rapid rehousing includes housing relocation and stabilization services and short- or medium-term rental assistance to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. The goals of rapid rehousing are to help people obtain housing quickly, increase self-sufficiency, and stay housed. Eligibility requirements or other local preconditions should be waived (such as employment, income, absence of criminal record, or sobriety) and services should be tailored to the needs of the resident. Rapid Rehousing is a proven effective approach to moving people experiencing homelessness into permanent housing and keeping them there. The intervention has also been effective for people traditionally perceived to be more difficult to serve, including people with limited or no income and survivors of domestic violence. Alternatives like permanent supportive housing should be expanded to meet the needs of individuals, such as those with mental health issues and/or with substance use disorders.

**7. Support Homeless Shelter Operations and Plan for Alternatives.** People living without basic shelter are at a [particularly high risk of a Coronavirus outbreak](#). Homeless populations have limited access to the preventive measures recommended by public health professionals, including handwashing, home isolation, avoiding high touch surfaces, and rapid access to health care. People who are homeless and unsheltered are far more likely to have chronic underlying health conditions that can make the disease more deadly. In fact, 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. Moreover, a growing number of shelters have been forced to close their doors because they lack the resources to hire staff, as more volunteers and employees become ill or are unable to work.

Because people experiencing homelessness may be living in congregated communities – whether in encampments or shelters – and cannot self-quarantine, elected officials should prepare to contain an outbreak among people experiencing homelessness, should an outbreak occur in their community. Local governments should adopt a plan to use flexible funds to address the urgent needs facing homeless shelter providers as they work to

decongest congregate shelters and identify alternative space, including hotels, for isolation and self-quarantine of people experiencing homelessness. Local governments should quickly identify and set up safe and humane alternatives available for homeless residents impacted by the loss of shelter availability. Local leaders can also work with public health, community health centers and social workers to ensure access to healthcare and services.

**8. Minimize Unsheltered Homelessness.** Local governments should adopt a plan to use flexible funds to address the urgent needs facing unsheltered homeless populations. Resources are needed to minimize the number of people living in homeless encampments and to identify space, including hotels and vacant commercial spaces, for isolation and self-quarantine.

Examples of Recommended Action Steps for Elected Officials		
TYPE	EXAMPLE	DESCRIPTION
Appoint a Housing Stability Lead	Charlotte	The Mayor and Council will assemble a <a href="#">Community Recovery Task Force</a> to support and assist families and businesses as they plan for the future. The Community Recovery Task Force will focus on three specific areas: Small Business, Housing, and the Airport.
Identify Multiple Funding Opportunities for Housing Assistance	Atlanta	Mayor Keisha Lance Bottoms <a href="#">issued an Executive Order</a> authorizing the use of \$1.5 million in funds to match private philanthropic donations to provide individual shelter options for people experiencing homelessness
Enact a Temporary, Uniform Moratorium on Evictions within Your Jurisdiction	Oregon	Governor Brown <a href="#">issued a ban</a> on residential evictions, prohibiting landlords from charging tenants late fees for nonpayment of rent during the moratorium.
	Seattle and Washington State	Mayor Jenny A Durkan acted quickly to enact a <a href="#">moratorium on residential evictions</a> and prohibiting tenants from being charged late fees for nonpayment of rent and Governor Inslee issued a <a href="#">statewide moratorium</a> shortly thereafter (statewide ban does not cover fees).
	San Francisco	On March 23, 2020, Mayor Breed <a href="#">ordered</a> that no landlord may attempt to recover possession of a residential unit unless due to violence, threats of violence, or health and safety issues.

Use CARES Act Funds for Emergency Rent and Mortgage Payments	Boston	Mayor Martin J. Walsh <a href="#">announced</a> that his administration is dedicating \$3 million in city funds to assist Bostonians who are at risk of losing their rental housing due to the worldwide COVID-19 pandemic. The funds will help income-eligible tenants in the City of Boston achieve housing stability by providing direct financial relief to assist with rental payments.
	Texas	Governor Greg Abbott and the Texas Department of Housing and Community Affairs (TDHCA) have <a href="#">taken initial action</a> to provide tenant-based rental assistance for Texans experiencing financial hardship due to COVID-19. The Governor has waived statutes relating to HUD’s HOME Investments Partnership program which would allow Texas greater flexibility to use program funds to help certain Texans pay their rent. In addition, TDHCA has sent a letter to HUD requesting federal waivers to allow greater flexibility to Texas to reprogram these funds for that purpose. If these waivers are granted, Texas will reprogram these funds to provide financial housing assistance to certain Texans enduring economic hardships related to COVID-19.
	Seattle, King County	United Way of King County, in partnership with King County, the City of Seattle and the Seattle Foundation, today announced the launch of a \$5 million investment in United Way’s expanded <a href="#">Home Base</a> program to provide rental assistance to King County households that have lost all or part of their income due to the coronavirus pandemic. It is estimated these funds will help up to 2,000 families stay in their homes.
Designate Agency Response Leads to Accelerate Rapid-Rehousing to Prevent Homelessness	San Diego	Continuing to take swift action to shelter and house San Diegans amid the COVID-19 pandemic, today Mayor Kevin L. Faulconer and the City Council <a href="#">secured \$3.7 million in state emergency funding</a> to help prevent the spread of the virus among the homeless population. The move followed work between the mayor’s office and state legislators – including Senate President Pro Tempore Toni Atkins, Assemblymember Todd Gloria and Assemblymember Lorena Gonzalez – to make state funds available to San Diego. This grows the total additional resources directed to “Operation Shelter to Home” at the San Diego Convention Center to \$7.1 million when combined with state-backed emergency funds from the County of San Diego and the Regional Task Force on the Homeless (RTFH), which have partnered with the City on the extraordinary effort to temporarily repurpose the convention center as a regional homeless shelter.

