



Wednesday, January 27, 2021

Renters and Rental Market Crisis Working Group



Rental Eviction Crisis

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2021

	January	February	March	April	May	June
Back Rent, Utilities and Late Fees Owed, Bil\$	57.3	34.0	33.1	36.3	40.0	43.1
Delinquent Renters	10,250,000	6,844,620	6,274,526	6,599,526	6,829,526	7,009,526
Amount Delinquent per Renter, \$	5,586	4,964	5,282	5,499	5,854	6,148
Rent & Utilities, \$ per month	1,420	1,410	1,401	1,397	1,399	1,400
Rent	1,130	1,120	1,110	1,105	1,105	1,105
Utilities	290	290	291	292	294	295
Late Fees, \$ per month	50	50	50	50	50	50
Months Late	3.8	3.4	3.6	3.8	4.0	4.2

Notes:

Based on Moodys Analytics' January 2021 baseline economic outlook

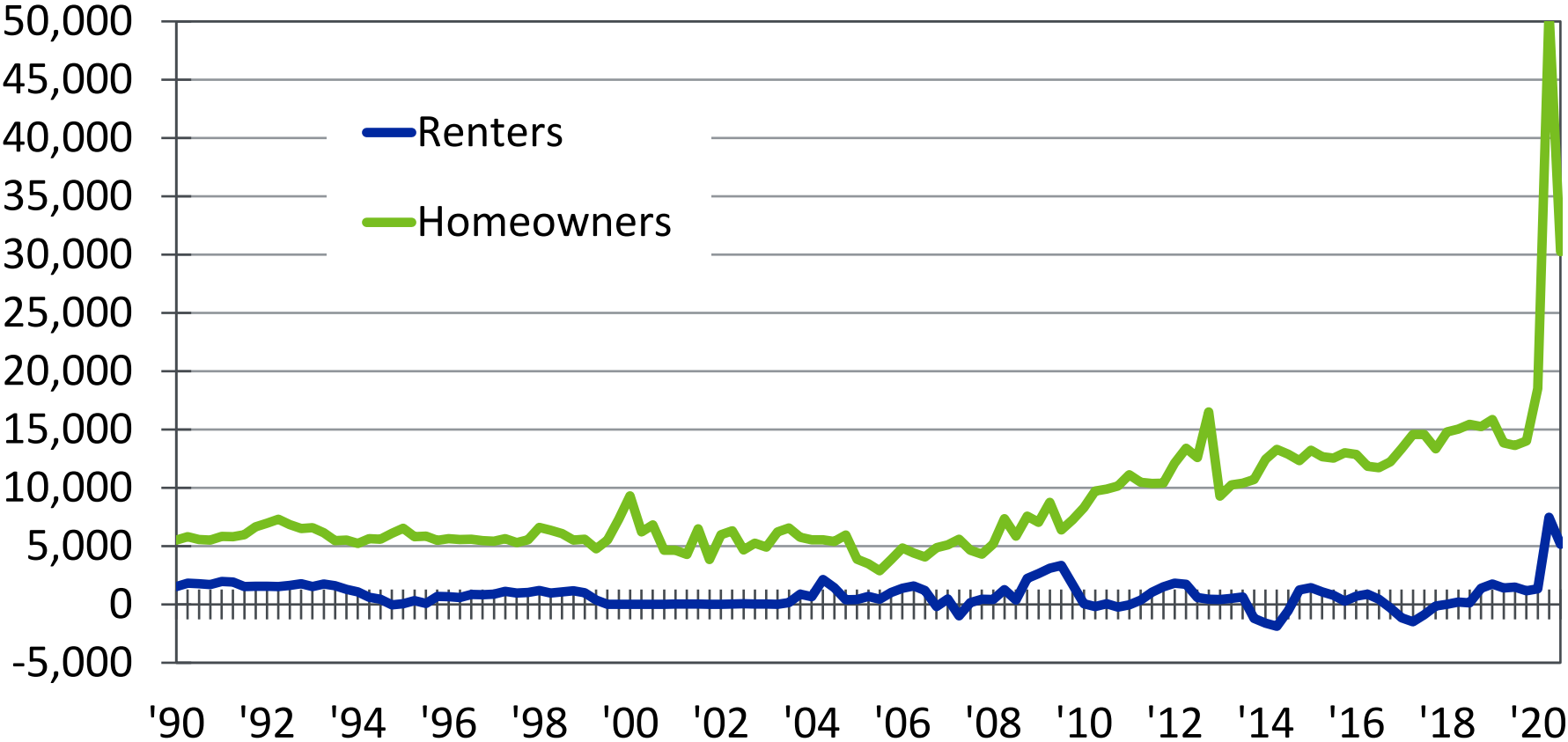
Assumes no additional fiscal relief

Includes all delinquent renters, not just renters impacted directly by the pandemic

Sources: Census Pulse Survey, BLS CES, Census HVS, Equifax, Moody's Analytics

Renters Are Unable To Save

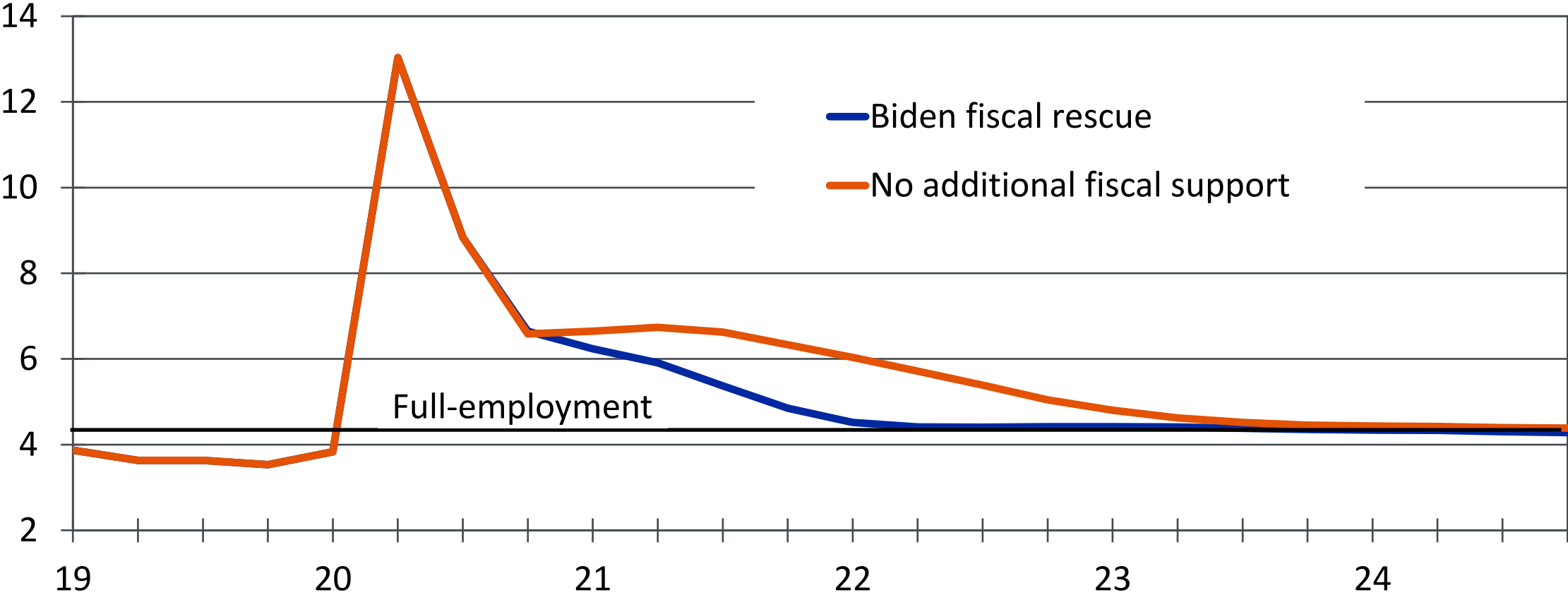
Personal saving, annualized, 2020q3 \$



Sources: BLS, Moody's Analytics

Additional Fiscal Support is Critical

Unemployment rate, %



Sources: BLS, Moody's Analytics

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NATIONAL
HOUSING LAW
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EVICTI ON LAB

