



Wednesday, April 15, 2020

Renters and Rental Market Crisis Working Group

Crisis Response

Federal, state, and local eviction protections are a patchwork

How Many Rental Units Are Covered by the CARES Act?

	Total rental units	Single-family and multifamily units in federally financed properties	Share covered by the CARES Act
Single-family properties:	22,326,507	2,767,433	12.4%
1 unit, attached and detached	14,710,848	1,502,740	10.2%
2 unit	3,175,988	708,341	22.3%
3 or 4 units	4,439,671	556,352	12.5%
Multifamily properties:	19,547,439	9,560,503	48.9%
5 to 9 units	5,068,624	–	–
10–19 units	4,805,393	–	–
20–49 units	3,868,131	–	–
50+ units	5,805,291	–	–
Other	1,937,840	–	–
Total	43,811,786	12,327,936	28.1%

Sources: Urban Institute calculations based on the 2018 American Community Survey, the 2015 Rental Housing Finance Survey, the US Department of Housing and Urban Development, and the Federal Housing Finance Agency.

Notes: The “other” category includes mobile homes, boats, vans, and RVs. Our data did not contain breakdown by units for multifamily properties.

Forbearance covers a lot of homeowners

Mortgage owner/insurer/guarantor	Number of mortgages outstanding	Share	COVID-19 relief announced
Federal Housing Administration	7,300,000	15%	Foreclosure and eviction moratorium; mortgage forbearance (PDF)
US Department of Veterans Affairs	3,200,000	7%	Foreclosure moratorium (PDF)
US Department of Agriculture	900,000	2%	Foreclosure moratorium
Fannie Mae and Freddie Mac (government-sponsored enterprises)	22,000,000	46%	Foreclosure and eviction moratorium; mortgage forbearance
Bank portfolios and private-label securities	14,600,000	30%	Some banks are voluntarily following government-sponsored enterprise guidelines for their portfolio loans
Total SF loans	48,000,000	100%	

Sources: Urban Institute calculations based on 2018 American Community Survey and eMBS.

Crisis

Some funding for rental assistance, but CARES Act does not go far enough

Housing Programs <i>(set asides italicized)</i> (In millions)	Senate Negotiated Proposal	House Democrat Proposal	Final Package
Tenant Based Rental Assistance	1,250	1,500	1,250
Public Housing Operating	685	720	685
Tribal Housing Programs	300	350	300
Hsg. Opp. for Persons with AIDs	65	130	65
Community Development Fund	10,000	15,000	5,000**
Homeless Assistance Grants	4,000	15,500*	4,000
Emergency Rental Assistance	0	100,000*	0
Project-Based Rental Assistance	1,000	1,000	1,000
Hsg. for the Elderly (202)	50	75	50
Hsg. for Persons w/ Disabilities (811)	15	25	15
Fair Housing and Equal Opportunity	2.5	7	2.5
<i>Fair Housing Assistance Program</i>	1.5	4	1.5
<i>Fair Housing Initiatives Program</i>	1	3	1
USDA Rural Housing Service	0	0	0