Support Homeless Shelter Operations and Plan for Alternatives	Sacramento	The Sacramento City Council and Sacramento County Board of Supervisors on Tuesday both <a href="#">approved a \$15-million joint plan</a> to provide nearly 1,000 beds for homeless people either diagnosed with or at high-risk for contracting COVID-19.
	San Francisco	San Francisco is <a href="#">leasing</a> thousands of hotel rooms for people experiencing homelessness, both sheltered and unsheltered. By moving vulnerable people over the age of 60 and people with specific health conditions out of the shelters and into hotels, we are minimizing their risk for COVID-19, increasing the ability to implement strict physical distancing at shelters, and minimizing the potential for outbreaks in congregate facilities.
	Seattle, King County	Seattle and King County have <a href="#">taken steps</a> to keep existing shelters able to keep people healthy and remain operating. Steps have included issuing public health guidance for providers, centralizing bulk cleaning supplies with online ordering, de-intensification through a motel voucher program and activating additional shelter sites and creating new homeless shelter beds.
Minimize Unsheltered Homelessness	Detroit	Detroit has <a href="#">added</a> about 325 shelter beds for the homeless, rooms for isolation and launched a formal testing program for symptomatic members of the homeless community in an attempt to quell the spread, said Donald Rencher, director of the Detroit Housing and Revitalization Department. The city previously announced plans to open a Salvation Army building to create more room to isolate the city's sick homeless, but switched to a 124-room Detroit Rescue Mission Ministries building for greater capacity. Now, both facilities are being used along with a recreation center, said Rencher. In addition, the city hopes to add two other facilities by April 19, bring the total number of beds to about 500.
	Seattle	Mayor Jenny A. Durkan <a href="#">unveiled measures</a> in the City of Seattle to prepare for the potential spread of COVID-19 amongst individuals experiencing homelessness by increasing shelter resources during this public health emergency. The goal of this expansion is to increase shelter capacity for Seattle's vulnerable unsheltered populations living in unsafe encampments, which are at elevated risks from public health concerns, including infectious diseases. At this time, the City is not expecting any of these sites to be quarantine or isolation sites. All locations will be accompanied with ongoing services, staffing, and support.

Address racial equity and disproportionate impact on marginalized communities	Chicago	Mayor Lori E. Lightfoot <a href="#">signed an executive order</a> explicitly ensuring that all benefits, opportunities, and services provided or administered by the City of Chicago are accessible to all residents, regardless of birth country or current citizenship status.
	San Francisco	San Francisco has been <a href="#">expanding</a> temporary housing for domestic violence survivors and their children through public-private partnership with a real estate management company that is donating use of vacant units in secure locations. Survivors are among the vulnerable populations who cannot shelter-in-place due to the risk of violence.

## Additional Federal Resources Are Needed

The CARES Act included [\\$12 billion in housing and homelessness resources](#) to help prevent an outbreak of the virus among people experiencing homelessness, as well as needed resources and protections for America’s lowest-income renters. [This spending bill was an important first step to meet the immediate needs of state, local, tribal, and territorial governments and their residents, but Congress must provide far more resources](#) to help meet the dire and urgent needs of people who are experiencing homelessness or those individuals who are right on the brink. Congress should include housing and homelessness resources in any coronavirus response package, including:

- **Emergency Solutions Grants (ESG): At least \$11.5 billion.** Congress provided \$4 billion in ESG funds in the CARES Act; [additional funds are needed to respond to coronavirus](#) among people experiencing homelessness.
- **Emergency rental assistance and eviction/homelessness prevention: \$100 billion.** This assistance can be provided through a combination of Emergency Solutions Grants, Housing Choice Vouchers, Section 521 Rural Rental Assistance, or the Disaster Housing Assistance Program (DHAP), which was used by past Republican and Democratic administrations to address short-term rental assistance needs after previous disasters. Emergency rental assistance is supported by a broad array of [industry groups](#), [housing advocates](#), [cross-sector leaders](#), and [elected officials](#).
- **A national, uniform moratorium on evictions and foreclosures.** Congress should implement a uniform policy that assures each of us that renters will not lose their homes during a pandemic where our collective health depends on each of us staying home.

## For More Information

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