



Campaign for Housing and Community Development Funding

Working to ensure maximum federal resources for housing and community development

Opportunities and Best Practices for Meeting Housing and Homelessness Needs During the Coronavirus Crisis

**Campaign for Housing and Community Development Funding
& Disaster Housing Recovery Coalition**

April 23, 2020

Welcome

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Agenda & Speakers

- **Brief Overview of CARES Act:** Kim Johnson, National Low Income Housing Coalition
- **Eviction & Foreclosure Moratorium:** Shamus Roller, National Housing Law Project
- **Emergency Solutions Grants Funding:** Steve Berg, National Alliance to End Homelessness
- **Community Development Block Grant Funding:** Marion McFadden, Enterprise Community Partners
- **Coronavirus Relief Fund:** Mike Wallace, National League of Cities
- **Issues of Equity – Impact on Marginalized Communities:** Peggy Bailey, Center on Budget and Policy Priorities
- **Issues of Equity – Impact on People with Disabilities and Formerly Incarcerated People:** Dara Baldwin, Center for Disability Rights
- **Engagement for Future Packages:** Sarah Saadian, National Low Income Housing Coalition



CARES Act Overview

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CARES Act Overview

- \$12 billion in HUD funding, including:
 - \$4 billion for Emergency Solutions Grants (ESG)
 - \$5 billion for Community Development Block Grants (CDBG)
 - \$1 billion for Project-Based Rental Assistance
 - \$685 million for public housing
 - \$300 million for tribal nations
 - \$65 million for Housing for Persons with AIDS
 - \$50 million for Section 202 Housing for the Elderly
 - \$15 million for Section 811 Housing for Persons with Disabilities



CARES Act Overview

- Moratorium on foreclosures for all federally-backed mortgages
- Moratorium on eviction filings for renters in federally subsidized apartments
- \$150 billion for Coronavirus Relief Fund for state, tribal, and large local governments



Eviction & Foreclosure Moratorium

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Eviction Moratorium - Broad Strokes

120 day moratorium on filings for eviction for nonpayment of rent starting on March 27 for certain properties.

Some more details

1. Also requires a landlord to issue a 30 day notice after the end of the moratorium period before evicting a tenant.
2. This means that a tenant living in a property covered by the Act cannot be evicted for 150+ days.

The Fine Print

1. Tenants are still responsible for paying rent – they just can't be evicted during the moratorium.
2. Applies only to new filings for eviction, not to ones initiated before March 27, 2020.
3. Applies only to eviction for non-payment of rent (& fees & charges) and not to eviction for criminal activity or other lease violations.
4. Only applies to some properties.

What properties are covered?

1. All of the federally subsidized housing programs including public housing, housing choice vouchers, low income housing tax credits, programs under the Department of Agriculture.
2. Apartments and single family homes with a federal backed mortgage loan. These include loans owned by Fannie Mae, Freddie Mac, the Federal Housing Administration, USDA, HUD and the VA.

The Legal Uncertainties

1. Other evictions that are motivated by non-payment of rent.
2. Vouchers in a building without a federally backed loan.
3. Expansion of the 30 day rule to cover all evictions.

Illegal Evictions

Some housing providers may try to evict people unlawfully despite the moratorium or may resort to illegal “self-help” methods such as lock-outs, threats or violence, or unlawful utility disconnections. These are emergency matters that courts will still be open to hear. If someone experiences such an illegal eviction or attempted eviction, contact legal aid (or law enforcement)

The End of the Moratoriums

Even with a large infusion of rental assistance, there will likely be three distinct groups of tenants as the moratoriums end:

1. Those that were able to pay their rent during the crisis and will be able to in the future
2. Those that were not able to pay full rent during the crisis but will be able to pay rent moving forward
3. Those that may or may not have paid full rent during the crisis but cannot afford rent moving forward.



