

URBAN

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Renters and Rental Market Crisis Working Group

Note to participants:

Please keep your camera turned off until the facilitated discussion

Landlord-based assistance programs

- Some rental assistance policy proposals have suggested targeting assistance directly to building owners:
 - Either based on owner characteristics (e.g., monthly rental collections compared to that month in previous years), or
 - based on tenant characteristics (e.g., allowing “project-basing” of assistance when many renters in a building meet requirements)
- With each approach, questions remain about accountability mechanisms that could work to ensure owners are promoting the health, safety, and stability of their residents

Proposed accountability mechanisms for landlord-based assistance programs include:

- Owner agrees not to pursue evictions during the emergency
- Agreement to freeze rent for a period of time and/or waive back rent/fees
- Agreement to negotiate payment plans with renters and protect residents from penalties associated with arrearages
- Reduced rent for a period of time
- Moratoria on reporting residents to debt collectors
- Federal law disallowing source of income discrimination

Questions for discussion - landlord-based assistance programs :

- What can we learn from state and local programs (previous, existing, and proposed) about providing rental assistance to the building owner/landlord?
- What are the efficiencies of providing relief based on building owner eligibility? Do the same efficiencies apply when eligibility is based on tenant characteristics and flows to the owner?
- What requirements might a building owner need to fulfill to protect tenants?
- What type of local, state or federal capacity or systems are needed to ensure accountability?



Wednesday, May 20, 2020

Lessons from State and Local Emergency Rent Assistance Programs

SOLOMON GREENE AND SAMANTHAT BATKO



New state and local emergency rent assistance programs

Research questions and approach

- Identify basic trends and characteristics
 - Who administers and funds?
 - Who is served?
 - What are the key features and limitations?
- Provide early lessons to inform policy and practice
- Scan of 43 state and local programs, including new and adapted, public and private
- Interviews for 3 initiatives: Atlanta's Star-C Eviction Relief Fund; Florida SHIP; and LA County Emergency Rental Assistance Program

Who administers and funds?

- Most are administered by government agencies
- Funded through state and local sources, including housing trust funds, general revenue, and philanthropy
- Several plan to use CARES Act funding when available, building capacity now

Who is served?

- Typically renter is applicant
- Landlords rarely applicants, often the direct recipients of payment
- Range of eligibility requirements for tenants, but most common are:
 - Maximum incomes up to 80 percent of AMI,
 - Demonstrated loss of income due to COVID-19, and
 - Residency requirements

What are the key features and limitations?

- Eligible expenses: rent, and (less common) utilities and internet, legal assistance.
- Max amount: \$500-\$1600
- Max duration: 1-3 months, or until the money runs out.

Lessons learned

- Leverage existing programs and capacity
- Maximize flexibility
- Focus on populations with greatest unmet need
- More resources are needed!

Prior emergency rental assistance programs

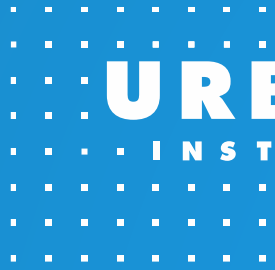
Homelessness Prevention and Rapid Re-Housing Program (2009 – 2012)

- \$1.5 Billion as part of the American Recovery and Reinvestment Act of 2009
- Eligible activities
 - Homelessness prevention
 - Rapid re-housing
- Served over 1.3 million people in nearly 550,000 households in private market¹

Lessons Learned

- Maximize the number of households served and units supported
- Innovative program components
 - Graduated/declining subsidies,
 - Housing locators/navigators, and
 - Legal assistance.
- Challenge: What tenants should be targeted?
 - Which landlords are supported based on those targeting decisions?

