

California's COVID-19 Rent Relief Program Analysis of Applications, as of April 24, 2022

Housing Initiative at Penn

Katharine Nelson
Cypress Marrs
Yihan Zhang

Introduction

The federal government allocated nearly \$50 billion to rent relief programs throughout the United States through the Treasury Department's Emergency Rental Assistance (ERA) program. In this report, we provide an overview of the renters who applied to California's COVID-19 Rent Relief Program, and a snapshot of the status of those applications as of April 24, 2022. This report is part of an independent evaluation of California's ERA program being conducted by the Housing Initiative at Penn (HIP). The evaluation is funded by private foundations and receives no financial support from the State of California. It includes findings from a baseline survey of more than 68,000 applicants to the program, as well as analysis

of the complete database of applications which the State of California shared with HIP on April 24, 2022.

California's ERA program is the largest program in the country and will likely provide roughly \$4 billion in rental assistance once all applications are reviewed. It launched in March 2021, and the portal for rent relief applications closed a year later, at the end of March 2022. At the time of this writing, California's State Department of Housing Community Development (HCD) continues to actively review applications submitted before the portal closed, with initial reviews expected to be completed during the summer of 2022. This initial report on California's ERA program

analyzes applications to California's rent relief program as of April 24, 2022, when roughly 37% of all rent relief applications were still listed as pending. Therefore, the primary focus here is on who applied for rent relief. Subsequent reports will provide more details on households served and funds distributed. They will also provide analysis of a follow-up survey of applicants, both those who did and did not receive rental assistance, to understand the impact of that assistance on household outcomes like eviction.

This report offers a snapshot of the applicants to California's ERA program. We begin with a summary of our main findings. Next, we provide an overview of California's COVID-19 Rent Relief Program, and a summary of the data and methodology used for this report. Then, we present the key findings from our analysis of the application data and baseline survey; this includes: (1) a descriptive analysis of who applied for rent relief and how they are distinct from the state's renter population as a whole, (2) a description of the geographic patterns in applications and how they relate to eviction risk, (3) findings related to the magnitude of renter housing and financial instability at the time of application, and (4) preliminary analysis of barriers experienced in submitting rent relief applications, including internet access, language, documentation, recent homelessness, and economic vulnerability. We conclude with some next steps for HIP's research and evaluation work. Our primary findings are:

One out of every ten renter households in California applied for rent relief through the California COVID-19 Rent Relief Program.

- There were more than 550,000 applications for rent relief submitted to the State of California ERA program. More than 200,000 additional applications were submitted but incomplete.¹
- As of April 24th, 2022, the program spent \$2.7 billion to support roughly 250,000 low-income renters, with an additional 220,000 households still waiting for review of their initial applications. The

typical (median) renter household received \$8,700 in rent support. The average rent relief payment is somewhat higher, more than \$11,000 per renter household.

Families with children, and renters who identify as Black, Native Hawaiian, Pacific Islander and American Indian applied more often to California's ERA program.

- Just 36% of California renter households have children under the age of 18. Yet more than half of the renter households who applied for rent relief, and who have so far received rent support, are families with children.
- Renters who identified as Black or Native Hawaiian/Pacific Islander were twice as likely to apply for rent relief through the ERA program, compared to renters overall. So far, approval rates for these demographics were comparable or marginally higher than overall averages.

Most rent relief applications came from populous counties in Southern California and the Bay Area. These are all areas with moderate or high eviction risk.

- Half of all applications were from Los Angeles County. The share of Los Angeles renters applying for rent relief roughly matched the estimated share of renter households at risk of eviction, using UrbanFootprint's Estimated Risk Insights (ERI).²
- Orange County and San Bernardino County ranked second and third for most applications. In both counties, the ERI's estimated number of households at risk of eviction greatly exceeded the number of households that applied for rent relief.
- Several counties had particularly high shares of pending applications as of April 24, 2022, including San Bernardino (48%), Solano (45%), Santa Clara (44%), and Los Angeles (41%).

¹ The total number of applications provided in this report is higher than those reported and updated weekly on the state's data dashboard. This is because the figures reported on the data dashboard omit applications that are found to be ineligible, to have missing paperwork or other elements, or which are otherwise deemed incomplete. This report does remove duplicate applications.

² In this report, we use the Eviction Risk Insights (ERI), an eviction risk measure developed by UrbanFootprint, a for-profit software and data science company. This measure is being used by partners in the program to develop outreach strategies. The data we received was last updated April 11, 2022.

Renters reported significant housing and financial insecurity when they submitted their applications.

- Most survey participants (77%) reported they were behind on rent when they applied, and 22% indicated they owed more than a year in rent arrears.
- More than twenty percent of survey participants reported some level of extreme instability or homelessness since the start of the pandemic, including couch surfing (12%), staying in a hotel or motel (11%), and sleeping in a car or van (7%).
- More than half of survey participants reported they had already borrowed money from friends or family to help pay rent. These borrowed funds cannot be repaid through the rent relief program, and suggests that many renters are carrying shadow debt.

Internet access and proof of tenancy documentation (e.g., a current rental lease) were critical barriers to participation in the rental assistance program.

- Almost 30% of survey participants indicated they had limited internet access, which was associated with a 5 percentage point reduction in approval rates, so far.
- Survey participants without proof of tenancy were 14 percentage points less likely to be approved for assistance, so far.

Households facing multiple barriers when they applied for rent relief were less likely to receive assistance.

- Survey participants faced several barriers to accessing rent relief, including internet access, ability to access the program hotline, language challenges, various documentation issues, housing instability, and financial vulnerability.
- Having multiple barriers compounded disadvantage in accessing rent relief. Applicants with none of the identified barriers were 5 percentage points more likely to be approved than applicants with one or two barriers, 9 percentage points more likely to be approved than applicants with three or four barriers, and 16 percentage points more likely to be approved than applicants with five or more barriers.

Program Overview

The Emergency Rental Assistance (ERA) programs were the centerpiece of our federal response to a pre-existing housing crisis that was exacerbated by the COVID-19 pandemic. The Department of Treasury launched the ERA program on January 7, 2021, and immediately began disbursing \$25 billion in funding to states and counties to assist households unable to pay their rent or utilities. ERA was a completely new program, intended to serve more renter households than any other previous housing program, and to do so in real time. California's Department of Housing Community Development (HCD) faced many of the same logistical challenges as other agencies tasked with the implementation of a brand new emergency rental relief program, but on a greater scale as the most populous state in the nation.

