OPPORTUNITY FOR ALL

Breaking the Link between Hardship and Eviction

The Case for a Renters' Housing Stability Program

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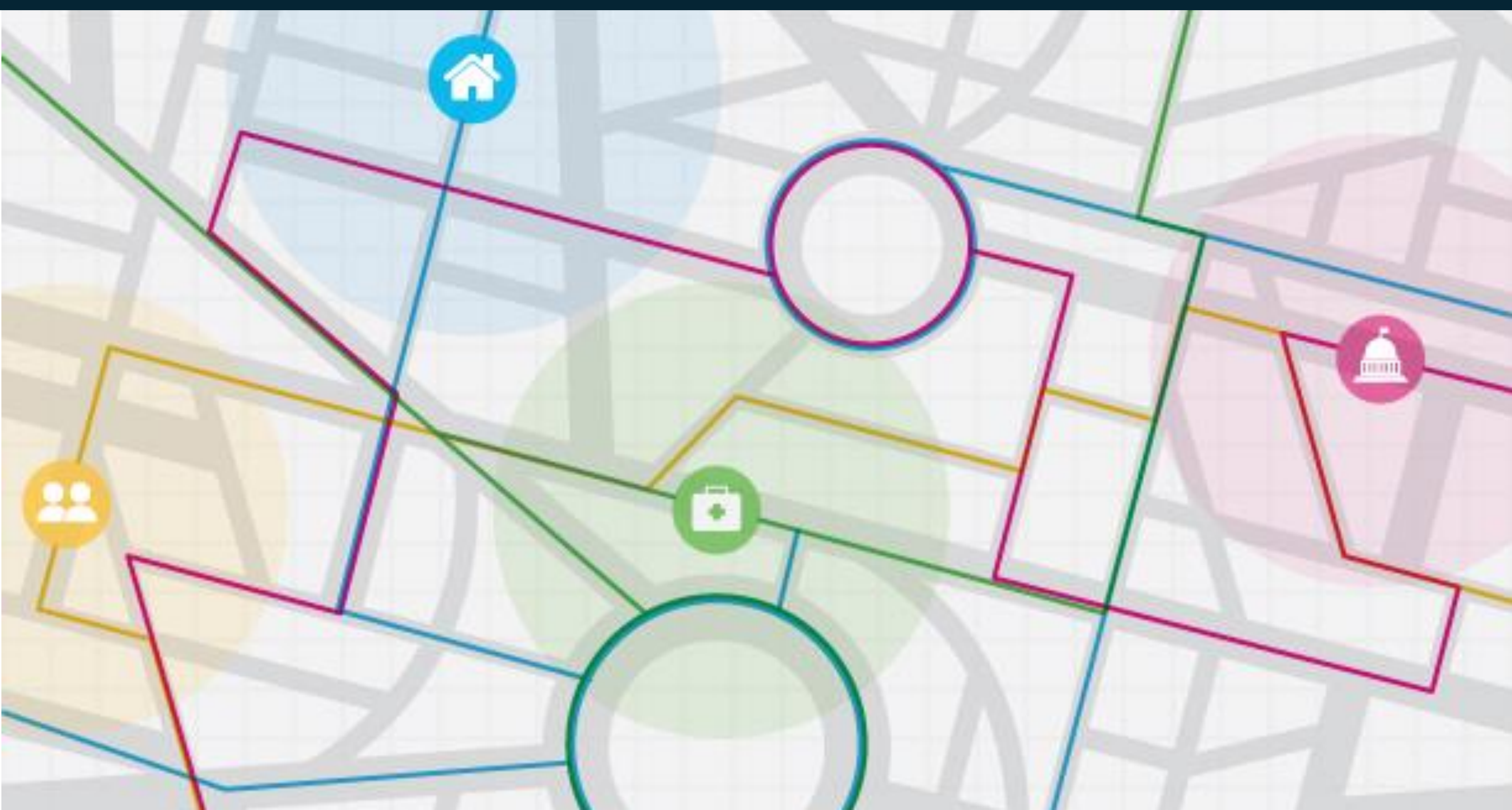

The **Opportunity for All** project is based on a simple premise: every family should live in a neighborhood that supports their well-being and their children's ability to thrive. But today, too many families, particularly families of color, live in neighborhoods that have suffered from decades of disinvestment, have been displaced from neighborhoods that are revitalizing, and are excluded from neighborhoods with opportunity-enhancing amenities. Racist public policies have created and reinforced this uneven landscape, but better policies can instead support fairer and more just access to opportunity. The federal government has a particularly important role because of the scale of its resources and its ability to level the playing field across places.