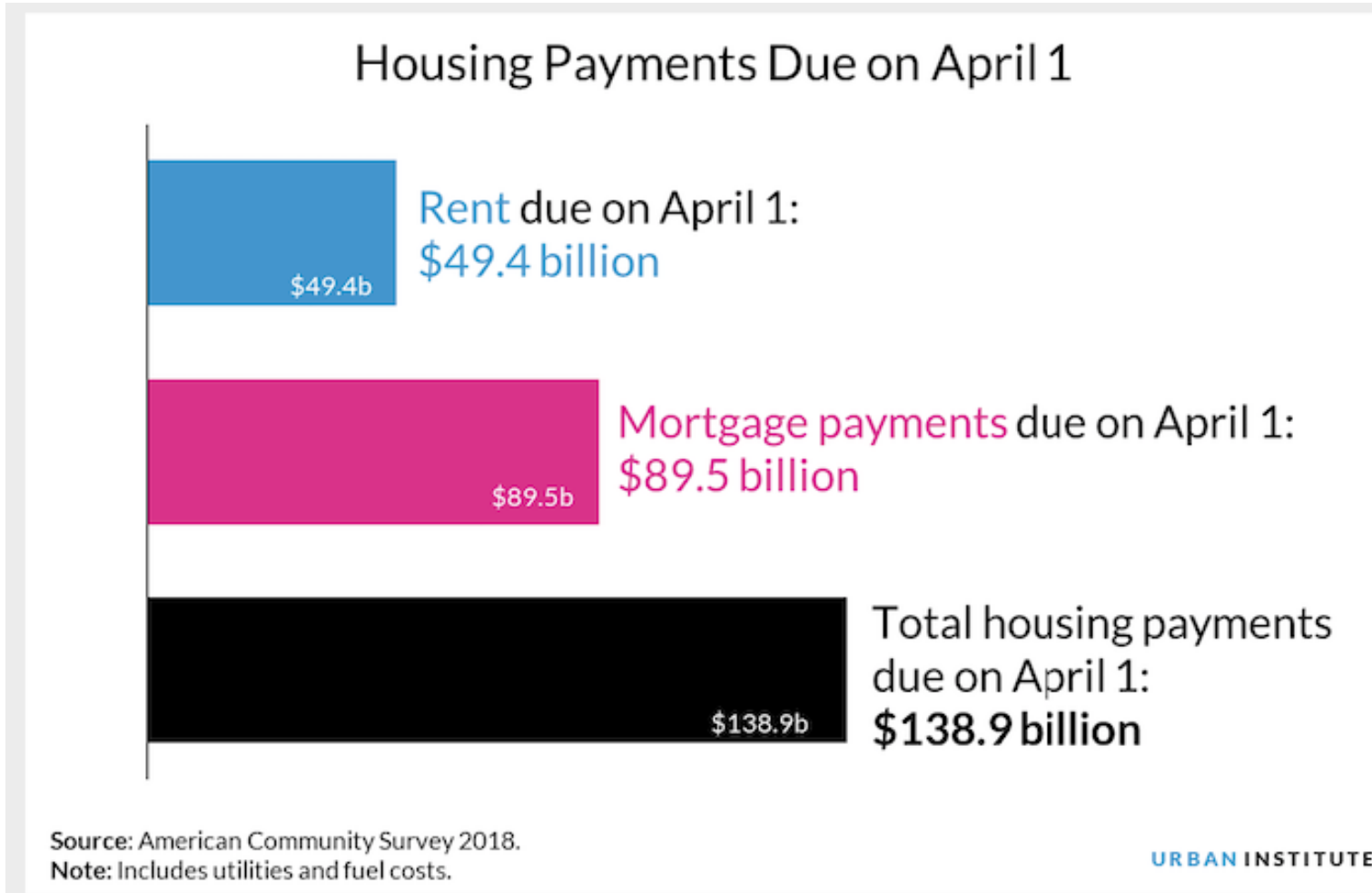
*Reflects authorized levels. In the House bill, Homeless Assistance Grants were provided an appropriation of \$5 billion and emergency rental assistance did not receive an appropriation.

** Congress provided an additional \$150 billion in a Coronavirus Relief Fund that can cover many of the same uses as CDBG.

Source:



Rent due each month

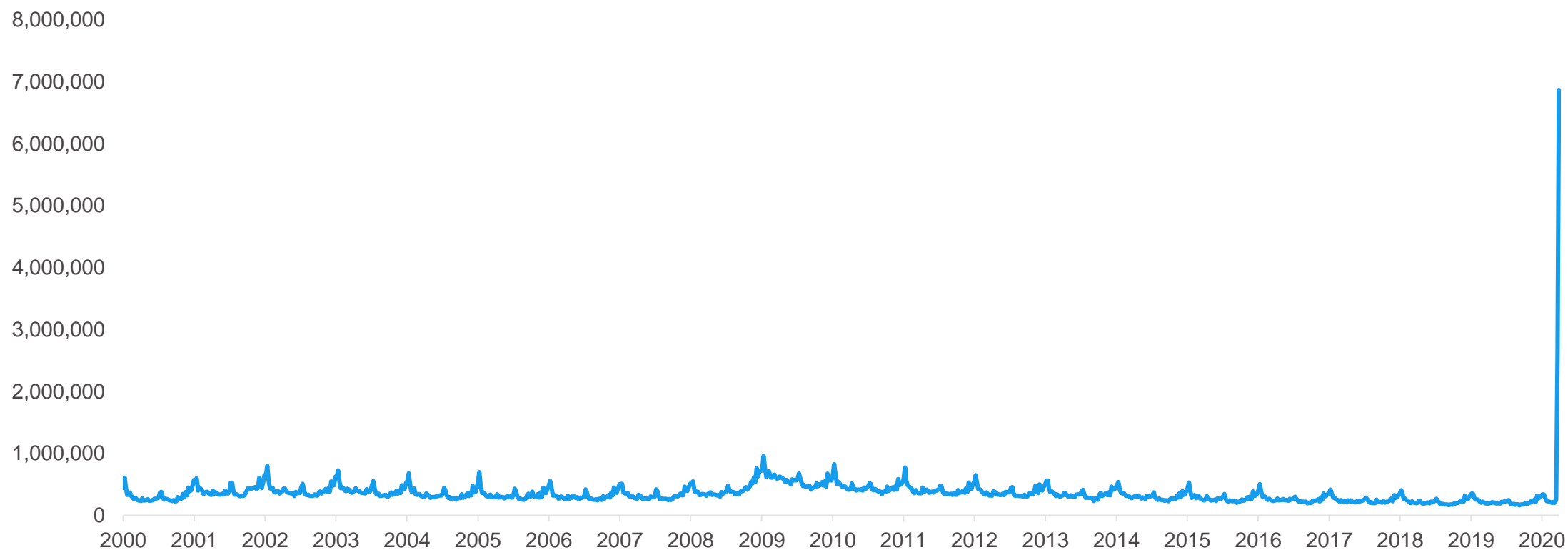


Who will struggle to pay rent?

UI Claims has increased substantially from 3/14

The number of initial UI claims in 3/15-3/21 was **3.3** million, in 3/22-3/28 was **6.8** million, and in 3/29-4/4 was **6.6** million, adding up to **16.7** million in three weeks.