At the end of January 2021, California Senate Bill 91 was passed into law establishing the state's ERA Program to directly administer rent relief to low-income tenants facing hardship due to COVID-19. The rent relief funds were made available to households with incomes at or below 80 percent of Area Median Income, with a priority on helping households at or below 50 percent of Area Median Income and households unemployed for the 90 days preceding their application. California's COVID-19 Rent Relief Program launched six weeks later in March 2021, when the online portal began to accept online applications.

The application portal closed a year later, at the end of March 2022. In the leadup to the end of the program, there was a significant spike in applications in the final weeks before the portal closed (see Figure 1). HCD is still actively reviewing applications made on or before the March 31 deadline, and expects to have finished initial reviews of all applications in the coming weeks. Once all applications are reviewed, California's ERA program will have provided roughly \$4 billion in rent relief payments, easily making it the largest in the nation.³

The data analyzed in this report include all applications for rent relief through the California COVID-19 Rent Relief Program, and all approvals and funds dispersed

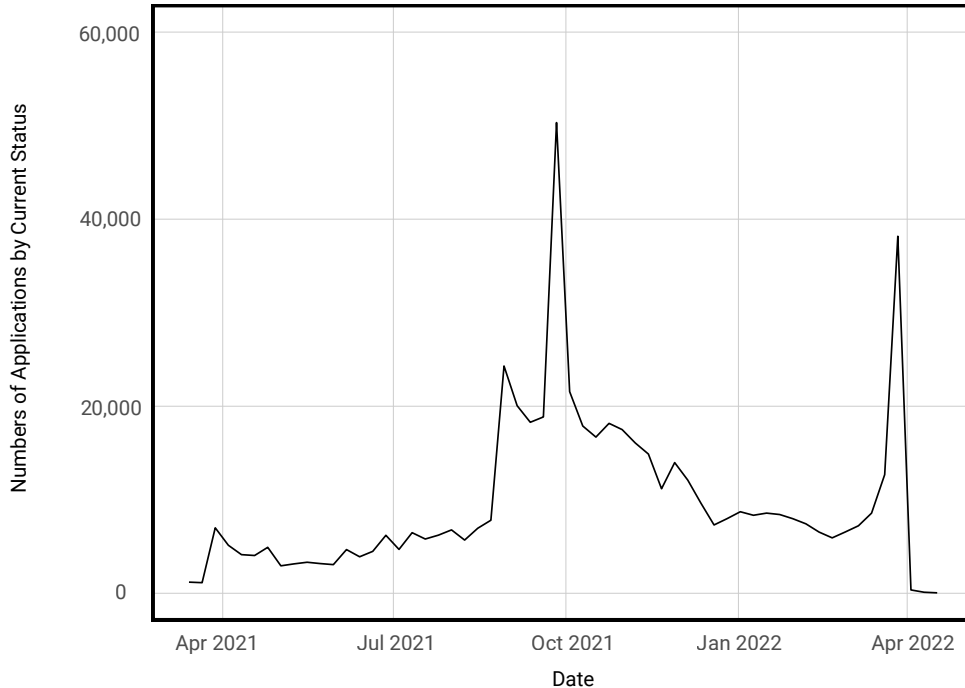
through the program as of April 24, 2022. At the time the data were provided to HIP, 37% of all applications were still pending. The magnitude of pending applications is important, among other reasons, because California Assembly Bill 2179 protected tenants from eviction through June 30, 2022, as long as they had an open rent relief application submitted on or before the March 31 cutoff. As of July 1, many renters who applied to the program are still waiting for approvals and lost this protection.

Connecting eviction protection to applying for rent relief funding has long been a feature of California’s ERA program. The COVID-19 Rental Housing Recovery Act, or Assembly Bill 832 was passed in June 2021 and it extended the state’s moratorium on payment-based evictions beyond the September 30, 2021 deadline for those tenants who applied for rent relief. The importance of this eviction protection is clear in the pattern of applications to the program

over time (see Figure 1). There are two clear spikes in applications to the program. The first occurred in the leadup to the September 30, 2021 deadline to apply to the program for protection from eviction due to nonpayment of rent. The second spike is in the leadup to the closing of the portal, which operated as a second protection against payment-based eviction.

The June 2021 legislation was also important in streamlining the application process for rent relief. This legislation improved incentives for landlords to participate, and made it possible for tenants to get funding even if landlords were uncooperative. The program initially paid out only 80% of rent arrears for qualifying households and required that the landlord forgive the rest. One of the most important changes made to the program was to offer 100% of rent arrears. Second, the program initially only paid 25% of 3 months’ prospective rent. After this legislation, renters could apply for up to 100% of 3 months’ prospective

Figure 01. California ERA Applications, 03/2021 – 04/2022



³ These are estimates of the Department of Housing and Community Development, as of March 15, 2022. The press release can be found here: <https://hcd.ca.gov/about/newsroom/docs/marcherapreallocationpressrelease.pdf>

payments. Moreover, while initially when a landlord refused to participate, a tenant could only claim 25% of funds, after the passage of this legislation, 100% of rent owed could be given to the tenant directly if the landlord chose not to participate.

These changes to the program were intended to make it easier for tenants to get assistance, and preliminary evidence suggests this is what happened. There was a jump in the number of households served, and rent relief funds dispensed, starting at the end of June and early July when these changes took effect (see Figure 2). After this initial spike in households and funds approved, the number of approvals and dollars increased steadily over time, with a temporary drop at the end of the calendar year before ramping up again in 2022. Looking at Figure 1 and Figure 2 together provides some interesting insight - while applications have been submitted in spikes, the weekly approvals and funds distributed over time by California’s

COVID-19 Rent Relief Program ramped up early and then remained fairly steady.

One final dimension of the federal ERA programs is that, in addition to California’s state-level allocation, many local jurisdictions also received separate rent relief allocations. These cities and counties were given the choice to either administer the funds through a locally run program or to rely on the state program, and many localities have changed their approach over time.⁴ For example, the City of Los Angeles initially ran a separate program, and subsequently shifted to relying on the state program. The City of Oakland, by contrast, initially allowed residents to apply to either the local or the state program, but changed course to require residents to apply to Oakland’s local program. This report only considers applications submitted and rent funds dispersed through California’s state program.

