

Improving Access to Affordable Housing

Prior to the pandemic, the United States was already dealing with significant housing issues, including high rents, unattainable housing prices, and a lack of housing stock. These problems were especially acute for people of color: Black households are twice as likely to rent as white households, and housing costs account for a heavier cost burden: Among Black Americans, 55% pay more than 30% of their income toward housing compared to 40% of white Americans. People of color are also subject to much higher rates of eviction, and tend to have fewer assets to withstand economic shocks.

Homeowners have not been affected as deeply as anticipated thus far, in part as a result of temporary federal stimulus. Homeowners and loan holders are making mortgage payments at rates similar to pre-pandemic levels. In general, housing insecurity numbers appear relatively consistent since the beginning of the pandemic - the [U.S. Census Household Pulse Survey](#) reports 26.5 percent of households nationwide are experiencing housing insecurity as of week 12 of the survey, just two percentage points higher than levels reported in week 1. But renters are in crisis: [Stout's eviction estimation tool](#) shows that 42.56% of renter households are at risk of eviction. And due to the systemic issues that already made communities of color more vulnerable to housing insecurity, this crisis will fall much more heavily on households of color, meaning policy solutions must keep the uneven nature of its impact in mind.

While many states and municipalities acted swiftly to keep people in their homes as the public health emergency emerged, renters across the board are about to face a much harsher reality, as eviction moratoria end even as unemployment remains high. Many Americans now require direct assistance just to stay in their homes. Instability in rent payments could also trigger larger problems, as the majority of rental housing owners are “mom and pop” operators, not large companies. State and local leaders across the country must take additional steps to stem the impact of the pandemic on housing and prevent Americans from falling into a deeper crisis.

Rebuilding a New Normal: Key Principles and Policy Goals

Guiding principle: Policymakers shouldn't simply strive to reach pre-pandemic status quo, but must prioritize solutions that address prior inequalities.

- To ease the burden on strained budgets, specifically focus state and local direct aid on those most in need and those who slip through the cracks of federal support programs:
 - ▷ Target aid to reach those in danger of missing rent payments or defaulting on loans or those most economically impacted by the pandemic, including minority groups who are experiencing historic unemployment highs.
 - ▷ Focus spending on the recently unemployed.
- Pair direct aid like rent assistance with eviction prevention efforts, including moratoria:
 - ▷ Distinguish between who applies and who receives the funds: the most effective rent assistance programs have renters apply and qualify, but funds are disbursed directly to landlords.
 - ▷ Provide further support for renters with automatic expungement of 2020 evictions, increased legal protections including [legal representation for renters](#) facing an eviction lawsuit, and eviction diversion programs.
 - ▷ Free up money locked into rental deposit system and reduce evictions by implementing low-cost alternatives to cash deposits.

Key Principles and Policy Goals, continued

- Support “mom and pop” landlords - federal aid programs are largely helping households, and the widespread failure of smaller landlords could trigger a large-scale meltdown.
 - ▷ Delay property taxes or lower fees to reduce landlords’ costs.
 - ▷ Tailor support to incentivize landlords to avoid evicting renters, and require that landlords who receive assistance agree to forestall evictions.
- Improve timely data collection, especially on evictions, but ensure that people are not penalized for being evicted in the past. Data must include breakdowns by race and other subgroups to give a clear picture of who is affected by increased evictions.
- Create a highly-targeted, housing-specific safety net for evicted tenants and others at risk of homelessness, and make funds spent work for a dual purpose by partnering with local under-occupied hotels to house those in need.
- Support the continued construction of affordable housing stock:
 - ▷ Increase funding available to support the creation or maintenance of affordable housing stock.
 - ▷ Ensure zoning and construction decisions take affordability into account.
 - ▷ Streamline permitting and other interactions between developers and government to reduce developer costs.
 - ▷ Incentivize developers to include affordable housing in projects by tying goals to property tax incentives, reduced fees, or public funding.
 - ▷ Lift regulatory barriers to non-traditional housing, like manufactured housing or tiny homes.
- Address underlying structural issues:
 - ▷ End restrictive & discriminatory zoning.
 - ▷ Provide support and resources for community-based organizations, counselors, and advocates.
 - ▷ Use neighborhood-level targeting for relief and resources to rebalance investments.
 - ▷ Address gaps in employment, income and wealth, and access to safety net programs, which contribute to housing issues and instability.

