State and Local Emergency Assistance Programs

Call with HPN Members

May 12, 2020

**Welcome/Overview – Lisa Alberghini (5 minutes)**

Objective of the Meeting: To have HPN members share ideas and approaches that are being considered and/or implemented at the state and local level to provide emergency assistance to property owners and residents due to the COVID-19 Pandemic, and to explore creating a working group.

*Bart brought up the need for a state and local policies so that organization can help share and import into other localities.*

*After the call, we are going to find out if people are interested in being part of a working group.*

**State and Local Responses**

* **Framing the Issue – Bart Mitchell, The Community Builders (5 minutes)**
  + *Hoping for a large amount of RA from the federal level – available to owners*
  + *What is visible locally is what is happening to lenders and owners*
  + *A few states have been brave and used CDBG for rental assistance; what is the nature of the conversation to state and local officials.*
* **Emergency Rent Aid Proposal in Central Ohio –**

**Jeff Beam, The Community Builders (5 minutes)**

* *Work happening at multiple levels*
* *Tactically – 21 groups on the housing continuum – at the local level*
* *Carry to other places*
* *Affordable Housing Alliance of Central Ohio*
* *Focused about who should receive rental assistance; very definable group – 10,000 households*
* *How did we get this population? LIHTC population with RA; developers see % of renters seeing distress; get a specific monthly cost for a quarter*
* *$4.3 million dollar for CDBG-CV to state accompanied by local allocation of CDBG-CV*
* *Detroit and New Haven are also far along in developing RA using CDBG-CV*
* *Proposed to Mayor’s office; was already looking for a mechanism, and exploring how to use existing programs to deploy RA*
* *Eviction issues on Mayor’s radar, but no uniform guidance on evictions*
* *Flow of funds: HUD –> Columbus –> combine with other funders $$ –> oversight by fiscal agent made up of representatives (new body to managed funds)*
* *Lisa: Competing with other interests?*
  + *AHA group created alignment within housing groups; leading voice with the strength of members*

***From Walter Moreau to Everyone (chat):***

*Austin used $1.2m of supplemental CDBG to do a local “RENT” fund. Residents had to apply in a 72 hour window to be in a lottery. Very oversubscribed. Rents being paid by end of this week for May. I think less than 10 of our residents got lucky. City is looking for more money to add to the program and future months.*

*Austin took local $15m to create “RISE” fund that can pay rent and other emergency costs for families not eligible for federal funds (mainly undocumented. The funds were distributed to eight local nonprofits to distribute to families. Chaotic and oversubscribed.*

*Foundation Communities also created an “Emergency Assistance Fund” for donations to help with rent, food, supplies. We’ve raised $500k+ from 1000 donors (large and small). Used $125k to pay off rent owed in April by our residents that we’re on a payment plan. Expect to use $200k in May. Highest priority has been to cover rent for lowest income residents in supportive housing.*

* *The lottery idea was acknowledged as not the most efficient way of distributing funds. Maybe this was intentional to show the overall need.*
* *Emergency fund created six weeks ago.*
* *Having the resident rent forgiven was a relief for tenants.*
* *Messaging: pay people’s rents for May; maybe able to cover June if assistance not received assistance. Figuring out how to message to tenant to make sure they can continue paying rent if they can.*
* *Texas reopening and what is happening in tenant population?* 
  + *Slowly and gradually opening. Set timelines but without dates.*
* *Lottery was citywide, announced at Council on Thursday, and it was closed by Tuesday (applications being taken on Monday). 10,000 applications.*
* *Messaging to tenants and residents:* 
  + *From Julie Porter to Everyone: 11:34 AM*
  + *We have messaged tenants in their late payment notices. Its an online application. Because the income disruption must be COVID related, they have to upload via phone or email their proof - such as a termination notice. We also do a budgeting session with the tenants and encourage them to use our CDBG rental assistance fund as opposed to unemployment. People were using all their cash to pay rent, leaving nothing to buy food, etc.*
  + *Citywide program: Resident pays for 30% of the rent and City pays the gap.*
* *Warren:* 
  + *Minnesota – Family Homeless Prevention Program (since 1996) – already set up to prevent housing loss and includes rent supports. Within next two days, legislature is going to adjourn, and funding may be provided. Distributed by regional administrators that make the funds available to clients but goes to property owners.*
  + *Minnesota – NOAH Properties - $400,000 for emergency tenant rent relief fund and going to NOAH properties that Warren Hanson’s group (GMHF) has lent to.*
  + *Funding is coming from philanthropy. Template can be made available.*
  + *Lisa: we can gather materials on criteria for various rent assistance programs mentioned.*
* **California Emergency Assistance Proposal –**

**Linda Mandolini, Eden Housing (5 minutes)**

* + *“California Housed” rental subsidy*
  + *Moratoria standwide and CA budget dire (no new money for housing)*
  + *Robin Hughes – two components to the policy put forward. California Housing Consortium (Linda and Robin on the Board). Rental subsidies for properties not eligible under the CARES Act. Project seeing reduction in rent collection as a result of the eviction moratorium. Speaking with leadership and state legislature; 52-54 billion deficit over the next two years. Sacramento will be advocating for some funds in the federal relief act.*
  + *5/12 – rent stabilization press conference in CA*
    - *Also advocating on the local (city council level) for CDBG to support rental assistance. At the state level – funding allocated to smaller cities.*
    - [*Sacramento’s economic relief plan*](https://www.msn.com/en-us/news/politics/rent-relief-tenants-would-get-decade-to-repay-under-california-lawmakers-coronavirus-plan/ar-BB13Zn9g) *could provide tax credit equal to the amount of rent, spread out over 10 years starting in 2024, through landlords who needed immediate cash could sell them to other taxpayers. Tenants would pay back their rent interest-free to the state, also over the course of 10 years starting in 2024.*
  + *Linda - Tenants are mostly paying rent right now. The stimulus and unemployment could be helping support tenants, more than before when they were working. They could be taking from savings. Association leader is concerned about this, but we won’t know until EDD ($600 extra) runs out.*
  + *LA: Inclination to move forward but be cautioned that it could be worse moving forward.*
* **Other State and Local Examples and Facilitated Discussion –**