Figure 02. Households Assisted and Weekly Spending, 03/2021 – Present



⁴ Jurisdictions that chose to have the state to administer their program were called Option A. Jurisdictions who preferred to administer their own program were called Option B. Finally, jurisdictions who gave applicants the option of applying to either the local program or the state program were called Option C. This report does not include rent relief payments that were paid out by local jurisdictions who chose Option B or Option C. A full list of which programs are in each category can be found here. However, many local jurisdictions changed their Option status over time: <https://www.hcd.ca.gov/grants-funding/active-funding/erap/docs/rental-assistance-allo-cations-table.pdf>. The notice stating this can be found here: <https://www.hcd.ca.gov/grants-fund-ing/active-funding/erap/docs/rent-relief-program-clarifica-tions-for-non-entitlement-jurisdictions.pdf>.

Study Methodology and Data

This independent evaluation of the CA state program relies on a partnership between the Housing Initiative at Penn (HIP) and California's Department of Housing Community Development (HCD) established before the program was launched. We rely on two primary data sources: tenant-level application information, and a baseline survey of tenants applying to the California rent relief program.

The survey data were gathered from tenants when they submitted applications to California's COVID-19 Rent Relief Program. Following the submission of a rent relief application, applicants were invited to fill out an online survey designed and administered by HIP. The survey was completely voluntary, and all applicants were informed their decision to fill out the survey in no way affected their ability to receive funds, or the processing of their application. The survey covered topics including household financial stability, housing stability, household composition, child wellbeing, health and anxiety, employment, and COVID-19. There were 79,590 tenant surveys completed between March 15 and October 12, 2022. The research team was able to match 68,073 surveys to applications for a match rate of 92%. Roughly one in four applications submitted during the survey window had a corresponding survey response.

The survey window only includes applicants that applied to the California ERA program between March and mid-October, 2021. Therefore, compared to the applicant data as a whole, there are many fewer applications still pending. However, the survey sample had a similar geographic distribution, comparable application submission dates within the survey window, and only minor differences in racial and ethnic composition, compared to the applicant pool. Our survey universe had a slightly greater share of White renters (38% versus 35%), slightly fewer Black renters (15% versus 18%), and slightly more Hispanic or Latino renters (36% versus 33%) compared to the applicant pool. Combining race and ethnicity categories, our survey slightly underrepresents non-

White-non-Hispanics compared to the application pool (27% versus 25%) while White Hispanics were slightly overrepresented (13% versus 11%). Additional tests for observed and observable bias in the sample are ongoing, but given that the number of respondents far exceeds that of any other local or national survey, the results provide important insight.

Study Findings

In this section of the report, we summarize our primary findings from the analysis of the application data and baseline survey. We cover the following areas: households served and spending overview (1), households with children applying in greater numbers for rent relief (2), differences in application patterns along racial, ethnic, and language differences (3), geographic patterns in program participation (4), the extent of housing and economic vulnerability among applicants (5), and patterns in approvals and denials as they relate to barriers to applications (6).

1. More than 550,000 households applied for rent relief through the State of California ERA program. More than 200,000 additional applications were started but not finished.

As of April 24, 2022, more than \$2.7 billion in rental assistance was given to 244,951 households, with an additional 10,318 households approved with a payment pending. The typical (median) household received \$8,700 in rent relief. The average (mean) rent support payment was \$11,000 per household. At that time, only 43% of the complete applications had been

approved or paid. Most of the remaining applications were still under initial review.

The count and share of rent relief applications by application status, as of April 24, 2022, is shown in Table 1. Out of more than 550,000 complete applications, 43% have been approved, 38% are pending, 13% have been denied, and 6% fall into some other potentially terminal category (such as non-responsive, flagged for evaluation). Out of those already approved, four-out-of-ten households subsequently applied for additional funding. Many of these recertifications are also still under review, but they were categorized as paid rather than pending for this report.

There were also roughly 200,000 incomplete applications submitted to the State of California ERA program. HIP has not included these incompletes in calculations of approval and denial rates. However, the large number of incompletes suggests many households were unable to fulfill all the requirements to apply or faced barriers completing the application process.

Table 01. California ERA Applications by Status, as of April 2022

	Applications (#)	Applications (%) (Incompletes not included)
Households Approved for Rent Relief	255,269	43%
Approved Once	146,936	
Submitted a recertification for additional funding	108,333	
Pending Applications	222,898	38%
Denials	74,821	13%
Other	38,412	6%
Incomplete Applications	209,699	

Pending Applications. Most of the 222,898 pending applications were submitted during the final two months the portal was open, when the program experienced a large spike in first-time applicants (See Figure 1 and Figure 3). However, some of these active applications were submitted several months earlier. Older applications that were categorized as under review were often labeled missing information or non-responsive. As of April 24, 2022, there were 40,277 pending applications submitted six or more months earlier. Figure 3 shows the number of applications to the HCD program over time, broken down by whether the application received rent support (in green) or has not received rent support (in blue). As of April 24, 2022, almost all of the applications submitted in 2022 were still pending. In addition, most of the applications submitted in late 2021 were also still pending.

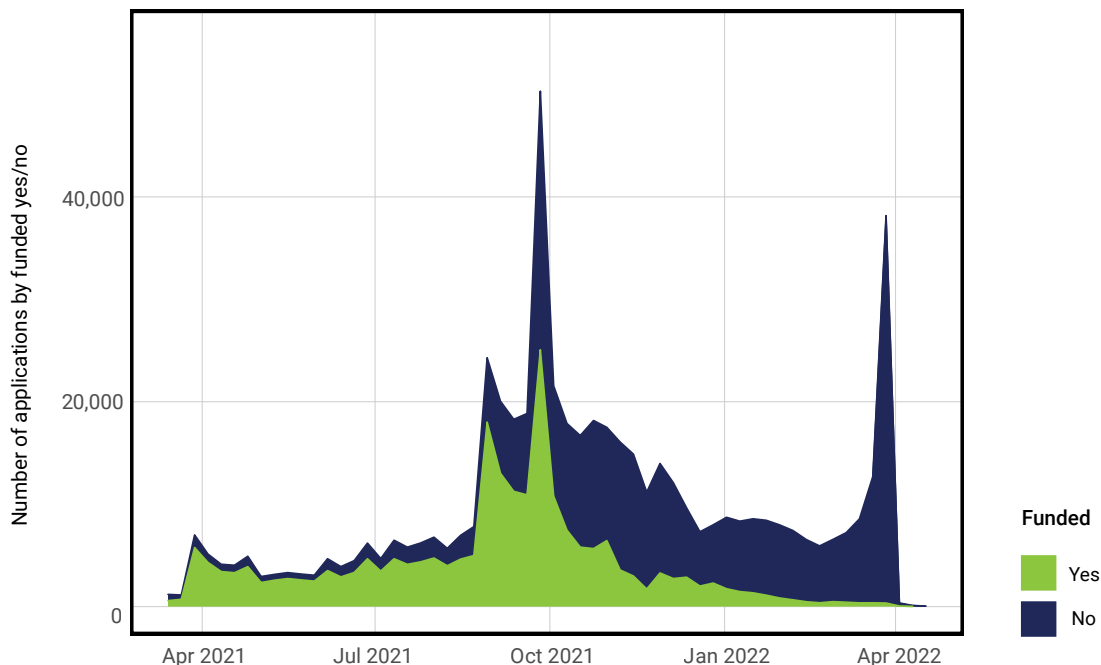
Recertifications. More than 100,000 households who received some rent relief funding re-applied for additional funding through the ERA program. These recertifications are not included in the pending counts listed above, but many of them remain under review. California created a streamlined application process, called recertification, to assist households that had

