THE HOUSING INITIATIVE at Penn

# Rent Relief Program Series

Atlanta

## Introduction

As Atlanta grapples with the economic and health impacts of COVID-19, the city's most vulnerable renters face mounting pressure from landlords to pay rent or face eviction when the state's courts reopen later this year. In response to this crisis, the City of Atlanta has launched a rental assistance program this summer to support low-income renters impacted by the COVID-19 pandemic. The program is unique in that it is being run out of the Mayor's Office with support from a third-party administrator, United Way of Greater Atlanta (UWGA), rather than by Atlanta Housing or the City's Office of Housing and Community Development. Although the $22 million program will not be able to meet the anticipated financial needs of all renters, rental assistance is a step towards stabilizing the economy while protecting Atlanta's poorest residents from homelessness and displacement.

## Rental Landscape

*Southwest Atlanta: Home to Atlanta's most Economically Distressed Renters*

The racial inequities and wealth disparities in Atlanta are reflected in the city's housing market and development patterns. Black homeownership rates continue to decline in Atlanta while new construction has catered to wealthy, white residents both in the rental and ownership market. Black renters are disproprtionately rent burdened. Rental development continues to cater towards higher-income households, leaving a shortage of units affordable to renters in lower-income brackets. Atlanta's most vulnerable renters are predominantly located to the south and southwest of the downtown area.

Of the Atlanta zip codes with median household incomes below $37,400 in 2018, which is 50% of the region's area median income (AMI), all have majority Black populations. Unemployment in these areas reached as high as 17.6% in 2018, well above the City's 7.7% and areas in north Atlanta with rates as low as 1.3%. As unemployment rates in the region have more than tripled between January and May of this year, toppling rates seen during the Great Recession, poor renters living in the south and southwest regions of Atlanta face economic uncertainty. Unemployed renters are at greater risk of losing their homes as eviction courts reopen, expanded COVID-19 unemployment insurance benefits cease, and city-mandated eviction moratoria are set to expire on August 31st.[1]

*An Already Rent Burdened Population Faces Growing Uncertainty in the Ability to Pay Rent*

Across Atlanta, more than 50% of renters were rent burdened in 2018, paying more than 30% of their incomes towards rent. Rates reached up to 69% in areas of southwest Atlanta where the median household income of renters is below $20,000 a year. According to the U.S. Census Bureau's Household Pulse Survey, more than 100,000 Atlanta area renters as of June 23, 2020 are occupying their existing unit without paying rent. Non-paying renters account for more than 7% of the survey sample, which is more than 3% higher than the state and U.S. levels. Over 24% of respondents indicating that they have either no or slight confidence in their ability to pay next month's rent, with the higher rates among Blacks and Hispanics. Hundreds of thousands of renters will be at risk of losing their homes if current trends hold.

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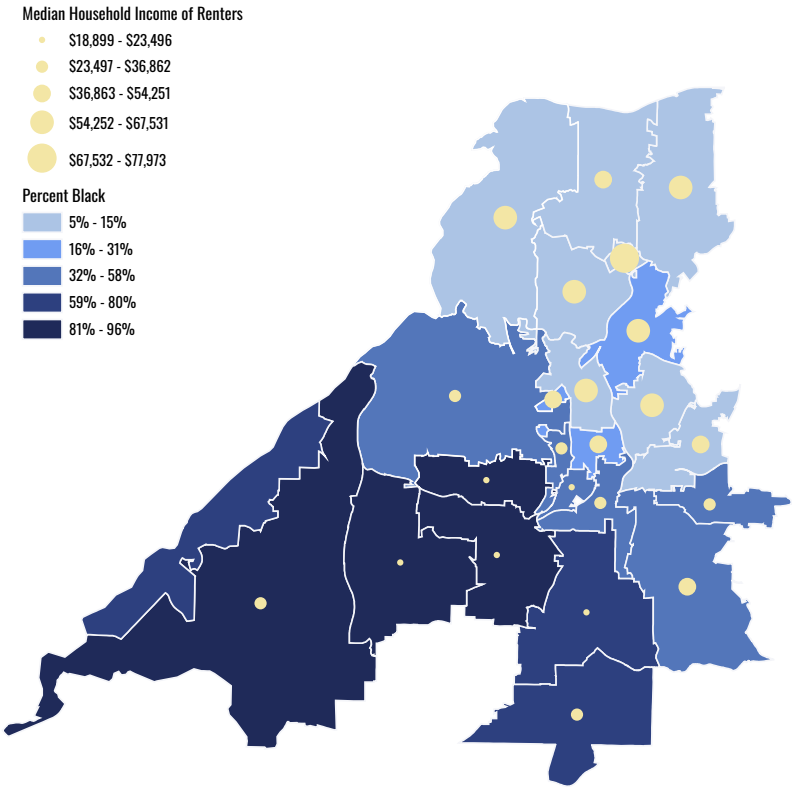