In this essay series, Urban Institute scholars, community leaders, and national experts are working together to explore how the federal government can help all neighborhoods become places of opportunity and inclusion. Although these essays address multiple policy areas, they all aim to end the systems that tie Americans' chances of success to their race or the place they grow up.

Financial hardship puts renters at risk of falling behind on their rent and facing eviction. The economic fallout from the COVID-19 pandemic has underscored the precarious situation of renters in the US, but millions of renters faced financial hardship even before the pandemic and continue to struggle now despite additional eviction-prevention policies during this public health emergency. To prevent eviction and the harm it causes to ripple outward on people and communities, the nation needs to devise a more effective program that keeps renters' housing stable even as they weather a hardship.

When people retain their homes, communities function better.[1] Families can put their energy toward establishing roots and prospering. This means they can develop long-term relationships with medical practitioners, can be more productive in paid work, and can build ties in the community with individuals and organizations that best support their needs. An effective approach to eviction prevention and housing stability will bolster all residents' well-being.

Renters' hardships and ensuing eviction risks have both direct and indirect links to racism. Systems built on racist foundations have paid white workers more, provided more home-buying opportunities to white households, and fueled asset accumulation among white households for generations.[2] Racial disparities in incomes, homeownership rates, and personal savings all disproportionately protect white households and leave households of color exposed.[3] The injustice then becomes compounded as negative eviction records follow renters of color—especially Black mothers—and limit their housing and neighborhood options.[4]

Because of economic precarity and stark wealth disparities, the US has a persistent eviction crisis. Before the pandemic, annual eviction filings and judgments were at a level similar to the number of mortgage foreclosures at the peak of the foreclosure crisis. Yet while mortgage foreclosures have declined, evictions have remained high. In 2016, the national eviction filing rate was 7.5 percent—usually with nonpayment of rent as the cause—and courts rendered nearly 900,000 judgments for eviction (and many additional forced moves went uncounted). Now the economic repercussions of the COVID-19 pandemic have greatly deepened the US rental crisis.

Millions of households nationwide have very little savings and may be one paycheck or unexpected bill away from eviction.[5] Over 9 million extremely low–income renters spent more than half their income on rent in 2018, and less than a third of all renters, regardless of income, have enough money set aside for a three-month emergency.[6] The number of people at risk of housing loss has only grown during the pandemic. An estimated 8.9 million renter households nationwide have at least one person who has lost their job in the past two months, and just 24 percent of renters in modest older buildings paid their July rent in full by the 15th.[7]

The federal government can break the link between financial hardship and eviction, but its approach to date has been fragmented and insufficient. During the pandemic, expanded federal funds, particularly through unemployment insurance, helped reduce the magnitude of the rental crisis, but a renewal or expansion of federal assistance does not appear likely at the scale needed to address the length and size of the problem.[8] Even since before the pandemic, two federal programs, Temporary Assistance for Needy Families (TANF) and Emergency Solutions Grants (ESG), have provided states and localities ways to fund emergency rental assistance, but they are not designed for effective eviction prevention and are even less suited to provide the amount of relief needed for a pandemic. The programs, respectively, provide resources for financial stability and homelessness prevention. Although jurisdictions can opt to apply some of the funds toward related preventive activities, such as eviction prevention, program budgets are regularly stretched too thin to achieve their core goals—let alone provide more proactive support.

In this essay, we envision a federal renters' housing stability program that helps households resolve the financial hardships that currently lead to eviction. Such hardships may affect households beyond the lowest income bands, so we propose a program that can assist *any* renter in withstanding a hardship without losing their stable home. Low-income renters risk eviction because of sudden expenses, changes in household finances, few assets, and limited options for lower-cost housing. Even relatively higher-income renters may lack a personal safety net (i.e., liquid assets of their own or available through family and friends) and be unable to retain their housing after a large unexpected expense or a protracted income loss.