Source: <https://www.huduser.gov/portal/sites/default/files/pdf/HPRP-report.pdf>



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AFFORDABLE HOUSING ALLIANCE OF CENTRAL OHIO

EMERGENCY RENT ASSISTANCE WITH CDBG-CV FUNDS

A How-To Guide Designed for Columbus

Priority Considerations

Design Priorities Reflected in this Plan

Quick Launch = No HUD Waivers Needed

Highly Targeted = Focus on Otherwise Unassisted Residents

Double Bottom Line = Stabilize At-Risk Public Assets

Scalable = Easy Growth with Additional Dollars

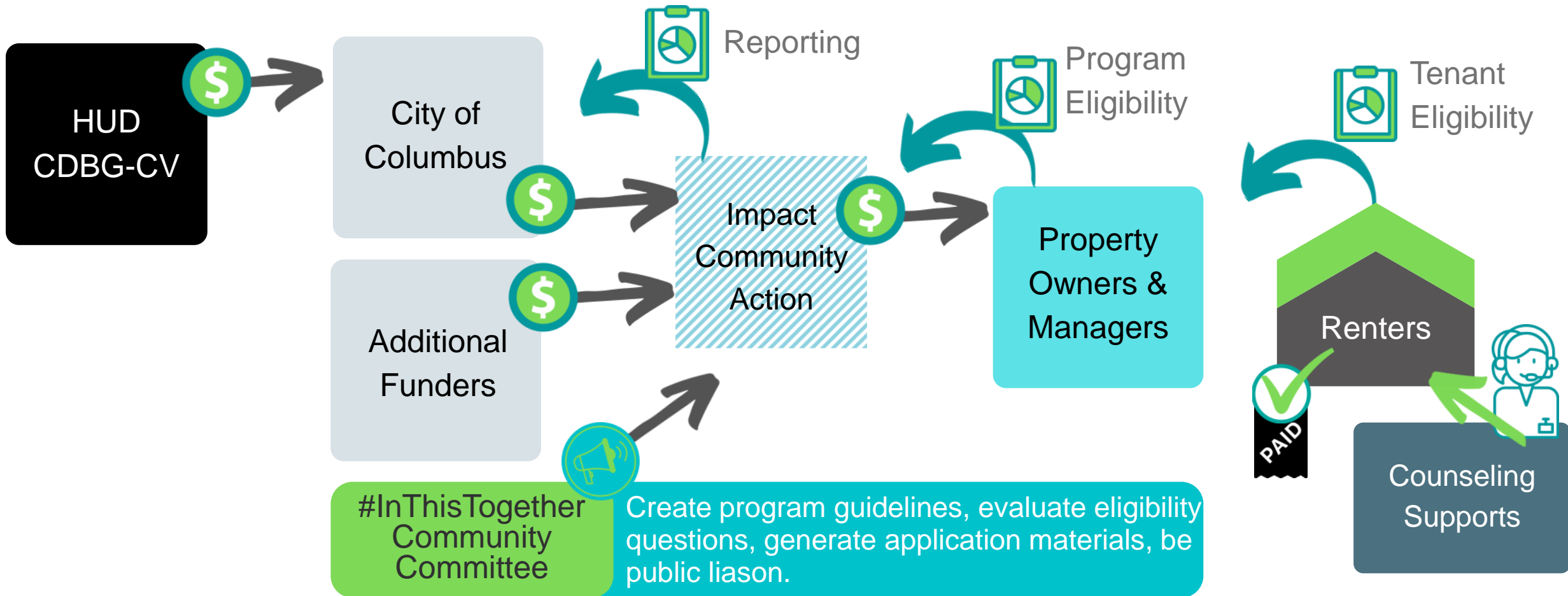
Audit Proof = Built on Existing Disaster-Response Models

Time Limited = 3-Month Emergency Response

Shared Responsibility = Property Owners Forgive 20%

PROCESS FLOW

Fast, Efficient, Relationship-Based, Socially Distanced



Governance

The fiscal agent role is complemented by community input from an "InThisTogether" community advisory committee to gather governmental, institutional, and civic feedback. This ensures that new issues can be effectively addressed and that multisystem actors are communicating throughout the crisis.

Support

The Housing Provider engages each family to document eligibility and apply the rental assistance. By relying on existing income documentation, established communication patterns, and in-house service supports, we maximize impact while minimizing physical contact.