already been approved in acquiring additional rent and utility support, up to the 18-month maximum allowed by the program. HIP’s survey results, reviewed later in this report, suggest that many applicants were six or more months behind on rent when they initially applied to the ERAP program. The scale of the rent owed demonstrated a clear need for longer-term rent support during the COVID-19 health and economic crisis.

2. Households with children make up more than half of California’s rent relief applications, even though they make up only a little more than a third of California’s renter households. Families with kids were particularly vulnerable to economic stress during COVID-19.

Our survey responses indicate that households with children were much more likely to apply for rent relief through the California ERA program than childless households. More than half (51%) of households that engaged with the state program included children under the age of 18, compared to just 36% of California renter households, according to the most recent census data.⁵ Families with children are also more

Figure 03. California ERA Applications by Funding Status, as of April 2022



likely to be funded through the program. However, this is explained by more numerous applications. The approval rates for renters with children are similar to approval rates for childless households.

Households with children were more likely to apply for rent relief throughout the state. For example:

- In San Francisco, where only 14% of renter households have children based on the Census, our survey finds that roughly 34% of applicants had children under 18.
- In Contra Costa, where 40% of renter households have children, our survey finds that 60% of applicants had children under 18.
- In Orange County, where 37% of renter households have children, our survey finds that 48% of applicants had children under 18.
- In San Bernardino, where 48% of renter households have children, our survey finds that 63% of applicants had children under 18.

Households with children were particularly vulnerable during the pandemic because of more limited access to childcare, the new responsibilities of remote schooling, and associated challenges of job insecurity.⁶ Most survey respondents with children (81%) reported they had additional childcare responsibilities during the pandemic and that it impacted their ability to work. Most (82%) of respondents reported being unable to hire childcare to ease this increased responsibility. A majority (65%) of respondents with children also reported being reliant on a single income.

Only 4% of applications were submitted by people over sixty-five. This is lower than the share of renter households headed by seniors in California, which is 15% according to the most recent Census data. This may be attributable to fewer seniors being reliant on employment for income, which may have insulated them from fluctuations in the job market during this period.

Table 02. Summary Survey Results of Applicants with Children

Categories	Percentage Among all Applicants with Children
Applicants that had only 1 person above 18 and earning income within household	65%
Applicants that were borrowing for rent	60%
Applicants that did not have a schooling device other than cell phone	23%
Applicants that feel their children are falling behind school	49%
Applicants that could not hire childcare	82%
Applicants that spend more time on childcare	55%
Applicants' ability to work was influenced by childcare responsibility	81%

⁵ All of the Census data included in this report comes from the 2016-2020 5-Year American Community Survey (ACS) data.

⁶ Findings from the Census Household Pulse Survey on the impact of COVID-19 on households with children can be found here: <https://www.census.gov/library/stories/2020/05/adults-in-households-with-children-more-likely-to-report-loss-in-employment-income-during-covid-19.html>

3. California renters who identify as Black, Native Hawaiian, Pacific Islander, or American Indian were most likely to apply to the California program. White renters submitted the most applications but were somewhat less likely to apply for rent relief compared to renters of other races. Hispanic/Latinx renters applied in comparable numbers to the overall population. Asian renters were least likely to apply of all racial and ethnic groups.

White renters submitted the greatest number of applications (215,453) and represent the greatest number of households served by the ERA program for far, with 86,181 households receiving funding. However, relative to total renter households in California, White renters were somewhat less likely to apply to the program compared to renters of other races. Denial rates for White applicants, and especially non-Hispanic Whites, were also slightly higher than for other groups, with 15% denied so far compared to 13% overall. These findings may be related to differences in income or employment patterns.

Roughly a third of rent relief applications (186,331) were submitted by renters who identified as Hispanic or Latinx of any race. So far, one in three households who received rent relief support were Hispanic or Latinx (83,849). Rates of rent relief application and approval for Hispanic and/or Latinx applicants were comparable to the renter population overall. Unlike White-non-Hispanics, denial rates were lower for Hispanic/Latinx borrowers, 11% have been denied so far, compared to 13% overall.

Twenty-one percent of Black renter households applied for rent relief through the California ERA program, which means Black renters were more than twice as likely to apply for rent relief compared to the overall renter population. So far, Black households make up 20% of all households funded through the ERA program (49,330). Compared to other groups, Black renters have a slightly lower denial rate, and a slightly greater share of applications that are approved or still pending. The high rates of applications from Black renters are tied to lower median incomes as well as greater economic vulnerability to COVID-19.⁷

Table 03. California ERA Application Status by Race and Ethnicity, as of April 2022

	Households Approved for Funding as of April 24, 2022	Application Rate % California renters who applied	Approved	Applications Still Pending	Denials	Other
Total	255,269	10%	43%	38%	13%	6%
<i>By Race</i>						
American Indian or Alaskan Native	3,285	17%	38%	42%	13%	7%
Asian	17,702	5%	49%	32%	13%	7%
Black or African American	49,330	21%	45%	39%	11%	6%
Native Hawaiian/Pacific Islander	2,323	24%	44%	37%	12%	7%
White	86,181	7%	40%	40%	14%	7%
Other, Multiracial	39,967	7%	46%	35%	11%	7%
<i>By Ethnicity and Race</i>						
Hispanic or Latinx	83,849	9%	45%	36%	11%	8%
White non-Hispanic	52,276	6%	38%	41%	15%	6%

⁷ An analysis of racial and ethnic disparities in housing instabilities during the COVID-19 pandemic can be found here: <https://www.stlouisfed.org/on-the-economy/2021/april/racial-ethnic-disparities-housing-distress-pandemic>

Renters from two other racial categories – American Indian/Alaskan Native, and Native Hawaiian/Pacific Islander – were also much more likely to apply to the ERA program than other renter households. 17% of renters who identify as American Indian/Alaskan Natives, and 24% of renters who identify as Native Hawaiian/Pacific Islanders, applied for rent relief. Renters in these racial groups also have lower median incomes and greater economic vulnerability to COVID-19.