**Lisa Alberghini (30 minutes)**

* + *Aaron Gornstein, POAH in MA – We should be thinking about a new delivery system through the properties (could be enterprise level and move down into properties). We are all focusing on LIHTC portfolio. 60% with baked in rental assistance (LIHTC makes up 40%). MA is going to designate their CDBG for housing assistance.* 
    - *Delivery method: Property owners reach out to tenant (one page) to verify the need and process the paperwork. Send the rent check to owner and renter paid up and properties are maintained.*
    - *CDBG is only three months.*
    - *If Columbus does this, the next slug of money could use the fund to expand. Rental assistance for the tenant.*
    - *Some states may want to give a loan to the property and tack it on to the end of the mortgage. It is more effective to tie assistance to property owners depending on tenant need.*

*From Jeffrey Beam to Everyone:*

*A major benefit of distributing emergency rental assistance funds through housing providers is maintaining social distancing. Resident intake and screening is done through regular certifications -- allowing for providers to document eligibility while minimizing new physical contact.*

*From Joe Pimm*

*How do people recommend messaging to tenants - once tenants become aware of possibility of assistance, why would they pay rents? We have small pot of money for assistance to residents in our units, but we are struggling with how to communicate.*

*With our program, we are trying to get owners to share in the pain so long as their debt coverage / expenses can handle it. For example, for 10 tenants not paying $1000 in rent, we would pay the owner $8000 and the owner would forgive 10 residents $1000 rent absorbing $2000 of the pain.*

* + *Lisa: What about NOAH properties? Could the CDBG funds be used?* 
    - *Bart: There is an existing mechanism to get rent assistance to tenants but it is slow. By targeting the CDBG to groups that are highly efficient (i.e. nonprofit affordable housing owners). Use existing RAFT program in MA. NOAH could be added.*

*From David Asame to Everyone:*

*Has any community been creative with the CARES ACT funds received by jurisdictions with 500K or more?*

*From Chris Neary to Everyone: 11:33 AM*

*I'm curious how these various programs came together at the state level. Did the state come to you, or did an advocacy group come to the state?*

* *Mostly coming from coalition advocacy groups*

*Lisa: Resistance on the federal level regarding payments going directly to landlords – concerned because tenants should have the right to act individually. On the federal level, but may also feel it on the state level.*

*Tom: “They are not like your members.” Not all MF landlords will be transparent with their residents; may still request rent payment.*

*Linda: In CA, concern is homeless. The system of tenant by tenant basis not efficient. Need a system that does both.*

*British Columbia example – resident starts application and application is completed by landlord.*

*Linda: Have not publicized rental assistance program because fund will be depleted quickly. Doing it case by case basis.*

*Aaron: ESG funding, as proposed, goes to state to housing provider/owner*

*Shannon: we’ll have to look into language. Allow flexibility to states. Before: language was prescriptive that tenants would have to apply and the funding would flow there.*

*National Credit Consumer Council and Wells Fargo – refer tenants to budgeting. Infrastructure already set up but repurpose.*

*Julie Porter (chat):*

* + *Charlotte has a similar program for mortgage assistance also approved with CDBG. It only goes to those who received down payment assistance provided by the City of Charlotte. Charlotte’s agreement is with the landlord but the application is by the resident.*

**Next Steps (10 minutes)**

* Strategies to share across states and other jurisdictions
* Create a working group
  + *What is the end goal and objective?* 
    - *Model at the state level that people can crib from.*
  + *Julie: How would a working group’s output be used?*
  + *Warren: set up a library of these programs. Maybe post online under HPN’s COVID resource page.*
  + *Dee: Given the programs vary from state to state, we developed a framework to guide how our regional offices distribute the funds to ensure a consistent approach across the company.*
  + *Bart: Dee we'd love to see the guidance you've shared with staff across regions. Navigating access to local sources of rent assistance was an obscure art already with crazily differing rules and timetables...and now with a few philanthropic and local new sources it's serious work to help residents get such assistance quickly and successfully.*
* *Follow up with a call in 2 week or a month.*

Additional resources mentioned: Urban Institute is tracking [rental assistance programs](https://housingmatters.urban.org/articles/what-can-we-learn-new-state-and-local-assistance-programs-renters-affected-covid-19) and NLIHC also have a [website](https://nlihc.org/rental-assistance) listing localities’ resources.

**Adjourn**

**Takeaways**

Coalition advocacy groups are leading proposals in states and localities. Governors and local officials are seeking input from these groups on potential rental assistance program. Work is being done with state HFAs.

Important to communicate the preferred delivery mechanism’s efficiency (rent goes directly to landlord as opposed to directly to tenant).

Target CDBG (or other funding) to nonprofit affordable housing owners, who are often in communication with residents.

Messaging to tenant is critical. Some tenants may see assistance as a free ride. Eden does not publicize their assistance program widely due to high demand. Instead they provide individual assistance as they communicate with resident on hardship felt and needs.

HPN can gather materials on criteria for various rent assistance programs mentioned.