

Emergency Rental Assistance and Rental Market Stabilization Act of 2020

Updated: 5/8/2020

This bill would establish an Emergency Rental Assistance program, which would provide \$100 billion to help families and individuals pay their rent and utility bills and remain stably housed; help rental property owners of all sizes continue to cover their costs, including the costs of necessary maintenance to ensure residents' health and safety; and help the economic recovery by stabilizing renters in their homes and the broader rental housing market during and after the COVID-19 emergency.

Background and Need for Legislation

Before the COVID-19 crisis, a quarter of the nation's 44 million renters paid more than half of their incomes for housing, often putting them one emergency away from eviction. The health and economic shocks of the COVID-19 emergency have exposed these renters and millions more to the threat of housing instability and eviction. Renters are more likely to work in the hardest-hit sectors of our economy, including retail sales and hospitality.

- Without assistance, many renters will be under threat of eviction. While the CARES Act provides a temporary eviction moratorium to protect renters from immediate displacement, it only applies to renters in properties with federal backing or subsidies, leaving many renters at immediate risk of eviction if they cannot pay rent.
- Without assistance, even those renters who are currently shielded by temporary federal and local eviction bans may still face eviction if they cannot afford to cover all of their unpaid rent when these eviction bans end.
- Evictions can have serious and long-term negative impacts on households, including damage to individual credit scores that can take years to repair and housing instability or homelessness that disproportionately harms the health and well-being of young children.
- Emergency rental assistance will help families and individuals stay safely housed and also help stabilize our rental market by helping property owners pay staff, maintain buildings, and keep up with their property taxes and mortgages.
- According to the [Urban Institute](#), it would cost approximately \$96 billion to assist an estimated 17.6 million renter households needing rental assistance due to the economic impacts of COVID-19 for 6 months.

Brief Summary

This bill would authorize \$100 billion for an Emergency Rental Assistance program to help families and individuals pay their rent and utility bills and remain stably housed during and after the COVID-19 crisis. The program would generally utilize the framework of the Emergency Solutions Grant (ESG) program, which is a federal homeless assistance program that provides temporary rental and utility payment assistance to households, in order to facilitate the efficient and effective distribution of funds through an existing administrative and reporting infrastructure.

Explanation of Key Provisions

What kind of assistance would renters receive?

Renters would be able to receive assistance with future rent and utility payments (including pad rents in manufactured housing communities), unpaid rent or utility bills that have accumulated, and other services, such as case management and tenant-landlord mediation, to help them remain stably housed. The maximum amount of rental assistance that may be provided to a household per month is 120 percent of the fair market rent or the small area fair market rent for their area, whichever is greater, or a higher amount that HUD determines is needed to cover market rents in the area.

How would renters (and property owners) apply for, and receive, assistance?

Renters would apply for assistance with the agency or organization that the state or local grantee has selected to administer the program. Property owners would not be able to directly apply for rental assistance under the program, but once a renter qualifies for assistance, the administering agency would send the payment directly to the landlord. The renter, their landlord, and the administering agency would sign a rental assistance agreement stipulating the terms of the assistance.

Who would be eligible to receive emergency rental assistance?

A renter would be eligible to receive assistance if they have an inability to attain or maintain housing stability or have insufficient resources to pay rent or utilities. There is not a strict income eligibility threshold, however, the bill includes income targeting requirements that will prioritize funding for lower income renters. Specifically, the program requires that 40 percent of its funding assist extremely low-income households¹ and 70 percent to assist very low-income households² (which includes extremely low income households). The remaining 30 percent of funds can be used to serve low-income households.³ However, HUD has the authority to waive these income targeting requirements for jurisdictions that can show that the needs of low income renters are being met, allowing them to serve households up to 120 percent of the area median income.

It is important to note that a household’s income will be determined using only the household’s current income *on the date of application*, or, for the purposes of providing assistance to cover unpaid rent or utility bills, the income that was available at the time a household accrued any unpaid rent or utility payments. This means that even if a person’s income was higher prior to applying for assistance, if they have lost their job or substantially lost income, only their current income will be considered for the purposes of this program.

How would HUD distribute the funding?

- Funds would be distributed by formula to HUD’s existing network of state, territory, city, and county ESG grantees. To expedite assistance for renters, HUD would be required to allocate the first 50 percent of the funds within 7 days using HUD’s existing ESG formula. The remainder of the funds would be allocated within 45 days through a new HUD-developed formula reflecting the need for additional emergency rental assistance due to COVID-19.
- In addition to providing funds to current ESG grantees, the bill sets aside a special allocation for tribes and tribal housing authorities and Native Hawai’ians to address emergency rental and utility payment assistance needs in these communities.
- States and communities that have already taken actions to provide emergency rental assistance would be permitted to use these funds to reimburse themselves for activities eligible under this bill.
- The bill provides additional flexibility for grantees to partner with other agencies and organizations, such as public housing agencies or nonprofit service providers, to deliver services.