Just 5% of Asian renters applied to the ERA program, which is a smaller share than that of any other racial group. However, as of April 24, 2022, Asian renters have a much higher rate of applicant approval (49%)

compared to renters in other racial groups (43%). This higher approval rate appears to be driven by Asian renters applying to the program earlier and therefore have fewer pending applications.

The geographic patterns in rent relief applications were particularly pronounced in the Bay Area and Southern California (see Figure 4 maps), which generally mirror residential patterns. For example, Black renters applied in large numbers in Alameda, Contra Costa and Solano counties on the eastern side of the Bay Area (areas are shown in yellow and green on the map). In these counties between 30% and 42% of applications to the California ERA program came from Black renters, which is almost twice the

Figure 04. Percent of Applicants by Race⁸



⁸ 8 Counties with less than 100 applications to the state program are left blank in these maps. These counties include, Monterey, Marin, Sonoma, Kern, Alpine, Fresno, Sacramento, Sierra, Riverside and San Diego.

proportion of Black renters in each place. Meanwhile, applications from Asian renters were most common in San Francisco, San Mateo, and Santa Clara counties on the southern side of the Bay Area.

Most applicants spoke English as their primary language. However, 12% of applications were from households whose primary language was not English. Almost all of these were from Spanish-language households (58,159). The remainder are from renters whose primary languages are Chinese (4,398), Korean (3,770), Russian (1,771), Vietnamese (1,622), Filipino (929), and Portuguese (609).

There are strong geographic patterns in foreign language applications. Roughly half of Spanish language applications were from Los Angeles County, with smaller numbers from Santa Clara, San Francisco, San Mateo, Ventura, and Orange counties. Chinese and Russian language applications were primarily from the urban counties of Los Angeles and San Francisco. Korean language applications came mostly from Los Angeles and Orange Counties in Southern California.

4. Most applications came in from the populous areas in and around Los Angeles, and throughout the Bay Area. These counties mostly had moderate or high levels of eviction risk.

Almost half of all applications (282,708 households) were from Los Angeles County, which includes the City of Los Angeles and more than 80 other cities. So far, the California COVID-19 Rent Assistance Program has assisted 132,000 households and spent roughly \$1.5 billion in rent relief support in Los Angeles County. The number of rent relief applications from Los Angeles is comparable to the number of renter households at risk of eviction, using estimates

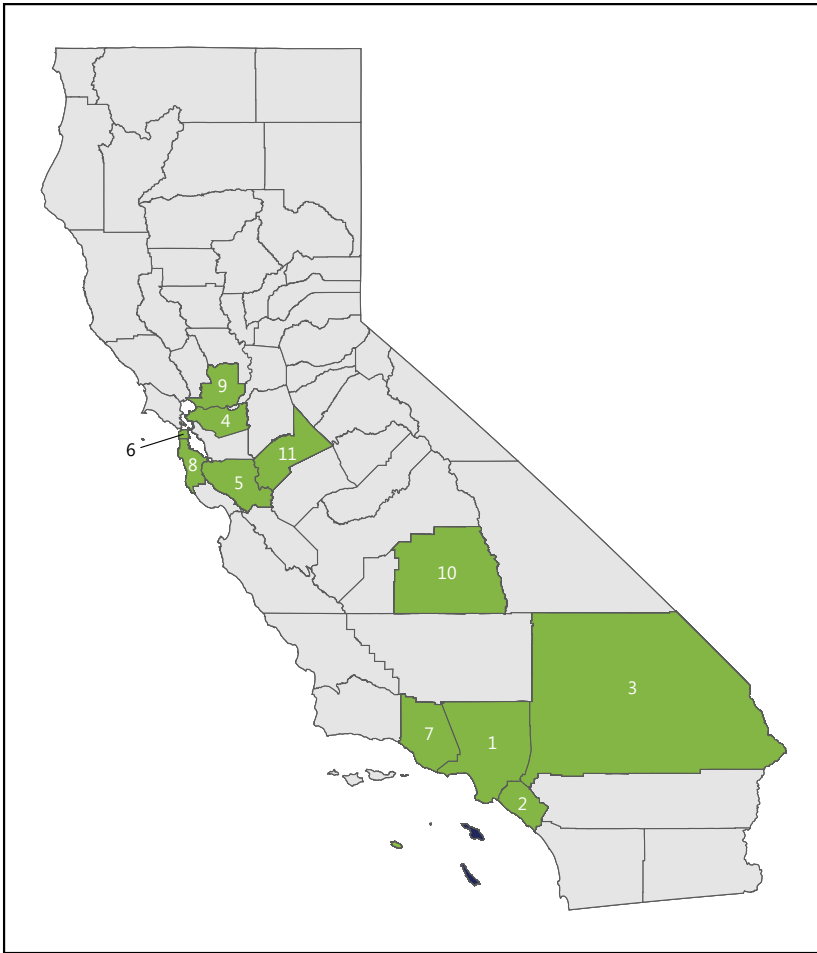
produced by Urban Footprint as of April 11, 2022.⁹ Roughly 16% of renters in Los Angeles applied for rent relief, and Urban Footprint estimates that 17% of the county's renters were at risk of eviction.

The second and third ranked counties in applications were also in Southern California. Orange County had 36,280 applications, and San Bernardino County had 31,608 applications. In these two counties, the estimated number of households at risk exceeds the number of rent relief applications that were submitted. In Orange County, 8% of renters applied for rent relief while 13% were estimated to be at risk of eviction. In San Bernardino, 12% of renters applied for rent relief while 17% were estimated to be at risk of eviction.

The other counties with the greatest concentration of applications and funding are primarily in the Bay Area. They include Santa Clara with 26,350 applications, Contra Costa with 27,133 applications, San Francisco with 23,486 applications, San Mateo with 11,262 applications, and Solano with 10,263 applications. In Contra Costa and Solano counties, the share of renters who applied for assistance is larger than the estimated share of renters at risk of eviction according to Urban Footprint. This pattern is worth exploring; it might relate to patterns in unemployment or economic risk not captured in the rent risk estimate. The other Bay Area counties had application rates comparable to the number of households at risk of eviction.