*Figure 1: This map shows the percent of the population that is Black and the median household income of renters by zip code in 2018. Income wealth among renters is primarily concentrated to the north and west of downtown Atlanta. Source: ACS 2018.*

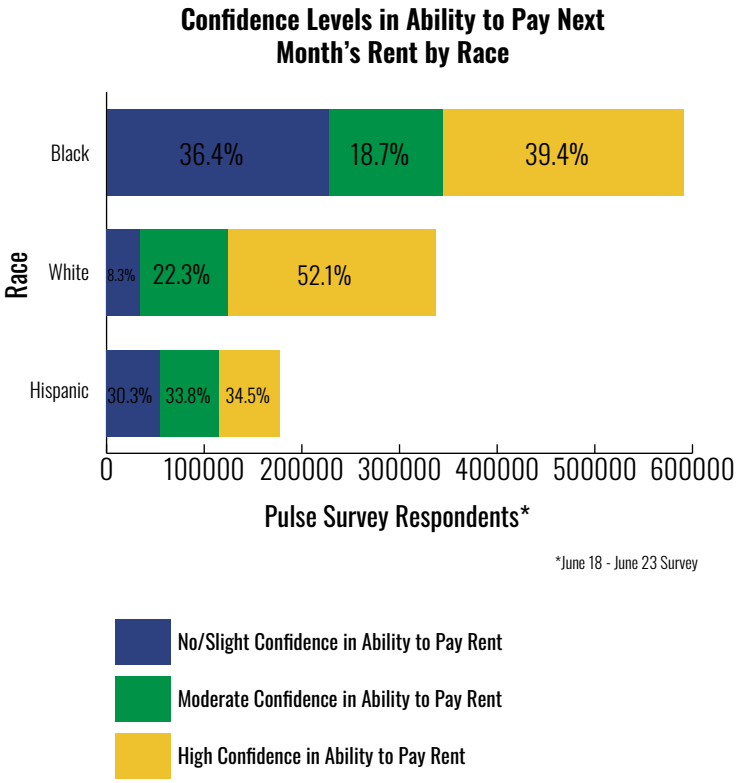


*Figure 2: The above bar chart identifies the confidence levels of renters in their ability to pay next month's rent broken down by race. Black and Hispanic renters have lower confidence levels than White renters. Source: Household Pulse Survey June 18-23 2020.*

Rising unemployment rates are of particular concern for Atlanta's 100,000 workers who are employed in low-income jobs. These workers are especially vulnerable to economic downturns and more than 10,000 are estimated to have lost their jobs since the start of the pandemic, mostly in the accommodation and food services industry. The vast majority of estimated low-income job loss in Atlanta has occurred in zip codes with median household incomes at or below 50% of the region's AMI.[2] This puts further strain on the already limited resources of households with residents employed in these jobs. An increasing number of Pulse Survey respondents are leveraging their stimulus payments to pay for housing costs in recent months, with more than a quarter of of respondents using their payment towards rent. If unemployment continues to rise and expanded unemployment benefits are not restored, Atlanta renters in vulnerable occupations are at a high risk of losing their homes.

## *As COVID-19 Cases Continue to Rise, Atlanta's Black Residents are Dying at Disproportionate Rates*

Within Fulton County, COVID-19 cases have primarily been concentrated in the Atlanta region. Although cases have reached every Atlanta zip code, the highest case counts have been concentrated to the west and southwest of downtown. Black residents are disproportionately represented among case and death counts in Fulton County, making up nearly 41% and 73% respectively as of July 6, 2020. The racial disparity in cases and deaths is consistent with trends seen nationwide and is attributed to the longstanding health and social inequities minorities experience in the U.S.[3] COVID-19 will continue to threaten Atlanta's Black residents as the pandemic's negative effects are heightened by the economic uncertainty and elevated levels of negative health outcomes experienced in communities of color.