To protect renters at all income levels, a program could match assistance to the type of crisis. We recommend targeting assistance to the following three eviction risks:

1. **Discrete hardship**, such as a large one-time expense for car repairs, medical bills, or funeral costs
2. **Indefinite hardship**, such as unemployment—especially for workers facing a weak job market and/or hiring biases that hinder and delay full employment—much like the current job market under a pandemic and consequent recession
3. **Structural hardship**, in which difficulty paying the rent is a predictable monthly occurrence because of a mismatch between a region's housing market and a household's long-term income prospects or assets

The Underlying Challenges Will Not Resolve Themselves

US rental housing policy relies heavily on the private real estate market, and government financial support is insufficient to keep the system stable, fair, and predictable for renters. This approach has failed to deliver affordable housing to match demand as the number of cost-burdened renter households has grown.[9] Rather than expanding support for a limited number of programs, the federal government has added niche housing programs such as special-purpose vouchers that, although well meaning, fuel intense competition for too few financial resources. For example, when local housing authorities open waiting lists for public housing, vouchers, or other assisted apartments, the number of applications far exceeds the number of homes or vouchers available.[10] The average renter household spends between two and three years on a waiting list for assistance and faces predictable eviction risks every month in the meantime.[11]

Without sufficient rental assistance, income-eligible families are forced to rely solely on the private market to provide access to a basic yet costly need. Restrictive zoning policies and community opposition to apartment construction, with or without subsidies, create a tight private rental market, and a lack of incentives to control development costs drives rents further beyond many renters' means.[12] These conditions, paired with underfunded rental assistance, create structural hardship. Yet for extremely low–income renters, surmounting structural hardship without rental assistance is nearly impossible. The rents that would be affordable to an extremely low–income family are not high enough to cover the costs of operating habitable housing. Only 21 adequate, affordable, and available units are available for every 100 extremely low–income renters without rental assistance.[13]

With no nationally recognized right to housing, hardship and eviction go hand in hand. Renters across the income spectrum have few places to turn for help if a discrete or indefinite hardship strikes. In the current system, families who can't pay the rent must move—either on their own or by force—and another family is always ready to rent the home.

The eviction crisis does not stand alone as a housing issue. It is inextricably linked to income and assets and by extension to jobs and benefits, particularly for those making minimum wage. In the lead-up to the COVID-19 pandemic, incomes—including wages and public benefits—failed to keep up with rising rents across the country. The federal minimum wage has stagnated at $7.25 an hour for over a decade, and from 2001 to 2018, median renter income barely increased 0.5 percent even while rents rose over 12 percent.[14] Efforts to increase minimum wages have succeeded in some locations but have been fought at the state and local levels in other locations.[15] The federal government has not advanced higher wages or expanded support to help lower-income renters navigate rising rents and stagnant wages. Federal agencies including the Department of Housing and Urban Development (HUD), the Department of Labor, and the Department of Health and Human Services lack mechanisms for regular coordination around these shared issues. Failure to recognize that health, work, housing, and other issues are interrelated leaves each department owning only a portion of the solution instead of coordinating to solve problems together.

The federal budget process presents another intractable challenge by solidifying competition rather than cooperation between agencies and sometimes even leading to competition between agency programs for resources.[16] The Congressional budget process, in which legislators first set an aggregate budget and then distribute it across issue-based committees and subcommittees, dilutes the benefits of lobbying to increase the overall budget since only a small share of the added funds will go toward an advocate's priority issue.[17] A likely result of this dynamic is that annual federal nondefense discretionary budget faces routine cuts as elected representatives prioritize tax cuts over program value. Once the various congressional committees and subcommittees receive their share of the aggregate budget, they allocate the funds among the agencies and social programs they fund. At this point, the benefits of lobbying for funds are less diluted, but the process forces competition among many programs covered by a specific committee, leading to more direct competition with programs in which one program wins funds at another's expense. For housing programs that reduce or resolve eviction risks, this means that rental assistance, ESG, and other HUD budget items are competing both with each other and with the transportation programs funded by the same committee.