Organizational Endorsements

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| Acacia Network, Inc. | Catholic Charities USA |
| African American Health Alliance | Center for Community Progress |
| American Association of Service Coordinators | Center for Disability Rights |
| American Civil Liberties Union | Center for Responsible Lending |
| American Kidney Fund | Children's Defense Fund |
| American Public Health Association | Children's HealthWatch |
| BRIDGE Housing | Church World Service |
| Casa de Esperanza: National Latin@ Network for | Coalition of Labor Union Women |
| Healthy Families & Communities | Coalition on Human Needs |

¹ Households earning less than 30 percent of the area median income.
² Households earning less than 50 percent of the area median income.
³ Households earning less than 80 percent of the area median income.

Community Change
 Community Economics
 Community Housing Partners
 Community Preservation Corporation
 Community Solutions
 Congregation of Our Lady of the Good Shepherd - U.S. Provinces
 Consortium for Citizens with Disabilities Housing Task Force
 Consumer Federation of America
 Council of Large Public Housing Authorities
 Council of State Community Development Agencies
 EAH Housing
 Enterprise Community Partners
 Equitable Housing Institute
 Eviction Lab
 Family Promise
 Friends Committee on National Legislation
 Funders Together to End Homelessness
 Grounded Solutions Network
 Healthcare Anchor Network
 Health Justice Innovations LLC
 Healthy Schools Campaign
 Heartland Alliance
 IDP Properties
 Islamic Center of North America Council for Social Justice
 LeadingAge
 Legal Action Center
 Local Initiatives Support Corporation
 Low Income Investment Fund
 Mayors & CEOs for U.S. Housing Investment
 NAACP
 National Action Network
 National Advocacy Center of the Sisters of the Good Shepherd
 National Alliance for Safe Housing
 National Alliance of Community Economic Development Associations
 National Alliance of HUD Tenants
 National Alliance on Mental Illness
 National Alliance to End Homelessness
 National Association for Latino Community Asset Builders
 National Association of Affordable Housing Lenders
 National Association of Community Health Centers
 National Association of Counties
 National Association of Local Housing Finance Agencies
 National Association of Real Estate Brokers
 National Association of Social Workers
 National Center for Housing & Child Welfare
 National Center for Transgender Equality
 National Coalition Against Domestic Violence
 National Coalition for Homeless Veterans
 National Coalition for the Homeless
 National Coalition of Latinxs with Disabilities
 National Community Action Partnership
 National Community Development Association
 National Community Reinvestment Coalition
 National Community Stabilization Trust
 National Council of Churches
 National Council of State Housing Agencies
 National Disability Rights Network
 National Education Association
 National Fair Housing Alliance
 National Health Care for the Homeless Council
 National Housing Conference
 National Housing Law Project
 National Housing Resource Center
 National Housing Trust
 National Innovation Service
 National Law Center on Homelessness & Poverty
 National League of Cities
 National LGBTQ Task Force Action Fund
 National Low Income Housing Coalition
 National Manufactured Home Owners Association
 National NeighborWorks Association
 National Nurse-Led Care Consortium
 National Partnership for Women & Families
 National Resource Center on Domestic Violence
 National Women's Law Center
 National Urban League
 Natural Resources Defense Council
 NETWORK Lobby for Catholic Social Justice
 NewWest Community Capital
 Opportunity Starts at Home Campaign
 Oxfam America
 Partnering for Change
 PolicyLink
 Poligon Education Fund
 Poverty & Race Research Action Council
 Preservation of Affordable Housing, Inc.
 Prosperity Now
 RESULTS
 Seedco
 Shriver Center on Poverty Law
 Sisters of Mercy of the Americas Justice Team
 Stewards of Affordable Housing for the Future
 StriveTogether
 Technical Assistance Collaborative, Inc.
 The Arc of the United States
 The Catholic Health Association of the United States
 The NHP Foundation
 The United Methodist Church - General Board of Church and Society

Treatment Communities of America
UnidosUS
Unitarian Universalist Service Committee
Unity Health Care
Up for Growth Action
U.S. Conference of Mayors

Volunteers of America
World Institute on Disability
Youth Collaboratory
YWCA USA
ZERO TO THREE