

April 10, 2020

The Honorable Ben Carson
Secretary
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410-0001

John Gibbs
Acting Assistant Secretary, Office of Community Planning and Development
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410-0001

Dear Secretary Carson and Assistant Secretary Gibbs:

On behalf of the Disaster Housing Recovery Coalition (DHRC), I would like to thank HUD and the Office of Community Planning and Development (CPD) for quickly allocating \$2 billion in Community Development Block Grant (CDBG) funding that was appropriated in the “Coronavirus Aid, Relief, and Economic Security (CARES) Act” to help struggling communities address the urgent housing needs that low-income people are facing during this time of economic instability. Given the importance of keeping people stably housed during the COVID-19 pandemic, this CDBG funding can be a critical resource to help low-income renters who are struggling to pay for their housing costs during this crisis. The National Low Income Housing Coalition (NLIHC) has heard from several state and local partners that officials administering CDBG funds on the ground report that HUD is pushing for other priorities, such as microenterprise businesses, over rental assistance. We urge HUD to provide guidance to grantees that encourages them to prioritize CDBG funding to address the immediate and urgent needs of people experiencing homelessness and low-income renters, particularly rental assistance.

The DHRC is coordinated by NLIHC and includes over 850 other national, state, and local organizations dedicated to ensuring the federal response to disaster recovery prioritizes the housing needs of the lowest-income people in impacted areas. Together, we work to ensure low-income survivors and communities receive the housing assistance needed for a full and equitable recovery.

Congress has not yet appropriated funding specifically for emergency rental assistance, but the need for such funding is urgent. Since CDBG funding can currently be used for up to three months of rental assistance, it is a critical resource for providing immediate assistance while waiting for additional funding. In eliminating the cap on the amount of funds a grantee can spend on public services, Congress recognized the potential of CDBG to meet the urgent needs of low-income renters and people experiencing homelessness.

We also urge HUD to waive the three-month limitation on providing temporary rental assistance because the coronavirus crisis is likely to linger, and after the coronavirus crisis subsides employers will be slow to come back online and able to re-engage employees. We also urge

HUD to waive the State CDBG Program's limitation of awarding CDBG funds only to non-entitlement jurisdictions if an entitlement jurisdiction can demonstrate that it has coronavirus-related housing needs that cannot be adequately addressed with the amount of CARES Act funds awarded to the entitlement jurisdiction. This waiver should apply to a state's allocations from the CARES Act and any FY19 and FY20 regular allocations while the coronavirus crisis exists and for six months subsequent to its subsidence.

The COVID-19 public health crisis and economic turmoil has put at risk the housing stability and health of low-income renters and people experiencing homelessness across the country. Before the start of the pandemic, nearly ten million extremely low- and very low-income renter households were severely housing cost-burdened and already struggling to make ends meet. Increased unemployment has increased that hardship, leaving low-income families unable to pay their rent. Although the CARES Act provided some relief for low-income renters, additional resources are needed to keep them stably housed during or after the COVID-19 pandemic. The temporary increase in unemployment insurance benefits is ultimately not sufficient on its own to ensure stable housing for the lowest-income renters. An economic recovery may not be quick, and some public health experts project COVID-19 outbreaks may continue into the fall. While eviction moratoriums play an important role in protecting renters, tenants are still responsible for their rent payments and small landlords still need rent revenues to operate and maintain their housing units. Providing temporary rental assistance to current and projected severely cost-burdened renters would keep at-risk tenants stably housed and protect and preserve our country's affordable housing supply.

Additional guidance from HUD encouraging grantees to prioritize rental assistance and similar programs, such as eviction prevention activities, to help meet the immediate housing needs of low-income households would help ensure these funds are used where they are most needed.

Thank you for your time and please feel free to reach out to Sonya Acosta, policy analyst at the National Low Income Housing Coalition, at sacosta@nlihc.org with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Diane Yentel".

Diane Yentel
President and CEO
National Low Income Housing Coalition