

RENTAL ASSISTANCE IS NEEDED TO KEEP FAMILIES STABLY HOUSED



Even before the pandemic, our nation was facing an affordable housing crisis. Before the start of COVID-19 and the economic crisis, [more than seven million](#) extremely low-income renter households were severely housing cost-burdened, spending more than half of their income on rent. The surge of job layoffs as a result of the pandemic will only increase housing instability, particularly for people of color who are disproportionately represented among people experiencing homelessness and low-income, cost-burdened households. Without Congressional intervention, there will be a surge of evictions and a spike in homelessness across the United States, and, once again, people of color will be disproportionately harmed.

THE DISPROPORTIONATE IMPACT OF COVID-19 ON LOW-INCOME RENTERS AND PEOPLE OF COLOR

The coronavirus pandemic and related shutdowns continue to have a catastrophic impact on employment, and [research](#) indicates that low-wage workers are employed in jobs that are at high risk for loss of income. NLHC research indicates that [nearly 60% of extremely low-income renter households](#) in the labor force work in high-exposure industries, including accommodation and food services, health care and social assistance, retail, personal care, and others. While the timeline to a full economic recovery is unknown, the [Congressional Budget Office](#) projects that the number of employed people will decline by 27 million during the second and third quarters of 2020.

The unemployment crisis is disproportionately impacting people of color. People of color are overrepresented in [affected low-wage occupations](#), and while the overall unemployment rate decreased in May, it [did not improve for Black Americans](#). For the first time on record, the [Latino unemployment rate](#) is the highest of all racial and ethnic groups. Black workers are disproportionately represented in [front-line jobs](#), which exposes themselves and their family members to greater likelihood of contracting the coronavirus to meet their basic needs for housing, utilities, food, or healthcare. Black Americans are more likely to work in front-line industries, including grocery, convenience and drug stores; public transit; trucking, warehouse, and postal service; health care; and social services and childcare.

Due to systemic racism and discrimination, Black and Latino families experienced [higher rates of financial insecurity and hardship](#) prior to the pandemic, and recent research indicates that the coronavirus pandemic and its economic fallout are [widening these housing disparities](#). Systemic racial inequities in employment and housing contribute to an uneven impact of the coronavirus on people of color and may [prolong the economic fallout](#) for communities of color

THE LIMITATIONS OF UNEMPLOYMENT INSURANCE

Through the "[Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#)," Congress extended eligibility of unemployment insurance to workers who were not previously covered, added \$600 per week to all unemployment insurance checks, and extended the window of eligibility for an additional 13 weeks if needed. The temporary increase in [unemployment insurance benefits](#) has been beneficial for many low-income households, but on its own, it is insufficient to ensure housing stability during and after the pandemic.

Low-wage workers, who are most likely to experience unemployment, are among those individuals [least likely to receive standard unemployment benefits](#). Lower-wage workers often do not qualify for assistance

due to their low earnings or limited work histories. While the CARES Act temporarily waives work history requirements and expands eligibility criteria, [research indicates](#) that much of the CARES Act assistance is going to higher-income households and not those most at risk of evictions and homelessness. The [Urban Institute](#) estimates that 45% of combined federal and state unemployment assistance flows to renter households earning over 100% of the area median income.

Moreover, unemployment insurance does not protect all workers. Millions of workers who have experienced a loss of income through pay cuts, reductions in hours, or other loss of earnings may not be eligible for unemployment benefits. Workers must have their full-time hours cut considerably and earn very little to receive partial unemployment insurance. While [eligibility for partial unemployment benefits](#) varies widely by state, workers must generally earn less money per week from a job than they would otherwise receive in unemployment benefits while fully unemployed. For example, the average American worker receives \$378 per week in state unemployment benefits, so to be eligible for partial unemployment benefits, the worker would have to earn less than that from their job.

Employees are not eligible for unemployment benefits under the CARES Act if their employer remains open during the pandemic unless they have unfilled childcare needs, are caring for a sick family member, or have other credible health concerns that require them to quit their job, according to [Department of Labor guidance](#). Undocumented workers and people entering the workforce for the first time, such as recent graduates, are also ineligible for unemployment benefits.

For most extremely low-income households, unemployment benefits are not enough to ensure housing stability. This is because even in circumstances where unemployment benefits replace 100% of wages, a majority of the lowest-income households would still be unable to afford housing. In fact, 3 out of 4 of extremely low-income households in the labor force spend more than half of their income on rent. Even if standard unemployment benefits replaced 100% of the wages that recipients typically earn, these households would still be at high risk of evictions and, in worst cases, homelessness.

Without Congressional action, homelessness could increase by [40-45% by the end of 2020](#), with enormous consequences for individuals, their communities, and public health.

THE URGENT NEED FOR RENTAL ASSISTANCE

Emergency rental assistance enables households, including those who have lost jobs or who were already struggling to pay rent before the pandemic, to remain stably housed and avoid the broad, harmful impacts of evictions and homelessness.

Without emergency rental assistance, our nation's overstretched homeless system will be put under further strain. The [homeless shelter system](#) can only shelter about 70% of people experiencing homelessness, and many shelters are unable to accommodate social distancing and protect homeless individuals from possible infection. To respond to this crisis, homeless service providers are working quickly and urgently to decongest shelters and homeless encampments to allow for social distancing. Service providers are using federal resources to acquire additional space, hire staff, and house homeless individuals in hotels/motels for self-isolation and self-quarantining. Some shelters have closed because they are unable to provide services while complying with social distancing, and other shelters have been closed to new individuals.

Any increase in homelessness has broad implications for our nation's public health. 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. Emergency rental assistance and other federal resources are needed to prevent the spread of the coronavirus within the homeless population and among the general public.

Congress should immediately enact the emergency housing and homelessness provisions in the House-passed "[Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act](#)." The HEROES Act

includes the "[Emergency Rental Assistance and Rental Market Stabilization Act](#)," which would provide [\\$100 billion](#) in emergency rental assistance. NLIHC research estimates \$100 billion in emergency rental assistance is needed to prevent evictions and homelessness when eviction moratoriums are lifted and back-rent is owed. The next coronavirus spending package must also include an additional [\\$11.5 billion](#) in Emergency Solutions Grants to respond to and prevent outbreaks among people experiencing homelessness and enact a national, uniform moratorium on evictions and foreclosures.

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