Number of Initial Weekly UI Claims

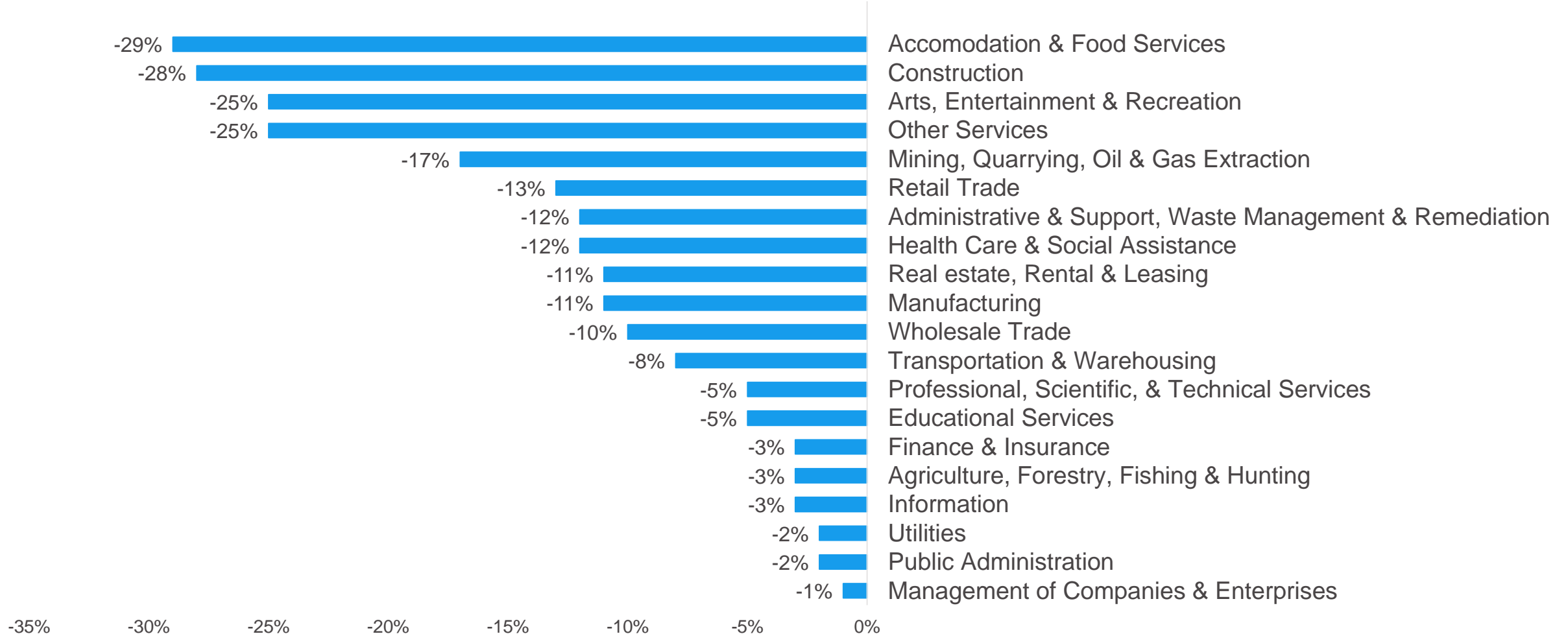


Source: BLS

Note: The data ends in 4/4/30.

Changes in the employment by Industry

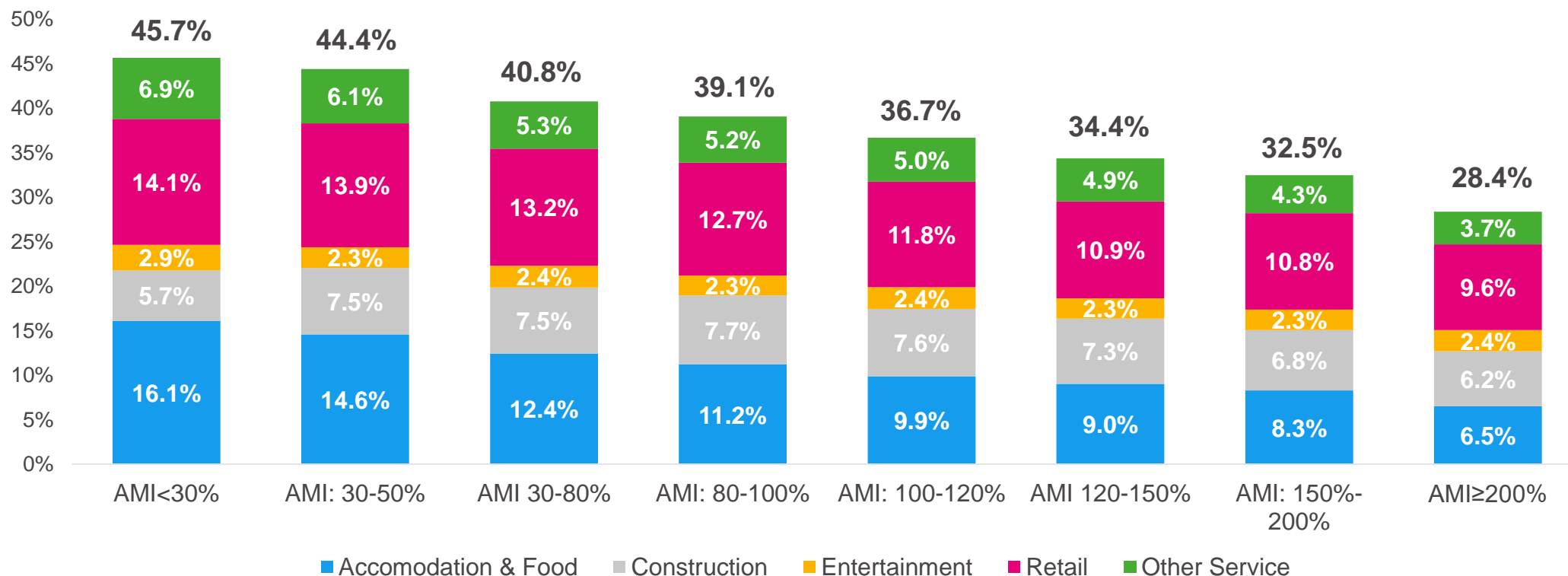
% Change in Employment in the Last 4 Weeks