⁹ The UrbanFootprint Eviction Risk Insights (ERI) dataset includes estimates of households at risk of eviction at the census block group level, along with an estimated aggregate monthly rent gap, counts of rental assistance applications submitted, and "application gap" metrics that compare the numbers of applications received and households at risk. Eviction risk is updated biweekly in alignment with releases of Census Pulse Survey data, which indicates households behind on rent by state and major metropolitan area, while the application counts and gap metrics are updated weekly using incoming data from the California COVID-19 Rental Relief Program. UrbanFootprint's Eviction Risk Model looks to the most recent eight weeks of Census Pulse Survey data (which indicates the characteristics of households behind on rent) and a range of input variables to predict households at risk at the relatively fine resolution of census block groups. As inputs, the model uses socio-demographic characteristics from the Census American Community Survey and Public Use Microdata Sample (PUMS), and dynamic estimates of unemployment as modeled using Bureau of Labor Statistics (BLS) data.

Figure 05. Top 11 Counties with the Most Applications

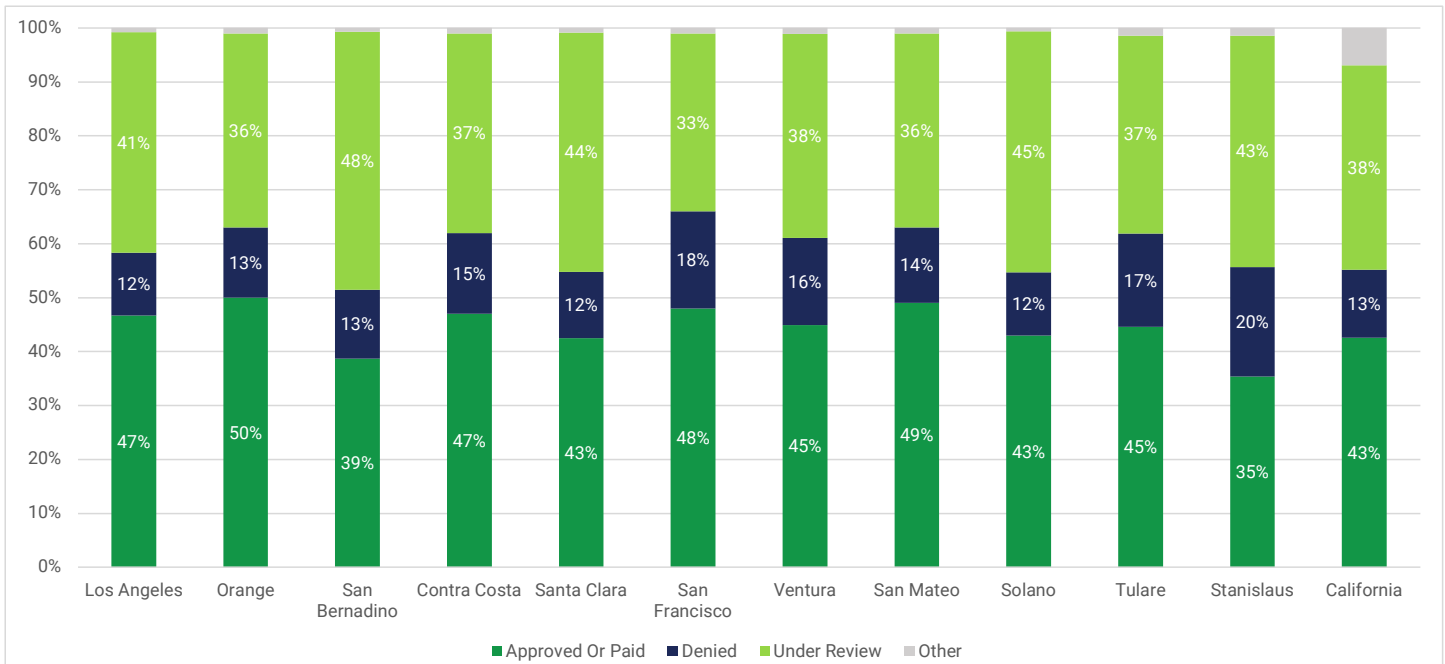


	County	Applicants
1	Los Angeles	282,708
2	Orange	36,280
3	San Bernadino	31,608
4	Contra Costa	27,133
5	Santa Clara	26,350
6	San Francisco	23,486
7	Ventura	14,922
8	San Mateo	11,262
9	Solano	10,263
10	Tulare	9,371
11	Stanislaus	8,162

Table 04. Top 11 Counties with the Greatest Number of Applications

County	Applications	Households Served	Total Dollars Spent	Avg Funds Per Household	% Renters Applying for Rent Relief	% Renters at Risk of Eviction
California	593,604	253,106	\$2,734,062,902	\$10,802	10%	NA
Los Angeles	282,708	131,948	\$1,510,781,983	\$11,450	16%	17%
Orange	36,280	18,169	\$208,905,199	\$11,498	8%	13%
San Bernardino	31,608	12,221	\$110,376,115	\$9,032	12%	17%
Contra Costa	27,133	12,728	\$145,668,324	\$11,445	21%	13%
Santa Clara	26,350	11,187	\$125,040,644	\$11,177	10%	10%
San Francisco	23,486	11,285	\$120,823,481	\$10,707	10%	11%
Ventura	14,922	6,704	\$69,193,104	\$10,321	15%	9%
San Mateo	11,262	5,563	\$74,118,861	\$13,324	11%	10%
Solano	10,263	4,404	\$42,581,939	\$9,669	18%	10%
Tulare	9,371	4,180	\$28,480,880	\$6,814	16%	14%
Stanislaus	8,162	2,892	\$22,527,174	\$7,789	11%	11%

Figure 06. California ERA Application Status by County, as of April 2022



5. The typical applicant owed five months of rent arrears, but 22% of those surveyed reported being more than a year behind on rent when they applied for rent relief. Most applicants previously borrowed from family, friends and other credit sources to pay rent, raising concerns about shadow debt.

More than three-quarters of survey participants indicated they were behind on rent when they applied for rent relief. The typical applicant owed five months in rent arrears. 63% of survey participants reported being behind on utilities. The median amount of back rent owed was \$5,400 and the median utilities owed was \$740.¹⁰

Some tenants owed significantly more than this at the time of application, and many others accrued more rent arrears after applying to the ERA program. Almost a quarter of those surveyed (22%) indicated they were

more than a year behind on rent when they submitted their applications, and another 24% indicated they were 6-12 months behind on rent.

While participants often reported being behind when they applied, most described efforts to pay what they could. Out of respondents who were behind on rent, more than two-thirds paid at least a quarter of their rent over the past three months, and 57% indicated they borrowed money to help pay their rent prior to applying for rent relief.