Footnotes

1) Jonathan Raymond. July 7, 2020. "Mayor Bottoms Extends Moratorium on Eviction in Atlanta." *11 Alive*. https://www.11alive.com/article/news/local/atlanta-mayor-bottoms-extends-moratorium-on-convictions/85-71b4fa9d-b4cc-49d4-83da-c43a11046cf6

2) Urban Institute. 2020. "Where Low-Income Jobs Are Being Lost to COVID-19." https://www.urban.org/features/where-low-income-jobs-are-being-lost-covid-19

3) CDC. July 24, 2020. "Health Equity Considerations." https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html

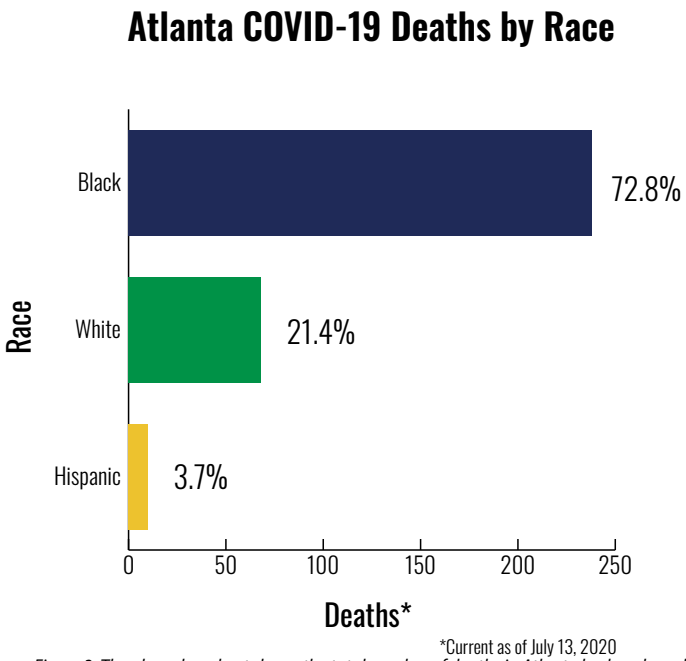


*Figure 3: The above bar chart shows the total number of deaths in Atlanta broken down by race. Black residents are dying at disproportionate rates to White residents. Source: Fulton County Board of Health.*

## Rental Landscape

In tandem with the Atlanta Mayor's executive order to extend the eviction moratorium in government-backed units until August 31st, the City has developed a rental assistance program to support renters impacted by COVID-19. Leveraging Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, Atlanta plans to distribute $22 million in rental support that will be paid out to landlords in support of tenants in non-subsidized housing.

The program is run out of the Mayor's Office with support from a contracted third-party administrator, UWGA, to handle the management and disbursement of funds. This differs from other major U.S. cities including Philadelphia, Los Angeles, and Baltimore, which have all maintained their programs internally. Atlanta also stands out because the City was able to raise substantial philanthropic donations for rental assistance. The primary goal of the program is to limit the displacement of Atlanta's most vulnerable tenants who have lost income due to COVID-19. To qualify, applicants must make 60% or below the Atlanta metropolitan AMI, or below $49,620. Priority will be given to families with children, lower-income households, and other vulnerable populations (e.g. elderly, veterans, those who are differently abled).

The prioritization model is similar to Philadelphia's, which also prioritized families with children and households in high poverty areas. Applicants will be selected on a first come, first served basis.

Selected applicants will be eligible for $1,000/month for up to three months, contingent on the recipients' ongoing financial need. The amount given will also be based on a tenant's ability to pay a portion of any past-due rent. Payments will be disbursed directly to landlords, who must agree to the program and bring any tenant-owed rent up to date.