Selected Examples from America’s State and City Governments

Tenant & Landlord Relief Policies

- **Nevada State Treasurer Zach Conine** is providing [three months of payments](#) for residential and commercial renters who are overdue on rent. Residential renters whose income is 120 percent or less of the county’s average and whose financial need stems from the pandemic qualify, and payments are made directly to landlords.
- **Shelby County, TN Mayor Lee Harris** used \$2 million in CARES Act funding to create an [eviction settlement fund](#) to work with tenants and landlords to arrive at a fair settlement all can afford, with the fund contributing to the settlement cost. Tenants are provided with pro bono lawyers, as well as social services to prevent future evictions.
- **Michigan’s Eviction Diversion Program** utilizes a special court process to get fast assistance to renters. Assistance includes legal services and \$50 million funding for lump sum payments to landlords in exchange for foregoing evictions & forgiving late fees, and to pay up to 10% of amount due.
- **New Castle County, DE County Executive Matt Meyer** allocated \$500,000 to the [state housing assistance program](#), which makes direct payments of up to \$1500 to landlords or utility companies.
- **Salt Lake City, UT Mayor Erin Mendenhall** has [deferred business license fees for landlords](#) who do not evict anyone between April 10 and three months following the end of the local state of emergency.
- **Cincinnati, OH Councilmember P.G. Sittenfeld** is working to require landlords to offer [alternatives to traditional security deposits](#), such as low-cost renters insurance or modified security deposits.

Selected Examples, continued

Homeowner Relief

Homeowner relief has largely come directly from the federal government, but some state and local officials are taking steps to stave off a possible wave of foreclosures. **Oakland County, MI Treasurer Andy Meisner** [suspended tax foreclosure](#) for residents affected by the coronavirus emergency, and provided no-contact ways to pay taxes.

Housing Safety Net Programs

- In investing in sheltering methods to reduce spread of coronavirus, some officials are simultaneously bolstering local hotels hit hard by the dramatic reduction in travel. **Albuquerque, NM Mayor Tim Keller** offers [motel vouchers for homeless](#) individuals and families who need to isolate and can't be accommodated by shelters.
- **Former Missouri Secretary of State Jason Kander** and his fellow veterans leading the Veterans Community Project are building [communities of tiny homes](#) in Kansas City, MO and Longmont, CO to house homeless veterans who are working to transition to permanent housing. The communities also provide residents with case managers and support teams to address the underlying causes of their homelessness and guide their progress.

Boosting Affordable Housing Stock

- **Phoenix, AZ Mayor Kate Gallego's** [Housing Phoenix Plan](#) will create or preserve 50,000 housing units by 2030 to address the shortage that is driving prices up as the city grows. The plan uses a variety of approaches, including zoning amendments to incentivize and prioritize affordable housing, redeveloping city-owned land, reducing development costs, and utilizing public-private partnerships.
- In **Oregon**, a 2019 law allows for the [construction of duplexes and other multi-family dwellings in single-family zoned areas](#) in larger cities, paving the way for denser development in places where housing supply drives up prices.
- **Oxford, MS Mayor Robyn Tannehill** formed a bipartisan coalition, including developers, corporations, advocacy groups, and community members, to work together and earn \$15 million in funding via federal tax credits to support the [construction of 96 new homes at zero cost to local government](#).

Additional Resources

The Urban Institute: COVID-19 Rental Assistance Programs

Summary of evidence-based ideas for state and local rental assistance programs, including lessons learned from existing programs.

National Multifamily Housing Council: Housing Affordability Toolkit

Detailed information on constructing incentives to expand production of affordable housing.

The NewDEAL Forum thanks Columbia University's Dr. Christopher Mayer and the Urban Institute's Solomon Greene for their contributions to these recommendations, as well as the many state and local elected officials from the NewDEAL Leader network.

RENEWING AMERICA TASK FORCE CO-CHAIRS



KATE GALLEGO
MAYOR,
PHOENIX, AZ



GARLIN GILCHRIST II
LIEUTENANT GOVERNOR,
MICHIGAN



LEE HARRIS
MAYOR,
SHELBY COUNTY, TN



BROOKE LIERMAN
DELEGATE,
BALTIMORE, MD



TOBIAS READ
TREASURER,
OREGON