Table 05.

Summary survey results on rent and utility arrears and borrowed funds

<i>At the time of application, survey participants who....</i>	
Reported being behind on rent	77%
Reported being behind on utilities	63%
Reported previously borrowing money to pay rent	57%

¹⁰ These are numbers from applicants during the first nine months of the rent relief program. They are somewhat lower than the current average payout from California's ERA program. This is likely because rent arrears increased over time, as additional months of unpaid rent accrued for many tenants as the Covid-19 economic crisis wore on.

Table 06. Average rent owed and rent borrowed by race and ethnicity

	Median Rent Owed	Mean Rent Owed	Median Borrowed	Mean Borrowed
All Applicants	\$5,326	\$8,690	\$2,000	\$3,307
By Race (any ethnicity)				
White	\$5,862	\$9,248	\$2,000	\$3,486
Black or African American	\$4,800	\$8,092	\$1,500	\$2,527
Asian	\$6,434	\$10,127	\$3,000	\$5,736
American Indian or Alaskan Native	\$5,410	\$8,043	\$1,500	\$2,837
Native Hawaiian or Pacific Islander	\$5,614	\$9,788	\$1,725	\$2,990
Other or Multiracial	\$5,000	\$8,092	\$2,000	\$2,814
By Ethnicity (any race)				
Hispanic or Latinx	\$4,540	\$7,250	\$1,700	\$2,627
Not Hispanic or Latinx	\$6,000	\$9,540	\$2,000	\$3,802

Almost everyone who borrowed money to pay rent (92%) had borrowed from friends and family. However, many also applied for a payday or title loan (15%), took out new credit cards (11%), added debt to existing credit cards (12%), or took out loans from banks (7%). On average, survey participants borrowed \$3,307 to help pay rent before they applied for rent relief. These borrowed funds cannot be recouped through the rent relief program. ERA is not designed to relieve this so-called ‘shadow debt’ which follows tenants even if they receive rent relief support.

There were clear patterns in rent owed and rent borrowed by race and ethnicity, which may relate to differences in typical monthly rent amounts and household incomes. Asian renters owed the most back rent, measured either by median (\$6,434) or average (\$10,127) in unpaid rent. Asians also typically reported borrowing the most to pay for rent. White renters also owed more back rent, measured either by median (\$5,862) or average (\$9,248) in unpaid rent.

Black and Hispanic/Latinx renters owed the least in back rent compared to other groups and borrowed less

money than other renters to pay rent. The median and mean rent arrears for Black renters was \$4,800 and \$8,092, respectively. For Hispanic/Latinx renters it was \$4,540 and \$7,250, respectively. One interesting difference among Black and Hispanic/Latinx renters is that Black renters were the least likely to have borrowed money to pay rent (53%), whereas Hispanic/Latinx borrowers were the most likely to have reported borrowing money to pay their rent (60% of renters).

Finally, beyond rent arrears and borrowing, survey participants reported significant housing instability. Twenty percent reported some level of extreme instability or homelessness since the start of the pandemic. Twelve percent reported couch surfing, eleven percent reported staying in a motel, and seven percent reported sleeping in a car or van. Much smaller numbers reported sleeping in shelters (2%) or on the street (3%).

Table 07.

Housing instability since March 2020

Survey participants who reported experiences with homelessness since the start of the pandemic:

Couch surfing	12%
Staying at a hotel/motel	11%
Sleeping in a car or van	7%
Sleeping in a shelter	2%
Sleeping on the street	3%

6. Households that faced numerous barriers in completing rent relief applications were less likely to receive assistance than those households that faced no, or fewer, barriers in applying.

Despite the level of need for rent support, many survey participants reported facing barriers in accessing California’s COVID-19 Rent Relief program. Participants indicated they faced internet limitations, language barriers, and trouble accessing the support hotline. They also reported difficulty providing the proper documentation of tenancy (such as an up-to-date lease), income, and/or income loss. Finally, many tenants faced stress from housing and financial precarity, including low incomes, and recent experiences with homelessness. A summary of the stated and identified barriers is shown in Table 8, along with the application approval rate, so far, for those facing each barrier.¹¹

Two barriers that stood out among survey participants were limited internet access and proof of tenancy. Limited internet access was the most widespread barrier, impacting 29% of survey participants, and was associated with a five percentage point reduction in approval rates, so far. Proof of tenancy impacted only 15% of survey participants but, so far, this barrier is associated with a 14 percentage point drop in approval rate. These statistics, and others in this section of the report, likely understate the severity of these barriers, because applicants facing these challenges may have

been less likely to have participated in HIP’s web-based survey.

Difficulties with Process of Applying

The most common barrier reported in applying for rent relief was limited internet access. Rent relief applications were submitted through a web-based portal, so internet limitations were particularly important in the ERA program. In our survey, 29% of applicants either reported that internet access acted as a barrier to applying, or they indicated that they did not have internet other than through a cell phone service. Compared to an overall approval rating of 68%, only 63% of survey participants who reported internet limitations were approved for rent relief support.

Another common difficulty in applying for rent relief was language barriers. So far, there are no differences in approval rate for renters who submitted applications in languages other than English or who self-attested language barriers as a challenge. Thirteen percent of survey participants were identified as facing a language barrier.

To mitigate the challenges posed by internet access, the California COVID-19 Rent Relief Program had a phone hotline applicants could use to submit their applications and check their application status. Only seven percent of survey participants indicated that they had trouble accessing the phone hotline, and this was associated with a two-percentage point reduction in approval.

Difficulties Providing Documentation

Applying for rent relief required three forms of documentation: proof of income, proof of loss of income, and proof of tenancy. However, changes to the program in June 2021 allowed for tenants to self-attest to some of these items in lieu of formal paperwork. Nevertheless, our analysis shows tenants without these substantiating records had their applications approved less often. This pattern is especially striking

¹¹ Surveys were conducted from March through mid-October 2021, so there are not as many pending applications. So far, the approval rating among survey participants is 68%, which is comparable to the whole universe of applications submitted during this time period.