External counselors expand this capacity and create an independent tenant advocate.

Fiscal Responsibility

The Fiscal Agent will be responsible for transmitting the rental assistance funding to the housing providers of the impacted family receiving assistance. Best served by a CDFI or experienced program administrator, this entity possesses strong accounting credentials and is versed in affordable housing practices.

HOUSEHOLD ELIGIBILITY

Higher Arrear Risk

At or below 80% AMI

Unable to Pay Current or Back Rent

Experienced a COVID-19 Hardship

No Section 8 Subsidy

In a LIHTC Property

CDBG-CV



HOUSEHOLD ELIGIBILITY

Higher Eviction Risk

At or below 200% FPL

Unable to Pay Current or Back Rent

Experienced a COVID-19 Hardship

No Section 8 Subsidy

In any Property Type

Treasury
Dollars



Why LIHTC Properties



FAST DISTRIBUTION TO NEEDIEST

Easily and quickly identifies chronically low-income households that are most likely to be severely impacted by the virus.

LEVERAGE EXISTING SYSTEMS

Property management supplies existing income certifications to document eligibility without needing new third-party verifications.

PRESERVE AFFORDABILITY

Unlike the private market, rent restricted properties are unable to self-stabilize by accessing illiquid capital. Contractual restrictions prevent them from amassing a sufficient rainy day fund.

SHARED RESPONSIBILITY



20%

Property owners
forgive 20% of the
monthly rent
amount



No Fee

Property owners
waive late fees,
court costs, and
attorney fees



Gratis

Property Owners do
not charge for
application
packaging

Who Is AHACO

Columbus Metropolitan Housing Authority
Community Development for All People
Community Housing Network
Community Shelter Board
Creative Housing
Habitat for Humanity - MidOhio
Homeport
Homes on the Hill
National Affordable Housing Trust
National Church Residences
NRP Group
Ohio Capital Corporation for Housing
Preservation of Affordable Housing
The Columbus Foundation
The Community Builders
The Finance Fund Capital Corporation
United Way of Central Ohio
Wallick Communities
Woda Cooper Companies
YMCA of Central Ohio
YWCA Columbus