## Key Takeaways

» Areas south and southwest of downtown Atlanta, already suffering from higher rates of poverty and rent burden, have seen high losses of low-income jobs in comparison to other parts of Atlanta

» Atlanta's Black residents are dying from COVID-19 at a disproportionate rate

» Atlanta's rental assistance program will uniquely utilize a third-party administrator, United Way of Greater Atlanta, to manage and distribute funds to residents

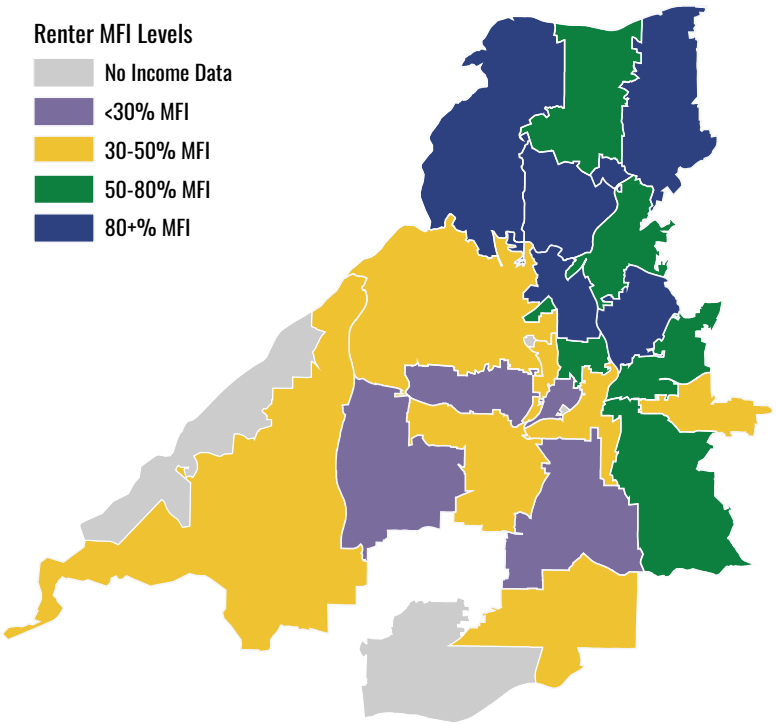


*Figure 4: The above map shows a breakdown of median family income levels in 2018 . Source: ACS 2018 & HUD Office of Policy Development & Research.*

# Appendix

This appendix includes a series of visuals and tables that provide data and information pertinent to understanding the context of rental assistance in Atlanta.