Source: LODES 2020

Low Income Renters are More Likely to Work in the Five Industries

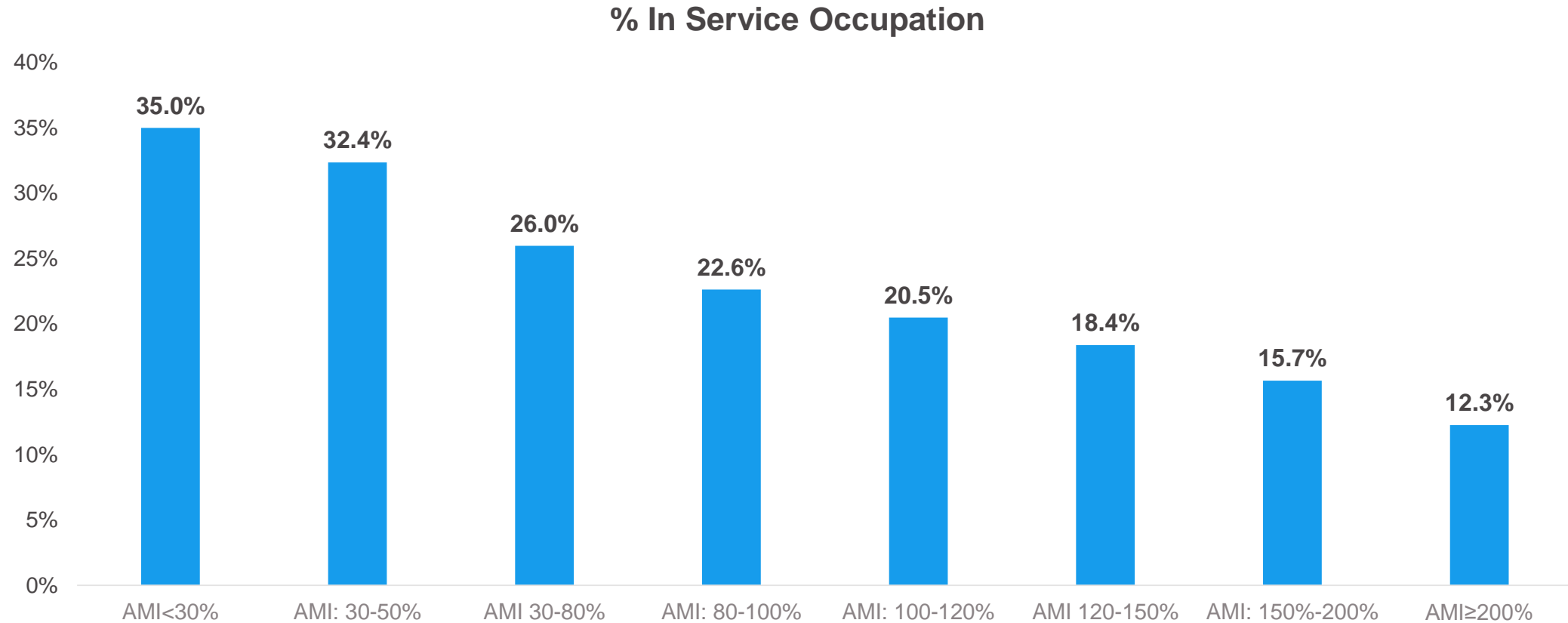
% In Vulnerable Industries



Source: ACS 2018

Note: We grouped household income relative to the AMI and looked at all individuals within those households. For non-MSAs, median household income is calculated by using population within the State that are not living in MSAs.

Low Income Renters are More Likely to be Service Workers



Source: ACS 2018

Note: The sample includes all individuals in the labor force.

Can unemployment benefits help households pay rent?

If a median household receives UI benefits and CARES+ \$600 wk how much do they have left after paying for rent next month? Expires July 31

State	Median HH Income	UI Benefit	CARES+\$600 wk	Total Benefit	Median Gross Rent	Benefit Minus Rent
California	\$52,348	\$1,949	\$2,598	\$4,547	\$1,520	\$3,027
Texas	\$41,182	\$1,716	\$2,598	\$4,314	\$1,046	\$3,268
Florida	\$40,344	\$1,191	\$2,598	\$3,789	\$1,182	\$2,607
New York	\$44,276	\$1,845	\$2,598	\$4,443	\$1,274	\$3,169
Pennsylvania	\$35,600	\$1,483	\$2,598	\$4,081	\$927	\$3,154
Illinois	\$38,729	\$1,614	\$2,598	\$4,212	\$995	\$3,217
Ohio	\$32,891	\$1,370	\$2,598	\$3,968	\$797	\$3,171
Georgia	\$38,512	\$1,580	\$2,598	\$4,178	\$1,008	\$3,170
North Carolina	\$36,034	\$1,501	\$2,598	\$4,099	\$900	\$3,199
Michigan	\$32,803	\$1,367	\$2,598	\$3,965	\$861	\$3,104

Note: The table shows 10 States with the largest population.

Median HH income is the State level annual median household income for renters. All other variables are in monthly values.

UI benefit is the minimum value of (1) the half value of monthly median HH income or (2) the State's monthly maximum benefit.