The Federal Government Has Shown Little Commitment to Preventing Renters' Housing Loss

Matthew Desmond's 2016 book, *Evicted: Poverty and Profit in the American City*, drew the nation's attention to the eviction crisis, but the federal government has underdelivered on eviction prevention support both before and during the pandemic. Although the government paused evictions on federally backed or assisted rental housing and deemed that other resources from the Coronavirus Aid, Relief, and Economic Security (CARES) Act could be used for eviction prevention, neither Congress nor HUD designated any funds to ensure that renters can stay stably housed.[18]

As the current policy debate increasingly posits an expanded federal role for renters, advocates for renters' stability differ about what a sufficiently protective federal rental policy would look like. Some advocates contend that financial lenders and rental property owners are inherently exploitative and want to dramatically change the system; others see the private market as an integral component of a strong housing system.[19] This debate among federal advocates and in communities across the US about the value of working with profit-driven actors obscures a growing consensus: both those seeking dramatic change and those promoting less drastic reforms to the current system agree that the federal government needs to play a much larger role in providing financial supports to ensure that renters have housing stability.

Existing Federal Tools to Address Discrete Hardship

Local governments often rely on federal funding from ESG and TANF for individual emergency financial assistance, but these underfunded and flexible programs are not designed for indefinite or structural housing instability. Although ESG received an additional $4 billion in the CARES Act, this is not enough to address the needs of the over 500,000 people experiencing homelessness during the pandemic, let alone to prevent evictions. TANF is a fixed federal block grant that has not received any increase since the pandemic began, and typically only around 20 percent of that program's funds are used on basic assistance payments for low-income families. In many cases, TANF is used to replace state spending on existing programs in states facing large deficits, and deficits have only increased over the past few months.[20] Although some states allocate TANF funds for more flexible emergency cash payments, often referred to as diversion payments, these would usually be limited to renters who will become stable again after a one-time infusion of help. But renters lacking other options seek these funds even when they face indefinite or structural hardships and soon end up in crisis again with nowhere left to turn for help. State and local governments that use TANF or ESG to help prevent evictions do so not because those programs work best but because they lack other options.

The Eviction Crisis Act, introduced by Senators Michael Bennett (D-CO) and Rob Portman (R-OH) in late 2019, would create a designated eviction-prevention fund focused on discrete hardships, but the bill has stalled and seems unlikely to become law in the near term. Similar to TANF and ESG, the funds would be a one-time grant intended to restore housing stability. The act would limit eligibility to renters with extremely low incomes, meaning those having income below the federal poverty level or those having below 30 percent of the area median income, whichever is higher. Many families in that income bracket face structural hardship, meaning the mismatch between their low income and assets and the area's high housing costs may never be rectified, so a one-time infusion cannot sustain their long-term housing needs. Meanwhile, renters at income levels just above these thresholds will thus miss out on assistance and become vulnerable to discrete hardships (costly financial shocks) that inevitably arise. Eviction prevention requires more nuanced program rules that accommodate the unique circumstances families face.

Existing Federal Tools to Address Indefinite Hardship

If renters face indefinite hardship because of job loss, unemployment insurance provides a temporary income support to bridge the period of crisis. But eligibility limits and assistance gaps have often left households struggling and unable to receive sufficient support.[21] Since the pandemic began, the federal government has boosted unemployment insurance levels and expanded eligibility to gig workers, allowing more renters to keep up despite a flagging economy. However, this overlooks other forms of indefinite hardships that are not related to job loss, such as a renting couple's relationship dissolving long before the lease is up or a renter indefinitely supporting additional family or friends. TANF cash assistance could potentially fill this gap, but that program is stretched thin and has not yet received a boost in the federal pandemic response. Instead, when the expanded unemployment insurance benefit ended on July 31, 2020, the 41 percent of renters who recently lost a job and were already housing-cost burdened again lacked a reliable means of holding onto their homes. The over 5 million other renters who also lost a job, but who were not previously housing-cost burdened, also lost a critical financial safety net.[22]