## A. Rental Assistance

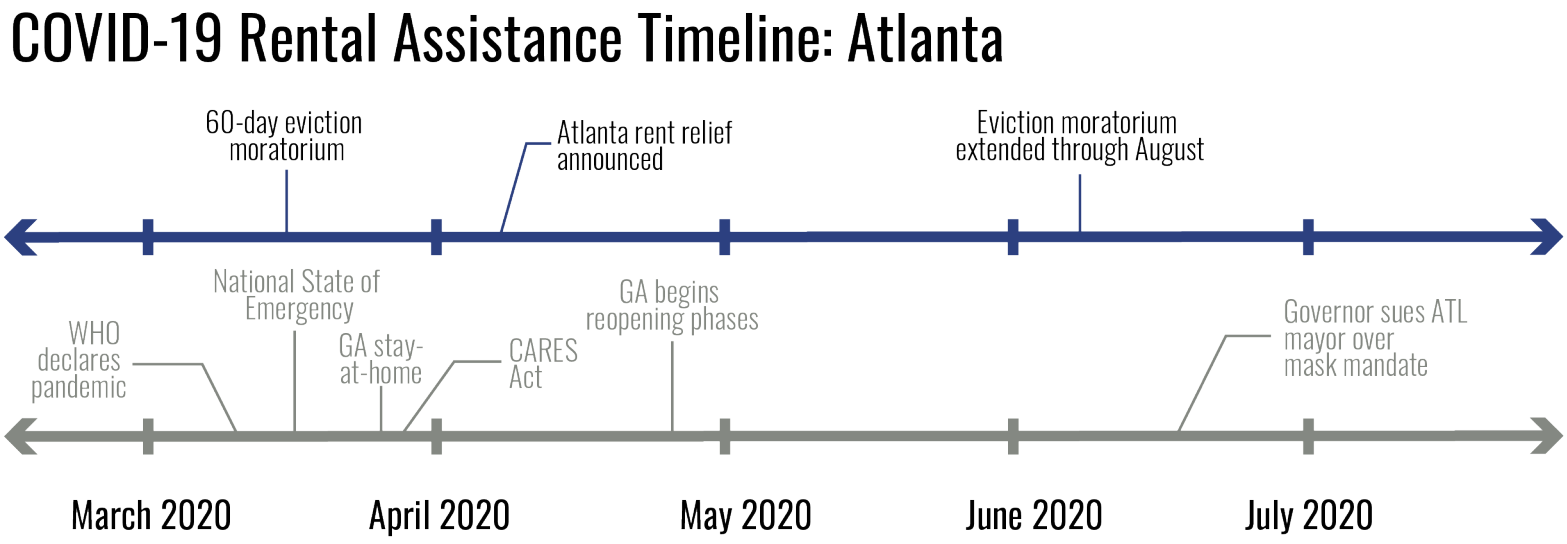


*Figure 5: The above graphic displays the progression of rental relief programs and policies in Atlanta and the United States between March and July 2020.*

## B. COVID-19 Data

| COVID-19 Cases & Deaths | Fulton County |
|---|---|
| Total Population | 1,063,937 |
| Confirmed Cases | 14164 |
| Cases per 1000 residents | 13 |
| Cases by Race (Percent)* | |
| Black | 37% |
| White | 16% |
| Asian | 1% |
| Hispanic or Latinx | 8% |
| Unknown | 35% |
| Other | 3% |
| Total Deaths | 351 |
| Deaths by Race (Percent) | |
| Black | 72% |
| White | 22% |
| Asian | <10 |
| Hispanic or Latinx | 3% |
| Unknown | <10 |
| Other | <10 |

*Atlanta estimates are for Fulton County

*Table 1: The above table includes COVID-19 case and death data as of July 24, 2020. Source: https://www.fultoncountyga.gov/covid-19/epidemiology-reports*

## C. Pulse Data

| Ability to Pay Rent | Atlanta MSA | USA |
|---|---|---|
| Occupying Unit Without Rent | 4.7% | 4.5% |
| Did Not Pay Rent Last Month | 19.5% | 17.5% |
| Deferred Rent | 2.6% | 1.8% |
| **Renter Confidence to Pay Next Month's Rent:** | | |
| No Confidence | 9.4% | 13.1% |
| Slight Confidence | 22.2% | 19.9% |
| Moderate Confidence | 33.6% | 24.9% |
| High Confidence | 30.0% | 36.2% |
| **Income & Employment** | | |
| Lost Income Since March 13th | 56.0% | 10.3% |
| Expecting to Lose Income in the Next 4 Weeks | 39.1% | -- |
| Currently Unemployed | 45.6% | 15.1% |
| **Use of Stimulus Check** | | |
| Expenses | 61.2% | 63.3% |
| Debt | 15.3% | 12.0% |
| Added to Savings | 8.0% | 9.5% |
| No Stimulus Expected or Received | 15.1% | 14.3% |
| Rent | 28.5% | 24.5% |
| **Food Sufficiency** | | |
| Enough of the Types of Food Wanted | 68.5% | 62.4% |
| Enough food, but not always the types wanted | 27.0% | 27.0% |
| Sometimes Not Enough to Eat | 3.0% | 8.9% |
| Often Not Enough to Eat | 1.7% | 1.5% |

| Remote Learning | Atlanta MSA | USA |
|---|---|---|
| **Average Hours Spent on Online Learning** | | |
| Teaching Children at Home | 5 | 6.3 |
| Live Virtual Education | 0.6 | 4 |
| Children Learning Alone | 4.9 | 7.8 |
| **Device Availability for Online Learning** | | |
| Always Available | 53.3% | 60.8% |
| Usually Available | 28.1% | 21.4% |
| Sometimes Available | 13.7% | 10.3% |
| Rarely Available | 0.9% | 3.5% |
| Never Available | 1.1% | 2.6% |
| **Mental Health** | | |
| **Anxiety** | | |
| Not At All Anxious | 27.6% | 28.6% |
| Anxious Several Days | 44.0% | 31.6% |
| Anxious More than Half the Days | 16.5% | 13.5% |
| Anxious Nearly Everyday | 20.5% | 17.3% |
| **Uncontrolled Worrying** | | |
| Not At All Worried | 44.0% | 35.7% |
| Worried Several Days | 39.3% | 29.8% |
| Worried More than Half the Days | 17.1% | 11.8% |
| Worried Nearly Everyday | 15.4% | 13.7% |