Housing Priorities for the Biden- Harris Administration

Enact a Broad Eviction Moratorium

*A Memorandum To the
Transition Team*

Background

The federal eviction order issued by the Centers for Disease Control (CDC) extends vital protections to tens of millions of renters at risk of eviction for nonpayment of rent during the global pandemic. In issuing the order, the CDC makes clear the connection between evictions and our nation's ability to contain the coronavirus. The CDC moratorium is a critical moral and public health necessity. However, the order contains a number of provisions that undermine its public health impact. In October the CDC, HUD, and Treasury issued an FAQ that further undermined the strength of the order.

Create a Universal Moratorium

Eliminate the declaration requirement and apply the moratorium to all renters

- Currently only tenants that know about the order are protected
- The requirement is a huge loophole for predatory landlords
- The language on the declaration is confusing

Block all evictions – not just nonpayment

The moratorium should block no-cause, end of lease term and other evictions.

- Landlords are attempting to evict at the end of the lease, for no cause and on a host of other pretexts.
- A narrowly construed exception for serious health and safety violations should be the only exception to the moratorium.

Apply to all stages of the eviction process

Stop notice, filing and execution of evictions

- Some states are allowing the eviction process to progress right up to the point of physical eviction
- This creates:
 - eviction records that hurt tenants over the long term
 - scares tenants out of their homes and
 - legally prevents the tenant from curing the problems.

There are essentially no consequences for landlords, attorneys or courts that violate the CDC Order

- The administration must enforce the order and make an example of some of the worst actors.



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*“The new emergency rental assistance package is a **down payment** to begin addressing housing needs resulting from the COVID-19 crisis. Because the need far outpaces the amount of relief dollars, states and localities will need to be intentional to achieve impact. They should apply **lessons learned** from past relief efforts, and if they follow the evidence, they can **deliver relief equitably and efficiently** to the **most vulnerable, most affected renters.**”*

3 Principles for Equitable & Efficient COVID-19 Rental Assistance Distribution

- Distribute rental assistance to the most vulnerable renters.
- Use existing channels and set aside money for small landlords.
- Couple with other funding and services to ensure long-term stability.

Treasury Guidance: What is included

- No self-certification option: grantees must require applicants to provide documentation of COVID hardship
- Rental debt accrued before March 13th is not eligible
- Landlords are given 21 calendar days before the payment may go to tenant
- Grantees may structure a program to provide less than full coverage of rental arrears
- Telecommunication services (telephone, cable, internet) are not considered utilities

Treasury Guidance: What is not included

- Prioritization of the lowest income renters
- Eligibility for tenants who are not citizens or from mixed-status families
- Residential internet cost/broadband included in eligible utilities
- Clarification on use funds for deposits (if tenants had to move to a new unit), legal fees, fees, and penalties
- Landlord requirements: habitability/ eviction protections

Treasury Guidance: What is not included

- Safe harbor for small landlords might encourage their participation
- States need guidance to ensure that rural populations are reached
- Clarity on how much \$ states and localities have for services and administrative costs

Legislative Fixes – next \$25b

Legislative fixes

- Ensure administrative consistency to help landlords and tenants access help
- Allow self-certification of COVID hardship
- Provide funding for evaluation of the program and best practices
- Extend spending deadline for first \$25b



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Discussion questions

- What additional guidance should come from Treasury to inform the distribution of the \$25 billion? How can we ensure distribution is fast enough, but still equitable?
- What types of guidance should we provide to help negotiate rent arrears?
- How can we balance a tenant's risk of losing their housing with landlord's need to pay the bills as we seek to strengthen the CDC moratorium?