Table 08. Barriers Faced by ERA Applicants

	Applicants with this barrier	Approval rate for applicants with this barrier (overall approval rate is 68%)
Difficulties with Process of Applying		
1. Limited Internet Access The ERA program was primarily designed and administered through an online portal. Survey respondents were coded as having limited internet access if they reported not having internet access other than on a phone or tablet, or if they self-attested that internet access acted as an obstacle in completing an application	29%	63%
2. Language Barrier The application for Emergency Rental Assistance and associated application materials were available in six languages. Language was coded as a barrier if a language other than English was indicated as primary in application data or if a survey respondent self-attested that language acted as a barrier to completing an application	13%	68%
3. Trouble Accessing Hotline Assistance with case-management was available through a program hotline. Difficulty accessing this hotline was coded as a barrier for applicants who reported that this posed an obstacle in completing their application	7%	67%
Difficulties Providing Necessary Documentation		
4. Proof of Income This was coded as a barrier if survey respondents self-attested that providing proof of income posed a barrier in completing an application	14%	63%
5. Proof of Lost Income To be eligible for ERAP assistance, applicants needed to have been financially impacted by Covid-19; most often, this was through loss of employment. Proof of lost income was coded as a barrier if a survey respondent self-attested to having difficulty providing these documents	15%	65%
6. Proof of Tenancy Providing proof of tenancy was coded as a barrier if survey respondents reported not having a valid lease or if they self-attested to not having a valid lease or if they reported that providing documentation of tenancy was a barrier in completing an application	15%	54%
Measures of Economic or Housing Vulnerability		
7. Recent Experience with Homelessness Survey respondents that reported experiences of homelessness since March 2020 were coded as having a recent experience of homelessness	20%	60%
8. Living in a Low-Income and/or High Poverty Area Applicants living in a HUD-designated Qualified Census Tract were coded as living in a low-income and/or high poverty area	28%	71%

for tenants without a formal lease, who experienced a 14 percentage point reduction in approval rates.

Economic and Housing Vulnerability

While economic or housing vulnerability were common among survey participants, many reported facing particular challenges related to homelessness, or they lived in neighborhoods with lower incomes and higher poverty rates. Roughly 20% of survey participants reported recent experiences with extreme housing instability or homelessness and, so far, these applicants are 8 percentage points less likely to be approved for funding than those who did not report a recent experience of homelessness. On the other hand, those survey participants living in low-income and high poverty areas were slightly more likely to be approved for rent relief support compared to survey participants overall. Low-income and high-poverty areas were identified using Qualified Census Tract (QCT) designations according to the Department of Housing and Urban Development (HUD).

Facing Multiple Barriers

While facing any individual barrier made it harder for renters to complete an application, facing multiple obstacles in applying compounded that disadvantage. Our findings show that the layering of these barriers can have dramatic effects on the outcome of ERA applications. To test the effects of compounding barriers, HIP created a score capturing a count of unique barriers each applicant faced in submitting an application, with each barrier weighted equally. Scores ranged between zero and eight, with a mean of 1.4, a standard deviation of 1.3, and a median of 1.

Consistently, applications with higher scores were less likely to receive funding, and more likely to be denied or still pending, as of April 24, 2022. Chi-squared tests indicate that these findings are statistically significant.

Applications from respondents with no reported barriers were approved 73% of the time. Yet, applications from respondents who reported three or four barriers were approved at a rate of 62%, and applicants who reported five or more barriers were approved 57% of the time (see Table 9).

Similar patterns held for denial rates and for patterns in pending applications after many months. Applicants who reported five or more barriers were more than twice as likely to be denied funding as those who reported no barriers (22% denials verses 9% denials). Applicants facing more barriers to applying for assistance were also more likely to still have their application under review as of April 24, 2022. Since our survey window ended in October 2021, any outstanding applications were at least six months old. HIP suspects much of this lag is driven by missing or incomplete documentation.

The survey results show that households that faced more barriers and/or were more vulnerable were more likely to be denied assistance through the program. The effects of these barriers are likely even more pronounced than this analysis suggests, since many tenants who faced these barriers may have been less likely to fill out the online survey, or may not have been able to successfully access the application for rent relief in the first place.

Table 09. California ERA Application Status by Barriers Faced, as of April 2022

Grouping	Count	Approved Or Paid	Denied	Other/Pending	Incomplete
Entire Sample	68,073	68%	13%	17%	2%
No Barriers	20,147	73%	10%	15%	2%
One or Two Barriers	35,101	68%	13%	17%	2%
Three or Four Barriers	10,731	62%	18%	19%	2%
Five or More Barriers	2,094	56%	21%	21%	2%

Summary and Conclusion

California is currently in the final stages of administering what has been the largest COVID-era, Emergency Rental Assistance Program in the country. More than 550,000 households applied for assistance and as many as 200,000 additional households engaged with, but did not complete applications to, the program. Renter households with children as well as Black, Native Hawaiian, Pacific Islander, American Indian, and Hispanic households were particularly likely to apply for and receive funding through the program. This finding is consistent with research showing that these groups were disproportionately economically impacted by the COVID-19 crisis and suggests that the California program was largely successful in reaching these high need groups.

Trying to meet the high level of need put significant stress on the program's operations; some households faced wait times of six months or longer. While an active application for rental assistance has protected tenants from payment-based evictions, this protection is ended as of June 30, 2022. Many applicants surveyed in this report reported significant rent arrears, of a year or more in back rent owed. We also found that many applicants had borrowed money to pay rent, raising concerns about the persistence of shadow debt after rent relief funding is secured. Finally, our descriptive statistical analysis suggests that applicants are more likely to have applications for rental assistance that were still pending as of April 24, or to have been

denied, if they faced multiple hurdles to applying for assistance through California's ERA program.

This report is primarily descriptive in nature and is meant to provide a snapshot of the program in its final months. In future work, the research team will report in more detail on many of the themes raised in this report, including the effects of program changes, the household level financial stress and debt levels, and the program's success in serving the most vulnerable Californian renters.

A forthcoming report, produced in partnership with researchers at California State University, Long Beach, will describe outreach strategies employed by local community partners to raise awareness and promote California's COVID-19 Rent Relief Program, and to assist residents in completing applications.

HIP is also actively working on two additional reports. One of these reports will extend our analysis of barriers in accessing the rent relief program with statistical and regression analysis, exploring the program from an equity standpoint. The other report already underway analyzes a follow-up survey of applicants, including both those who did and did not receive rent relief, to evaluate the impact of rental assistance on household stability outcomes such as eviction, financial, and health outcomes.

ACKNOWLEDGMENTS

The Wells Fargo Foundation, the Annie E Casey Foundation, the Conrad N. Hilton Foundation, and the Chan-Zuckerberg Initiative have generously supported this research. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the authors alone, and do not necessarily reflect the opinions of these funders.

WITH QUESTIONS, PLEASE CONTACT:

Katharine Nelson, Research Director, Housing Initiative at Penn
nelsonkl@upenn.edu