Tools to Address Structural Hardship

Low-income renters who are lucky enough to receive long-term rental assistance through public housing, vouchers, or project-based rental assistance are less likely to experience housing instability. Such assistance has been shown to lead to a 50 percent reduction in families being doubled up or experiencing homelessness and a 75 percent reduction in families experiencing a shelter stay.[23] Despite these benefits, the subsidies that set rent payments based on household income are specifically designed for structural hardships only. Even then, the programs are not an entitlement for all who experience structural hardship: only around one in four renter households that qualify for such assistance receive it.[24]

Proposals to provide federal rental assistance to all income-qualified households would remove the risk of eviction caused by structural hardship.[25] Before national attention turned to the eviction crisis, the political will for rental assistance had not been strong enough to overcome opposition to an entitlement program for renters. The political dynamics may shift, however, with the combination of the eviction crisis, the COVID-19 pandemic, and increasing attention to housing instability as a contributor to racial inequities. In a shift from expectations, the 2020 Democratic presidential primary campaign debates included a question about affordable housing, and many federal elected officials or candidates have put forth significant housing proposals, including greatly increasing rental assistance, repealing the limits on public housing development, and providing entitlement rental assistance.[26]

A Renters' Housing Stability Program and How It Could Help

What if the federal government were to enact a renters' housing stability program that prioritized keeping renters housed through various hardships? The program could increase the reliability of assistance both for extremely low–income renters and those earning more, but it would target the resources to match renters with the level and type of financial support suited to their hardship.

We recommend that a housing stability program include three main program elements that would fully cover the hardships that threaten renters' stability at all levels of income without delivering more assistance than households truly need.

To bypass the challenge of interagency coordination and competition, the approach would address any hardship that affects rental stability as a housing concern. It would also pull the structural hardship programs out of the nondefense discretionary budget by making them an entitlement, albeit for a more limited income range. This would require a substantial and perhaps unprecedented initial advocacy effort but would yield stability for rental assistance for many years.

TABLE 1

Program Elements and Recipients of Proposed Housing Stability Program

Program elements	Recipients
Emergency loan for discrete hardship	Households who can maintain housing stability and who need targeted assistance to address a specific, unanticipated expense. Households would have some ability to repay this loan over an extended period of time, and the repayment would be calibrated to their ability to pay.
Line of credit for indefinite hardship	Households with a history of housing stability who face an unknown length of income loss and cannot reasonably change household circumstances to improve affordability. If the amount received exceeds the household's ability to pay, the repayment requirement would be reduced and the remainder forgiven.
Universal rental assistance for structural hardship	Extremely low–income households who need long-term housing assistance because of a mismatch between the region's housing costs and the household's income.

Critics might suggest that such a program would discourage people from repaying their loans, but evidence suggests that low- and moderate-income individuals need the ability to borrow small sums of money and do not want to borrow unless there is an absolute necessity to do so.[27] Another criticism could be that work engagement would diminish under such a program. Although some studies have found that households receiving housing assistance see a modest reduction in employment and earnings,[28] in the long term, low-income households given vouchers modestly increased their work effort and in many cases their earnings.[29] Public housing developments have also sparked increases in work and earnings among residents through the implementation of penalty-free employment initiatives with no work requirements or limitations on the rental subsidy.[30] Receiving a combination of public benefits and earned income is quite common: over 60 percent of low-income workers receive public benefits because their wages alone fail to provide sufficient income to ensure housing stability.[31] This would provide an additional and needed safeguard to low-income households.

We envision that a federal agency (likely HUD) would administer the program and provide funds to state or local entities for screening and distribution. This approach is similar to the Continuum of Care model regarding homelessness: funding is provided by the federal government, but each local jurisdiction has latitude to manage its own strategy and priorities.[32] The local agency working directly with renters as they seek assistance would need to demonstrate a track record of community trust and of minimizing burden on applicants. Through just one application, a household could apply for assistance and the agency would rapidly determine eligibility and dispense assistance. We do not recommend using financial institutions to manage the loan or line of credit, in part because many households who face hardship are likely unbanked or underbanked and may not trust these organizations.[33]

Although federal funds would cover the rental assistance program and provide the start-up source for the loan pool and line of credit, the program components that allow renters to draw assistance would also have support from a renters' reserve pool and loan repayment proceeds. The reserve pool would have dedicated revenue from fees attached to either rental licensing or lease signing. The contribution from renters to the pool, either directly or through a landlord payment, would also reduce the stigma associated with seeking charitable or public aid.