*Table 2: The above table displays data from the 2020 Household Pulse Survey, as of July 9-14.*

# D. Census Data

| Demographic Characteristics | 2010 | 2018 | Percent Change |
|---|---|---|---|
| **Householder Age** | | | |
| 15 to 24 (%) | 13.4 | 9.8 | -26.6 |
| 25 to 34 (%) | 33.1 | 32.6 | -1.6 |
| 35 to 44 (%) | 17.6 | 18.7 | 6.3 |
| 45 to 54 (%) | 14.4 | 13.8 | -4.2 |
| 55 to 64 (%) | 10.6 | 11.0 | 4.2 |
| 65+ (%) | 10.8 | 14.0 | 28.7 |
| **Race** | | | |
| Asan (%) | 3.6 | 3.8 | 5.3 |
| Black (%) | 53.1 | 57.2 | 7.6 |
| Hispanic or Latino (%) | 4.4 | 3.8 | -12.2 |
| White (%) | 28.6 | 33.2 | 16.0 |
| **Household Characteristics** | | | |
| **Average Household Size** | 2.1 | 2.1 | 4.4 |
| **Rentership (%)** | 55.1 | 56.6 | 2.8 |
| **Household Composition** | | | |
| Single Occupancy (%) | 51.0 | 53.1 | 4.2 |
| Nonfamily (%) | 13.1 | 13.9 | 6.3 |
| Family (%) | 35.9 | 33.0 | -8.2 |
| **Households with Children (%)** | 23.6 | 19.5 | -17.4 |
| **Overcrowded (%)** | 4.0 | 2.5 | -38.9 |
| **Economic Characteristics** | | | |
| **Median Household Income (2018 $)** | 33045 | 37486 | 13.4 |
| **Median Gross Rent (2018 $)** | 1018 | 1099 | 7.9 |
| **Monthly Rent** | | | |
| 1 Bedroom ($) | -- | 1084 | -- |
| 2 Bedroom ($) | -- | 1091 | -- |
| **Rent Burden (%)** | 52.4 | 50.2 | -4.2 |
| **Households Below Poverty (%)** | 19.6 | 18.9 | -3.8 |

| Housing Unit Characteristics | 2010 | 2018 | Percent Change |
|---|---|---|---|
| **Units** | | | |
| Single-Family | 17849 | 23912 | 34.0 |
| 2 to 4 | 10951 | 10103 | -7.7 |
| 5 to 19 | 28494 | 29084 | 2.1 |
| 20+ | 34982 | 49091 | 40.3 |
| Mobile | 608 | 721 | 18.6 |
| Total Units | 101988 | 113000 | 10.8 |
| **Median Year Built** | 1974 | 1985 | 0.6 |
| **Year Built** | | | |
| Before 1930 (%) | 9.8 | 8.0 | -18.0 |
| 1940s (%) | 5.5 | 4.2 | -24.8 |
| 1950s (%) | 11.1 | 10.1 | -9.0 |
| 1960s (%) | 17.1 | 12.7 | -25.5 |
| 1970s (%) | 14.6 | 10.9 | -25.3 |
| 1980s (%) | 9.7 | 8.6 | -11.2 |
| 1990s (%) | 11.2 | 13.3 | 18.4 |
| 2000s (%) | 21.0 | 23.8 | 13.5 |
| 2010s (%) | -- | 8.4 | -- |
| **Vacancy** | | | |
| **Vacancy (%)** | 17.6 | 17.7 | 0.9 |
| For Rent (%) | 33.5 | 22.0 | -34.5 |
| For Sale (%) | 17.1 | 5.8 | -66.2 |
| Rented or Sold (%) | 9.0 | 12.6 | 40.9 |
| **Technology** | | | |
| **Internet Access (%)** | -- | 85.0 | -- |

*Table 3: The above table contains data from the 2018 ACS 5-year estimates. The data offers an overview of Atlanta in terms of its economic, demographic, and housing landscapes.*