www.ahaco.org
[@AffordHouse_OH](https://twitter.com/AffordHouse_OH)
614.344.5027

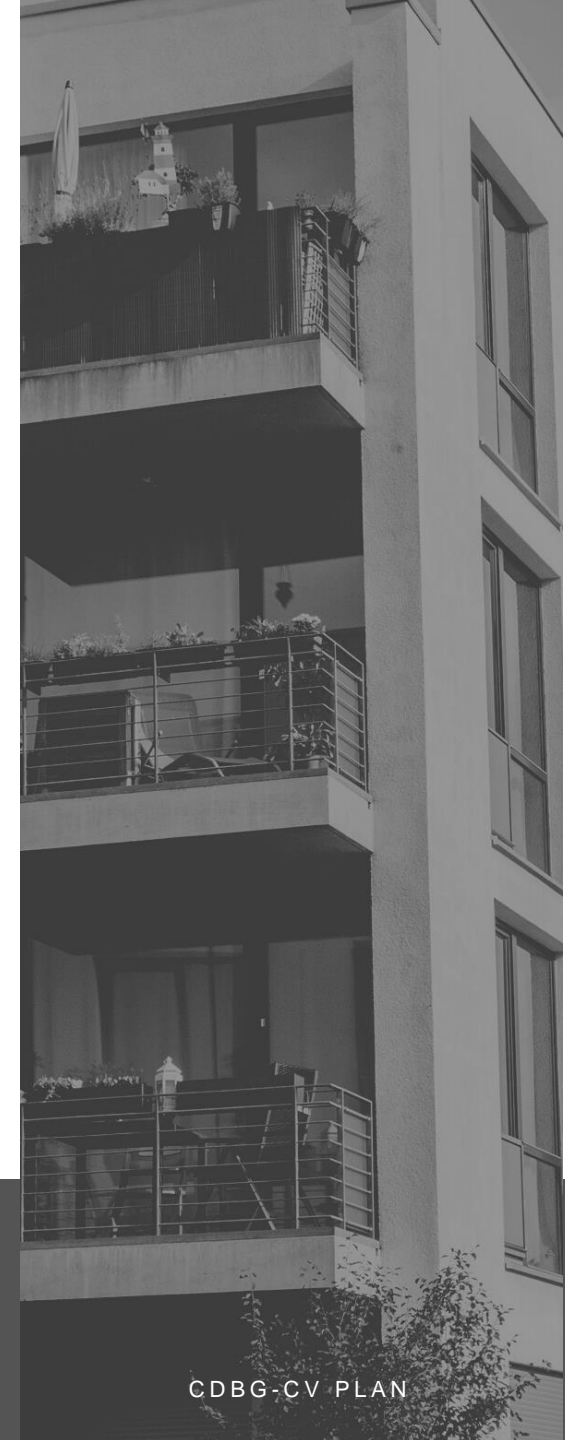
CARES Act + CDBG

A Timely, Proven First Step to Helping At-Risk Families

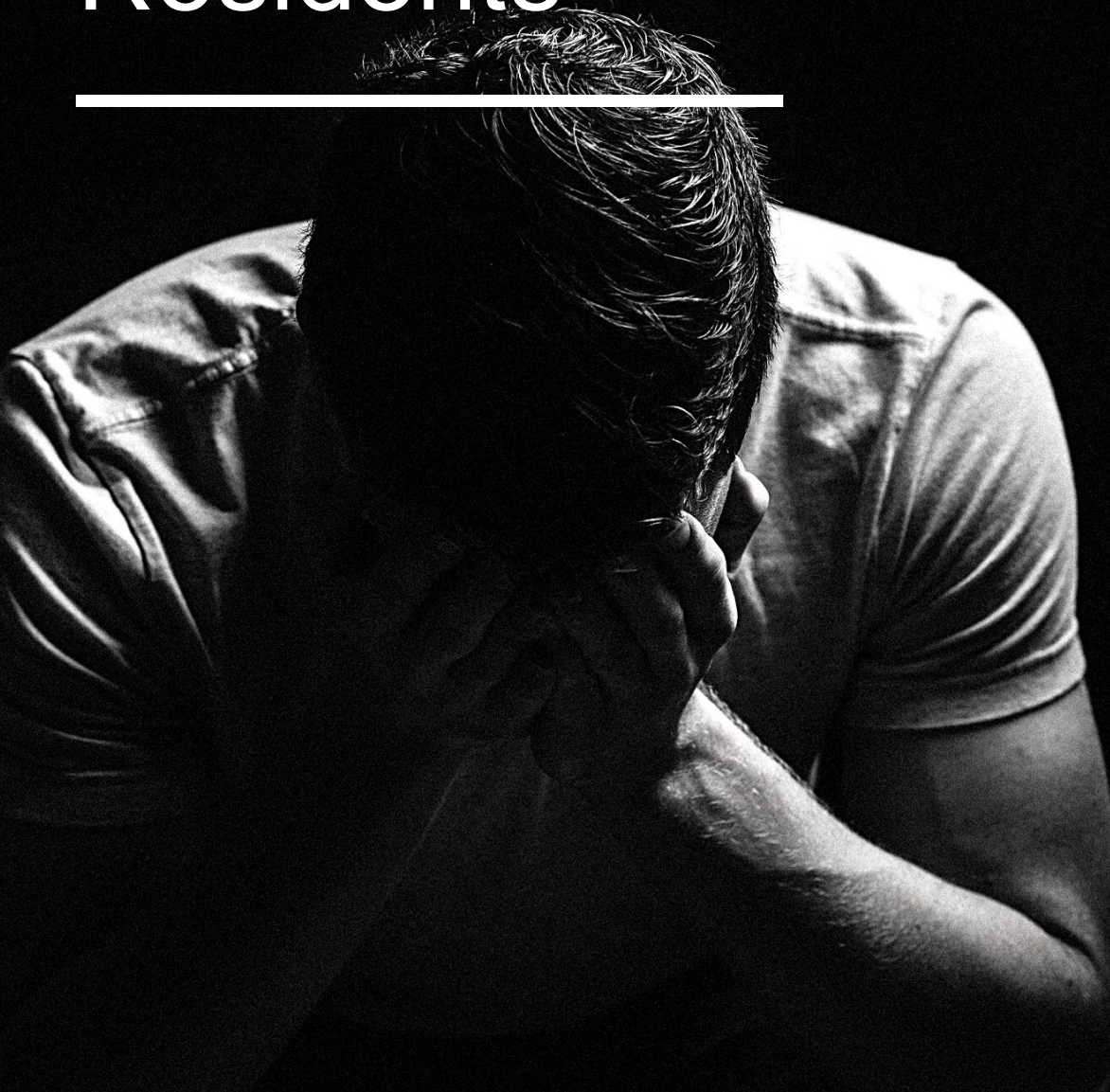
- The CARES Act provides \$5 billion in new "CDBG-CV" funding, to be released in three tranches
- Columbus' first CDBG-CV award is \$4.3 million, with future formula allocations on a rolling basis
- This is in addition to an existing \$16 million allocation, which is partially housing-focused
- CDBG can be used to stabilize families' housing costs through up to three months of rent assistance
- Funds need to be distributed to a housing "provider" (see: 24 CFR 570.207(b)(4))
- CDBG funds can support families up to 80% of the area median income, aligning well with LIHTC
- CDBG rent assistance programming was previously deployed in Charlotte
- Detroit, New Haven, and Virginia are preparing for similar programs as part of their COVID response