If implemented and administered with stability rather than repayment as the central success measure, this program would not harm applicants' finances and could help both with resolving the hardship and with financial health over the long term. As a safeguard for renters' financial future, if a recipient is deemed unable to repay after a sufficient period, the debt would be forgiven. Further, partial payment and nonpayment would not be reported to credit bureaus. However, a positive repayment history could be reported to the major credit bureaus, thus turning a crisis into an opportunity to build renters' credit. After repayments are completed, recipients could have the option to continue putting their payment amounts into a safe and affordable savings account to build assets to safeguard against future emergencies.

Emergency Loan for Discrete Hardship

Many renters are one crisis away from eviction: in 2018, 21 percent reported they were unable to come up with $400 for an emergency.[34] Financial shocks are common and deleterious; 60 percent of all Americans report experiencing one in the previous year, and more than half who experienced such a shock were still recovering six months later.[35] Even for renters who have savings, the cost of such financial shocks (from a funeral, medical treatment, or accident) could cost thousands of dollars and still leave a gap when the rent is due. Financially precarious households are likely to receive money from friends and family members when experiencing financial shocks, but those in their networks are often also in fragile financial situations, so doing so is not a reliable solution.[36] Bank loans or credit cards are not a viable solution for a broad swath of the population given the limited access to and high cost of credit for those without a prime credit score.[37] Furthermore, such small and short-term loans are not widely offered by financial institutions because they are not profitable.[38] This suggests a role for the government.

A household with otherwise affordable rent could stabilize quickly after experiencing a discrete hardship that costs one or two months of rent if they had adequate supports. Therefore, we would structure assistance for discrete hardships as a low- or no-cost loan. As renters get back on their feet, they would repay the funds into a revolving assistance pool, allowing more renters to obtain such help in the future.

The emergency loan would reduce demand for high-cost options, such as high-interest predatory loans or credit card charges, that push renters toward a more precarious position. Establishing the right loan terms will be an important program factor to assess with participants, consumer protection experts, and lenders when piloting the program. The program should mimic the type of flexibility that family wealth might offer without drawing renters away from using other reasonable options, such as personal savings or a well-resourced network.

This program element could function similarly to the Homeowners Emergency Mortgage Assistance Program, a Pennsylvania program that has a decades-long track record of low-cost loans to homeowners in similar circumstances.[39] Households seeking such assistance could document their prior financial stability, the source of the discrete hardship, and the lack of liquid assets or other sources sufficient to cover the crisis. The program would not apply income limits for this type of assistance, but we expect that relatively higher-income renters would often have enough savings to use other resources.

Although the eligibility limits and documentation have many similarities to the current process for seeking eviction-prevention funds, adopting a revolving loan approach could prevent evictions while also reducing the overall program cost. Situating the assistance within a renters' housing stability program also avoids competition between eviction prevention and other TANF and ESG goals. The approach may also end the threat of eviction early enough to maintain a healthy landlord-tenant relationship, allow the crisis to become an opportunity for positive credit building, and engender pride by having participants help fund future assistance. When designed effectively, the assistance pool would require a one-time start-up investment and smaller supplemental infusions before eventually becoming self-sustaining.

Line of Credit for Indefinite Hardship

Pandemic-related job loss is an example of indefinite hardship that millions of Americans are facing. Even under more normal conditions, we know that many renter households experience job loss and other income disruptions that can spark a crisis with no end in sight. A line of credit could stabilize renters through this uncertainty. Since both the amount and duration of resources needed per household are unclear in advance, a line of credit allows renters to continue making monthly rent payments through their hardship. If the hardship lasts more than a certain duration—perhaps four to six months—those receiving it would be eligible for loan forgiveness and would avoid repayment requirements.

The program's repayment requirements should be designed to shrink and the repayment timeline to lengthen based on the timeline of the hardship until eventually the loan is fully forgiven. Renters could not use the line of credit to stay in a newly unaffordable apartment past the end of a lease except in unusual circumstances. Similar to the assistance pool for discrete hardships, renters would need to show their prior stable finances, the triggering event for the indefinite hardship, and the insufficiency of their assets to withstand a protracted crisis. Income levels would not be considered in determining eligibility but would affect repayment requirements.