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ESG Funding

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CARES Act ESG funding

Emergency Solutions Grants

- Larger cities and counties and “balance of state” are recipients
- Regular ESG is about \$280 million
- Mostly subcontracted to nonprofits
- Outreach, shelter, rapid rehousing; construction and operating costs



CARES Act ESG

Changes from usual ESG - money

- Lots more money: \$4 billion
- “Up to” \$2 billion under the usual formula
- The rest under a new formula meant to target need as a result of coronavirus
- HUD has already announced \$1 billion in allocations, more “soon”



CARES Act ESG

Changes from usual ESG - flexibility

- No matching requirement
- No “shelter cap”
- Anybody whose income is under 50% of area median income is eligible for help
- No treatment or performance requirement may be imposed



CARES Act ESG

Best uses:

- Shelter expansion and deconcentration (CDC guidelines)
- Non-congregate shelter
- Connection with permanent housing
- Landlord outreach
- Rental assistance up to 2 years



Homelessness

Steve Berg

National Alliance to End Homelessness

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CDBG Funding

Marion McFadden

Senior Vice President, Public Policy

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EXTENSION OF UNEMPLOYMENT

- The CARES Act includes \$250 billion to expand unemployment benefits.
 - *Unemployment Benefits for More Americans:*
 - This act ensures that self-employed and independent contractors can receive unemployment during the public health emergency
 - *More Money for a Longer Period of Time:*
 - Makes benefits more likely to cover furloughed workers' increased expenses by adding a \$600/week across-the-board payment increase through the end of July
 - In addition, for those who need it, the bill provides an additional 13 weeks of benefits beyond what states typically allow

TIMELINE FOR UNEMPLOYMENT

- More than 26 million workers, filed for unemployment benefits over the past five weeks
- More than 40 states are now paying the **additional \$600 a week** in enhanced unemployment benefits provided by the CARES act to go on top of usual state payments; the rest must catch up
- State unemployment insurance benefits vary greatly; the average person receives \$378 a week in unemployment benefits (according to U.S. Labor Department data as of year-end 2019)
- State capacity is increasing - States have tapped about \$600 million of \$1 billion in federal funds allocated to hire staff at unemployment offices and have redeployed State workers to process claims
- But there are still grave concerns over how quickly benefits will be paid given immediate need – and over how many households are out of work but unable to access unemployment insurance

INCREASED COSTS & DELAYS

- While incomes have decreased dramatically, people are paying more for health care, food, cleaning supplies, utilities, and transportation
- Building owners are paying more to sanitize common areas and apartments, keep staff working overtime, provide medical support, social services, food, and transportation for residents, as well as sharing the increased cost of utilities now that so many people are home 24/7
- Also impacted is the affordable housing production pipeline - Social distancing recommendations have resulted in shortages of construction materials, delays in permitting and local approvals, and severe interruption of property managers' ability to interact with residents and key partners as needed to continue regular property operations, as well as complete construction moratoria in some places
- Most new affordable housing is built with Low Income Housing Tax Credits, administered by State Housing Credit agencies that have limited, or, in some cases, no ability to complete development approvals and regular compliance monitoring functions while the crisis is ongoing



CDBG-CV (\$5 BILLION)

CARES Act:

- The legislation commits \$5 billion to CDBG → “CDBG-CV”
- \$2 billion already allocated to about 1,200 jurisdictions via the FY2020 formula
- An additional \$1 billion is for states & insular areas to prevent, prepare for and respond to the coronavirus (includes PR, USVI, Guam, AS & CNMI)
 - These funds must be allocated by May 11th
- The remaining \$2 billion must be allocated “on a rolling basis” through a formula to be determined by the Secretary based on coronavirus related factors **including housing impact**
- Unlike the annual CDBG program these dollars will be available with no caps on the amount that can be sub-granted to non-profits that provide housing, education, childcare, elder services, etc

2 116-94 and Public Law 116-6: *Provided further*, That
 3 under such expedited procedures, the grantee need not
 4 hold in-person public hearings, but shall provide citizens
 5 with notice and a reasonable opportunity to comment of
 6 no less than 5 days: *Provided further*, That, for as long
 7 as national or local health authorities recommend social
 8 distancing and limiting public gatherings for public health
 9 reasons, a grantee may create virtual public hearings to
 10 fulfill applicable public hearing requirements for all grants
 11 from funds made available under this heading in this Act
 12 and under the same heading in Public Law 116-94 and
 13 Public Law 116-6: *Provided further*, That any such virtual
 14 hearings shall provide reasonable notification and access
 15 for citizens in accordance with the grantee’s certifications,
 16 timely responses from local officials to all citizen questions
 17 and issues, and public access to all questions and re-
 18 sponses: *Provided further*, That, notwithstanding section



ANNUAL CDBG \$\$

- HUD provided flexibility for communities to change how they use the annual CDBG funds they have on hand; minimum 5-day public comment for FY19+FY20 grant amendments
- No guidance yet on use of CDBG for coronavirus-related housing costs
- Multiple large jurisdictions are considering using existing CDBG for temporary rental assistance programs
- CDBG can be used for up to 3 months; must be paid directly to the landlord/utilities
- TBD: will HUD grant a suspension or waiver to allow rental assistance beyond 3 months?
- You can email questions to CPDQuestionsAnswered@hud.gov and find answers at www.hudexchange.info/programs/cdbg/disease



WHAT ELSE DO WE NEED?

