The CARES Act and Future COVID-19 Legislation

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“CARES Act” Housing Provisions Overview

- $6 trillion package, $2 trillion in direct spending
- $12 billion for HUD programs
- Moratoriums on evictions and foreclosures in certain federally backed/subsidized housing
“CARES Act”: Eviction and Foreclosure Moratoria

• 60-day moratorium on foreclosures for all federally-backed mortgages (beginning March 18, 2020)
• 30-day forbearance for owners of multifamily housing with a federally-backed mortgage. May be extended another 60 days if the borrower agrees not to evict tenants or charge tenants late fees
• 120-day moratorium on eviction filings for renters in homes covered by federally-backed mortgages

• **Challenges with CARES Act Moratorium:**
  • Short-term – protections end in July
  • Only protects some renters
  • Patchwork of federal/state/local protections
  • Confusion allows for illegal evictions
Eviction and Foreclosure Moratoria

NLIHC Searchable Database and Map: https://nlihc.org/federal-moratoriums

A list of state/local eviction moratoriums and protections: https://evictionlab.org/covid-policy-scorecard/

A list of legal aid services, if you need it: https://justshelter.org/community-resources/

And lots more resources on our website: https://nlihc.org/coronavirus-and-housing-homelessness
"CARES Act" ESG Funding

Emergency Solutions Grants (ESG): $4 billion
Flexible funds can be used for:
- Eviction prevention assistance
- Temporary emergency shelters
- Isolation and quarantine spaces
- Staff costs, training, and hazard pay
- Funds cannot be used to require people to receive treatment or perform activities as a condition for receiving services

• Challenges with ESG Funds:
  - Trump administration is holding back funds
  - No guidance on duplication of benefits
Community Development Block Grants (CDBG): $5 billion

- HUD Secretary given broad authority to waive or set alternative requirements for statues and regulations
- Jurisdictions may use CDBG funding for:
  - Emergency rental assistance
  - Temporary shelters and isolation or quarantine spaces

- **Challenges with CDBG Funds:**
  - No guidance on duplication of benefits
  - HUD hasn’t waived the 3-month limit on rental assistance
Coronavirus Relief Fund: $150 billion

• Funding for state, tribal, and local governments to cover any “necessary expenditures incurred due to the public health emergency” created by COVID-19

• State, local, and tribal governments could use funding to help address needs of low-income renters and people experiencing homelessness impacted by the pandemic

• Challenges with CRF Funds:
  • Lots of competing interests
  • All decisions made by Governor.
  • Costs must be “incurred” by December 2020
“CARES Act” Funding for HUD Programs

Tenant-Based Rental Assistance (TBRA): $1.25 B
Project-Based Rental Assistance (PBRA): $1 B
Tribal Housing Needs: $300 M
Housing for Persons w AIDS (HOPWA): $65 M
Section 202 Hsg for the Elderly: $50 M
Section 811 Hsg for Persons w Disabilities: $15 M
Fair Housing activities: $2.5 M
More Information on CARES Act

Guidance for Elected Officials on CARES Act
Resources:

Guidance on CDBG-CV:
https://nlihc.org/sites/default/files/CDBG-CV.pdf

Guidance on CRF:
https://nlihc.org/sites/default/files/Coronavirus-Relief-Fund.pdf
More Information on CARES Act

Funds Available Based on Immigration Status:
https://nlihc.org/sites/default/files/FAQs_Eligibility-for-Assistance-Based-on-Immigration-Status.pdf

Coronavirus and Racial Equity:
More Action is Needed

Urgent Needs

• Emergency Solutions Grants: At least $11.5 billion
• National, uniform moratorium on evictions and foreclosures
More Action is Needed

Asks for Next Coronavirus Package: $11.5B in Homeless Assistance

People who are homeless and contract coronavirus are twice as likely to be hospitalized, two to four times as likely to require critical care, and two to three times as likely to die than others in the general public. If unchecked, as many as 20,000 people who are homeless could require hospitalization and nearly 3,500 could die.


More Action is Needed

Asks for Next Coronavirus Package:
A national, uniform moratorium on evictions and foreclosures:

• Longer-term protections for 12 months
• Protects all renters
• Uniform protections across state/local governments
• End confusion and stop illegal evictions
Asks for Next Coronavirus Package: The “Emergency Rental Assistance and Rental Market Stabilization Act”

- $100B is provided to state/local governments
- 40% of funds must serve ELI households (those with incomes at or below 30% of AMI on the day the household applies). 70% of funds must serve VLI households. The remaining can serve up to 120% of AMI.
- Up to 24 months of rental assistance/6 months of back rent
- Can be used for housing stabilization services
- Can subgrant with any other entity, including PHAs, HFAs, nonprofits
- Uses the model successfully used after the 2008 financial crisis.

www.nlihc.org
More Action is Needed

Factsheet on “Emergency Rental Assistance and Rental Market Stabilization Act”

List of 150 House and 37 Senate Cosponsors:
https://nlihc.org/emergency-rental-assistance-and-rental-market-stabilization-act
State of Play for Next Package
Q&A