A pilot program in the District of Columbia, DC Flex, offers something similar to a line of credit by giving renters access to a personal flexible rental assistance fund. Households in the DC Flex program can access more or less funds every month, up to a preset limit, to support their housing stability.[40] The pilot is showing early signs of success, bolstering the idea that a line of credit could be effective for keeping people from being displaced by an indefinite hardship.

The ability to tap a line of credit as needed through an indefinite hardship would also allow renters to avoid damage to their rental history and landlord-tenant relationship. Renters may also avert long-term damage to other aspects of their financial lives, such as their credit rating. By situating the assistance within a renters' housing stability program rather than unemployment insurance, it ensures that renters cannot fall through the cracks if their hardship came from a divorce, a roommate moving out unexpectedly, or any other such scenario.

Universal Rental Assistance for Structural Hardship

Although emergency loans and lines of credit are intended to support those renters with modest financial stability in avoiding sudden collapse, millions of households face structural hardships that prevent them from having the income or assets to reasonably pay their rent. HUD calculates that in 2017, 5.6 million extremely low–income households spent more than half of their income on rent.[41] Either guaranteed rental assistance or unrestricted income supports—existing government efforts—could resolve structural hardships among renters with extremely low incomes. Here, we explore how we can build from the existing effective (yet underfunded) delivery system for rental assistance. We recommend providing universal federally funded rental assistance for extremely low–income renters (that is, those who perpetually have a mismatch between their income and assets and the typical rents in their community).

The idea of fully funding rental assistance programs to support extremely low–income renters has support among researchers, advocates, and policymakers.[42] Early on, the program might expand housing vouchers and pair them with rules that ban income discrimination. Doing so would avoid housing acquisition or construction delays and protect renters from rampant voucher discrimination.[43] Over time, communities may opt to continue using vouchers or shift to acquiring or constructing more housing for rental to income-qualified households.

The program would limit assistance to those with extremely low incomes because the rental revenue needed to support responsible property upkeep is higher than an extremely low–income household can afford, even in the lowest-cost markets. In places with an adequate rental supply and regulations that add minimally to project costs, market conditions can deliver affordability for households earning more than this threshold. States and localities where renters face structural hardships at somewhat higher income levels can address housing cost drivers that impede affordability or may elect to fund a supplemental program with universal assistance at a higher income band. For renters with incomes above the threshold, situating rental assistance within a broader renters' housing stability program will ensure that renters have other supports to reduce the sudden onset of eviction risks as they exit assistance.

Challenges and Barriers to Success

Recent federal trends have reduced the funding and reliability of the public safety net rather than expanding it, as this brief proposes. Opposition could center on the high costs associated with universal income-based assistance. Research on the costs, benefits, and induced savings from universal rental assistance suggests that this criticism is based more in perception than in fact.[44] A 2013 study estimated that providing rental assistance to every extremely low–income household who seeks it would cost approximately $49 billion a year and that an emergency rental assistance program would add around $5 billion annually.[45] In comparison, the budgets for HUD's three main rental assistance programs that year totaled around $31 billion.[46] Policymakers concerned about political will or cost containment may want to start with one element of the concept before adopting it wholesale. Yet choosing a partial adoption of the program does not weave a tighter safety net and creates further competition for too few resources. This is a recipe for continued housing instability that may lead to a perception that the program does not work.

Critics may point to gaps in the delivery system or infrastructure needed for the renters' housing stability program. Gaps in the infrastructure exist because of past federal cuts and continually unpredictable resources.[47] This program would change that. Public assistance programs and housing authorities have the structures in place (even if those structures are understaffed) to manage a program that requires detailed eligibility screening and agility as recipients' financial circumstances change. Although additional administrative resources will be required to ensure sufficient staffing, the existing system has enough of the structures and knowledge needed to integrate the new and changed elements of this program. In response to the eviction crisis and pandemic, some local communities are already undertaking efforts to strengthen their eviction-prevention programs and could assist with models that help fine-tune the approach and make initial implementation smoother.[48]