- Notably missing from CARES Act are supplemental appropriations for:
 - HUD: HOME Investment Partnership Program + Section 4 Capacity Building Program
 - USDA's Rural Development housing programs – see our blog post: <https://www.enterprisecommunity.org/blog/covid-19-rural-america-time-include-not-exclude-our-rural-communities>
 - Treasury's Community Development Financial Institutions Fund

And sign up for Housing Credit advocacy updates www.rentalhousingaction.org

Coronavirus Relief Fund

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Issues of Equity – Impacts on Marginalized Communities

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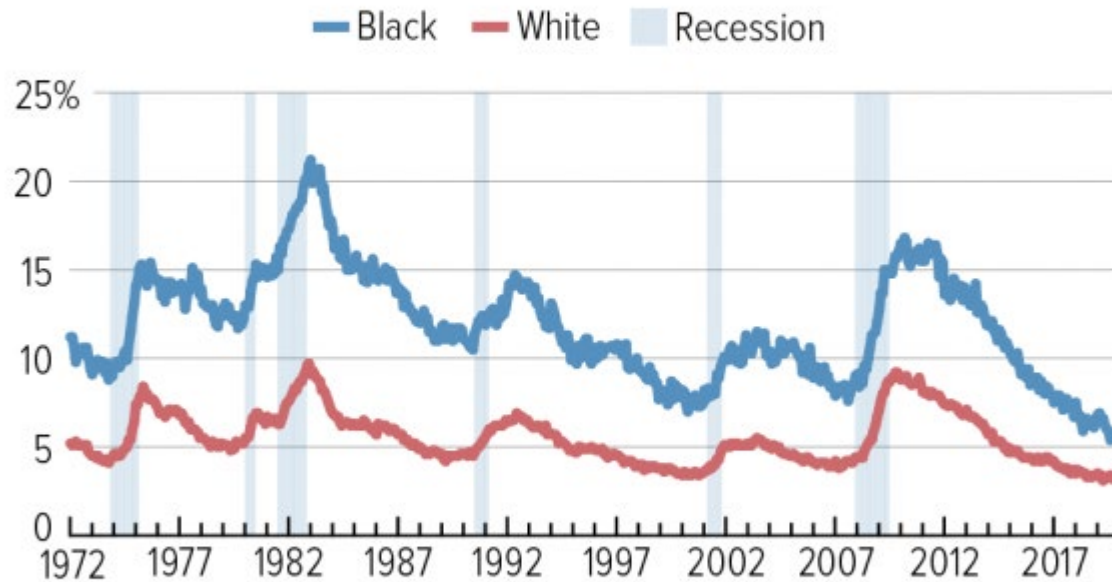


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Unemployment Rate Comparison

Black Unemployment Fell to Historic Low But Remains Much Higher Than White Rate



Note: Black unemployment data were first available beginning January 1972.

Source: Bureau of Labor Statistics and National Bureau of Economic Research

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Issues of Equity – People with Disabilities and Formerly Incarcerated People

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Engagement for Future Packages

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Engagement for Future Packages

State of Play



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Engagement for Future Packages

CHCDF Asks:

- Resources for older adults, people with disabilities and people experiencing homelessness
- Emergency rental assistance
- Additional funding for HUD, USDA, and tribal housing providers
- Financial assistance for homeowners
- Additional resources for housing counseling and fair housing



Engagement for Future Packages

Top Congressional Targets:

- Speaker Pelosi (D-CA)
- Senate Minority Leader Schumer (D-NY)
- Senate Banking Committee Chairman Crapo (R-ID)
- Senate THUD Approps Chairwoman Collins (R-ME)
- Senate Majority Leader McConnell (R-KY)
- Senators Young (R-IN), Portman (R-OH), Romney (R-UT)
- Reps Jeffries (D-NY), Lowey (D-NY), and Diaz-Balart (R-FL), Clark (D-MA)
- Republicans on the [Senate Banking Committee](#)





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Questions & Answers