







February 1, 2021

The Honorable Chuck Schumer 322 Hart Senate Office Building Washington, DC 20510

The Honorable Mitch McConnell 317 Russell Senate Office Building Washington, DC 20510 The Honorable Nancy Pelosi 1236 Longworth House Office Building Washington, DC 20510

The Honorable Kevin McCarthy 2468 Rayburn House Office Building Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

The COVID-19 pandemic has highlighted the housing affordability crisis for many low-income renter households already struggling with high rents and major challenges in maintaining stable housing. While the national eviction moratorium has helped many remain housed in the short-term, rent will eventually become due. According to <u>Moody Analytics</u>, 11.4 million renters have accrued an average of \$6,000 in back rent, or the equivalent of three and half month's rent. Currently, renters owe a combined total of \$70 billion in unpaid rent, or 0.4% of total GDP. Additionally, we are now learning that the pandemic has exacerbated economic inequality across the country and "brought the sharpest rise in the U.S. poverty rate since the 1960s."

## Congress can mitigate the effect

During what is likely to be a very prolonged economic recovery, these households will require housing assistance for the foreseeable future. Housing Choice Vouchers are the most effective solution to support low-income renter households during these unprecedented times, providing durable and efficient emergency assistance for the many workers whose jobs have disappeared.

**First, they are a proven source of permanent housing stability.** While the CARES Act included nearly \$3 billion in Emergency Solutions Grants (ESG) to provide temporary rental assistance targeted to homeless individuals and families, a significant share of those assisted through ESG will return to homelessness when the short-term aid runs out, unless they are provided longer-term rental assistance with a housing voucher. The same is true for the short-term assistance families may receive through the \$25 billion in rental assistance recently appropriated. Housing vouchers are highly effective at providing long-term financial stability to formerly homeless populations and others experiencing housing instability. This includes individuals with complex mental and physical health conditions, where vouchers are often paired with supportive services. A recent <u>HUD study</u> found that offering families a permanent housing voucher resulted in greater housing and family stability compared to short-term interventions.

**Second, vouchers can be easily connected to other resources vital to household-level recovery.** The pandemic has exacerbated a housing and economic crisis concentrated almost exclusively on individuals at the low end of the income distribution. <u>Research</u> from Opportunity Insights has shown that while the economic recession has effectively ended for high-wage workers, job losses for low-income workers continue, particularly in affluent areas of the country where rents are highest. Due to issues with reliable internet access, digital technology, and a lack of affordable childcare options, the pandemic also threatens to worsen educational disparities as low-income children struggle to attend school virtually. Due to their partnerships with nonprofit and government service providers that focus on education, health, and employment, PHAs are uniquely positioned to aid low-

income families in their challenges to regain employment and support children's virtual learning. PHAs can help children as well as seniors weather the pandemic. Harvard's Joint Center for Housing Studies <u>recently reported</u> on the critical role that service coordinators in publicly funded housing have played in providing food and supplies, assisting with technology, and combatting resident anxiety and loneliness.

Third, new vouchers can be quickly distributed to PHAs nationwide. Emergency housing vouchers would be awarded to the existing network of 2,200 state and local housing agencies that administer vouchers in urban, suburban, and rural areas. These vouchers will assist communities across the country meet their most urgent housing needs arising from the coronavirus and resulting economic contraction. Housing authorities have the capacity for a rapid expansion of the housing choice voucher program because the infrastructure is already in place within these agencies to support a substantial increase in voucher availability.

**Fourth, housing vouchers can attract and strengthen landlords across the country.** With many households having difficulty paying rent on time, landlords, particularly "mom-and-pop" operations and small businesses, are sharing in the economic distress experienced by renters. Landlords understand that the voucher program is a guaranteed, reliable income source and provides the benefit of long-term stability. PHAs have been using the additional funding and regulatory relief provided by the CARES Act to expedite administrative processes most often cited by landlords as reasons for preferring unassisted tenants and providing other incentives and support to increase landlord participation in the HCV program. PHAs can build on these steps to quickly deliver assistance.

Due to these strengths of the voucher program model and the immense need for housing assistance across the country, we propose allocating \$50 billion in emergency vouchers to PHAs. This funding will enable PHAs to provide single-use vouchers that would "sunset" after the original household no longer needs them. It is critical that an appropriate portion of these funds be dedicated to the administrative expenses of operating the program to ensure PHAs have the resources to effectively implement the expansion and build linkages with supportive services providers.

Over the past year, the nation faced several regional natural disasters, resulting in the loss of homes, businesses, and a strain on state and local government services, all the while attempting to mitigate the effects of a global pandemic. The COVID-19 pandemic has put a spotlight on an existing affordable housing crisis in this nation, one that will only continue to widen, especially as wildfires, floods, and hurricanes become more common and more intense. All these factors have contributed to an unprecedented increase in the national poverty rate. Single-use housing vouchers can provide immediate assistance to the individuals and families who are most in need and can do so more efficiently than other suggested tools, while placing the least amount of strain on local stakeholders and government services.

Sincerely,

Dunia Zaterman

Sunia Zaterman Executive Director, Council of Large Public Housing Authorities

Andrew J. Star

Andrew Lofton President, MTW Collaborative

Adrianne Todman CEO, National Association of Housing & Redevelopment Officials

Tim Kaiser Executive Director, Public Housing Authorities Directors Association

CC: The Honorable Sherrod Brown The Honorable Pat Toomey The Honorable Maxine Waters The Honorable Patrick McHenry The Honorable David E. Price The Honorable Mario Diaz-Balart The Honorable Jack Reed The Honorable Susan Collins