State's monthly maximum benefit and CARES+ 600 wk are calculated by multiplying 4.33 to the weekly values.

Who is not covered by unemployment insurance?

Unemployment Insurance Coverage

- Not Covered
 - Undocumented workers
 - Informal economy workers

- Covered, but struggling to access benefits
 - Gig workers
 - Self-employed
 - Have weak recent employment history

**How much rental assistance is needed?
Who should rental assistance target?
What are the best delivery mechanism?**

Sizing a Rental Assistance Programs: Some Questions

1. Should a program require an unemployed renter household's current income be less than his pre-COVID income in order to qualify for rental assistance?
 - a. If so, you have a bias toward higher income renters.
 - b. If not, you are not addressing COVID 19 related housing issues.
2. How do you handle workers who theoretically should qualify for unemployment insurance but are not receiving it (gig workers for example)?
3. Should there be a maximum rental amount covered per unit?
4. How long is a rental assistance program expected to last? When can it reasonably start?

Possible Vehicles for a Rental Assistance Program

Agency or Entity	Program	Facility Already in Place?
HUD	CDBG, Disaster Recovery Program	Yes
	Section 8 Voucher Program (Housing Choice Voucher)	Yes
	Section 8 Project Based Rental Assistance	Yes
	ESG (Emergency Solutions Grant) Program	Yes
	HOME Investment Partnership Program	Yes
FEMA	EFSP (Emergency Food and Shelter Program)	Yes
		Yes, but not for renters
Treasury	HHF (Hardest Hit Fund)	Yes, but not for renters
	HAMP (Home Affordable Modification Program)	No
Federal Reserve	Main Street Business Lending Program	Yes