"State, local, tribal, and territorial governments should take equitable steps to ensure that renters — especially those with the lowest incomes and those that have been disproportionately impacted due to structural racism— do not face an eviction cliff when moratoria are lifted."

-National League of Cities, April 17, 2020



Why LIHTC Residents



HARDEST HIT SECTORS

Residents are more likely to be employed in heavily impacted sectors, like retail and food service. Even upon income stabilization, wages will not support a repayment strategy.

NO SAFETY NET

Due to lower lifetime earnings, LIHTC residents are less likely to have savings or personal resources to mitigate employment shocks.

MORATORIUM NOT SUFFICIENT

At best, eviction moratoria just delay displacement. For chronically-low wage tenants, a deferment alone will create an insurmountable repayment obligation.

The Next Wave Crisis

AFFORDABLE RENTALS: A BAD SITUATION GETTING WORSE



10,704

households live in Low Income Housing Tax Credit Properties but do not receive rent assistance.

They make less than 60% of the Area Median Income (\$45k for a three-person family), but rent for a 2-bedroom can still be over \$1,000/month.

X



~19%

of Homeport's residents were unable to pay rent by April 10th. This is a significant increase over last month's 7% default rate. 4 out of 5 of those residents do not have a rental subsidy.

Additional data is being collected on other local operators now, but these early reports indicate that Columbus' affordable housing residents are significantly more exposed to COVID19 hardships than others.

=



2,140

is the number of Columbus affordable housing residents that are projected to be at risk of rent default each month due to COVID-19 (based a on 20% economic vacancy factor in the LIHTC, non-subsidized portfolio).



~137

affordable housing properties are at risk of financial insolvency due to lower COVID-19 rent collections. These properties do not have reserves to weather this storm. Losing these assets jeopardizes permanent affordability in Franklin County.

The Numbers

Substantial Impact is Feasible with Existing Resources

Units	Risk Rate	Rent w. 20% Reduction	Monthly Cost	3-Month Cost
10,704	20%	\$833	\$1,784,570	\$5,353,713



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National Low Income Housing Coalition

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.

Diane Yentel
in a letter calling for CDBG to be used for rent assistance

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