Finally, some will say that households in crisis can't successfully take on debt and that the only solution should be universal rental assistance. However, the nature of the hardship combined with the household's income should guide the financial intervention. Helping a family establish a credit history could give them the means to better weather a future financial crisis and is something HUD has explored among public housing recipients to bolster their financial standing.[49]

Improvement through Research and Vetting

We have grounded this essay in evidence about eviction challenges and different types of hardships, but the recommendations we outline need more input and analysis before they are implemented. Before shifting from a system that allows and enables eviction risks to one that seeks eviction prevention and housing stability, policymakers and program implementers need to understand the fiscal impact by calculating the expected need, cost, and revenue implications. We would also recommend modeling how these program elements could work together and what such a change to the safety net means for renters, property owners, and other social programs. Research on costs for all three program elements is also critical.

Renters who have struggled with the types of hardships described in this essay could offer direct input about whether this approach fits their needs, what should change, what is missing, and what agencies they would (and would not) turn to for help. Philanthropy might enable vetting by funding a renters' advisory group that offers input on the program elements and reshapes components that do not meet their direct needs, experiences, and preferences.

We would also need research on related legislation and aligned programs to streamline program design and launch. For example, a scan of federal, state, and local statutes for consumer protection and fair lending could help shape the emergency loan and line of credit to avoid risks of exploitation or of violation of predatory lending laws. Research could also identify related efforts that align with the recommendations of the renters' advisory group and explore these approaches for challenges and success lessons. Legal and programmatic experts could also advise on exploitation risks and help build the program with protections against excessive rent increases once landlords see a reduced risk of nonpayment of rent.

Implementing a Renters' Housing Stability Program

Once the initial research and vetting are complete, the federal government could launch the program through an opt-in demonstration for cities, counties, or states seeking to strengthen renters' stability. Based on research related to hardships in the pandemic, we estimate the full cost for renters to stay stably housed is $16 billion a month nationally without supplemental emergency state and federal relief.[50] Interested jurisdictions may need to assume partial funding responsibility and/or match federal resources with cost-reducing land-use regulations. For example, jurisdictions may be responsible for funding the revolving assistance pool and a portion of the line of credit while the federal government backs the loans, including the cost of loan forgiveness, and funds universal rental assistance for all extremely low–income renters. Alternatively, the full program costs could be covered by the federal government, but interested jurisdictions would need to enact cost-reducing housing or land-use policies to be eligible to participate. A program evaluation could assess implementation, eviction filings or moves, program costs, repeat applications, and effects on rental markets.

Alternatively, the federal government could begin prioritizing eviction prevention through incremental steps, such as relieving TANF and ESG of the burden of carrying their primary goals while also funding eviction prevention. For example, in the COVID-19 pandemic response legislation, federal policymakers could create a dedicated eviction-prevention fund with flexibility for jurisdictions to allocate the funds across hardship types. This would not have all the benefits of the renters' housing stability program, but it could allow jurisdictions a more comprehensive eviction-prevention approach and experimentation that leads to new models and solutions.

Notes

[1] Maya Brennan, Mary K. Cunningham, James Gastner, and Jamie Taylor, "Ending Family Homelessness: An Opportunity for Pay-for-Success Financing," Urban Institute, August 2017, https://www.urban.org/sites/default/files/publication/92566/ending_family_homelessness_through_pfs.pdf; Matthew Desmond and Rachel Tolbert Kimbro, "Eviction's Fallout: Housing, Hardship, and Health" *Social Forces* 94, no. 1 (2015): 295–324. https://nlihc.org/sites/default/files/DesmondKimbro_Evictions_Fallout_SF2015.pdf.

[2] Richard Rothstein, "The Color of Law: A Forgotten History of How Our Government Segregated America" (New York: Liveright Publishing Corporation, 2017).

[3] Jung Hyun Choi, Laurie Goodman, Jun Zhu, "We Must Act Quickly to Protect Millions of Vulnerable Renters," *Urban Wire*, March 25, 2020, https://www.urban.org/urban-wire/we-must-act-quickly-protect-millions-vulnerable-renters.

[4] Matthew Desmond, *Evicted: Poverty and Profit in the American City* (Crown Publishing Group, 2016).

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