

## Introduction

Even before the COVID-19 pandemic, low-income renters across the country faced increasing housing insecurity. The pandemic has only exacerbated this insecurity as unemployment numbers spike to Great Depression levels. Emergency rent subsidies can provide the critical support renters impacted by COVID-19 need to remain housed at a time of great health and economic uncertainty. They also provide a unique opportunity to better understand the potential of rental assistance to improve the long-term outcomes of vulnerable households.

In order to develop effective rental assistance programs, local housing agencies require robust, real-time data collection and analysis. The Housing Initiative at Penn (HIP) tracks vulnerability indicators like unemployment, income, rent burden, poverty, homelessness that help cities to identify at-risk populations and direct aid to those who need it most.

As cities take on the unprecedented challenge of distributing millions of dollars of aid to renters, lessons learned and best practices from other cities provide the critical understanding needed to design and implement new programs while keeping in mind city-specific demographics, history, and challenges. HIP is working intensively with six cities—Atlanta, Baltimore, Cleveland, Los Angeles, Oakland, and Philadelphia—to provide technical assistance and disseminate knowledge.

Finally, HIP believes that COVID-19 rental assistance programs offer an opportunity to learn about how public policy can combat the systemic challenges faced by low-income renters. To that end, we have launched a multi-city evaluation of these programs, which has already gathered thousands of survey responses from tenants who applied for relief.

The cities in this study range from nearly 4 million residents to just under 400,000. The following tables (pp. 1-3) display important socioeconomic data collected through the U.S. Census and American Community Survey (ACS). All cities in this study fell well below the national average for homeownership, making rental support programs a crucial element of these cities' housing responses to the COVID-19 pandemic.

	<b>Population</b>	<b>People / Sq Mile</b>	<b>Average Household Size</b>	<b>Homeowner Rate</b>	<b>Renter Occupied Units</b>	<b>Total Housing Units</b>
<b>Atlanta</b>	479,655	3,538	2.2	43%	113,000	199,478
<b>Baltimore</b>	614,700	7,594	2.5	47%	125,539	238,436
<b>Cleveland</b>	387,398	4,986	2.2	41%	99,423	169,365
<b>Los Angeles</b>	3,959,657	8,449	2.8	37%	867,749	1,373,864
<b>Oakland</b>	421,042	7,533	2.6	40%	96,305	161,483
<b>Philadelphia</b>	1,575,522	11,737	2.6	53%	279,681	594,778
<b>United States</b>	322,903,030	91	2.6	64%	43,285,318	119,730,128

Source: 2018 ACS 5-Year Estimates

All six HIP partner cities have majority minority rental populations. Los Angeles has the highest share of Hispanic renters while Baltimore has the largest share of Black renters. Our spatial analysis showed that poverty rates and rent burden levels (which are both associated with housing insecurity) are often disproportionately high in neighborhoods with predominantly non-White populations.

	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>Asian</b>
<b>Atlanta</b>	33%	57%	4%	4%
<b>Baltimore</b>	24%	66%	4%	3%
<b>Cleveland</b>	30%	57%	9%	2%
<b>Los Angeles</b>	32%	13%	41%	12%
<b>Oakland</b>	29%	30%	21%	15%
<b>Philadelphia</b>	34%	45%	13%	6%

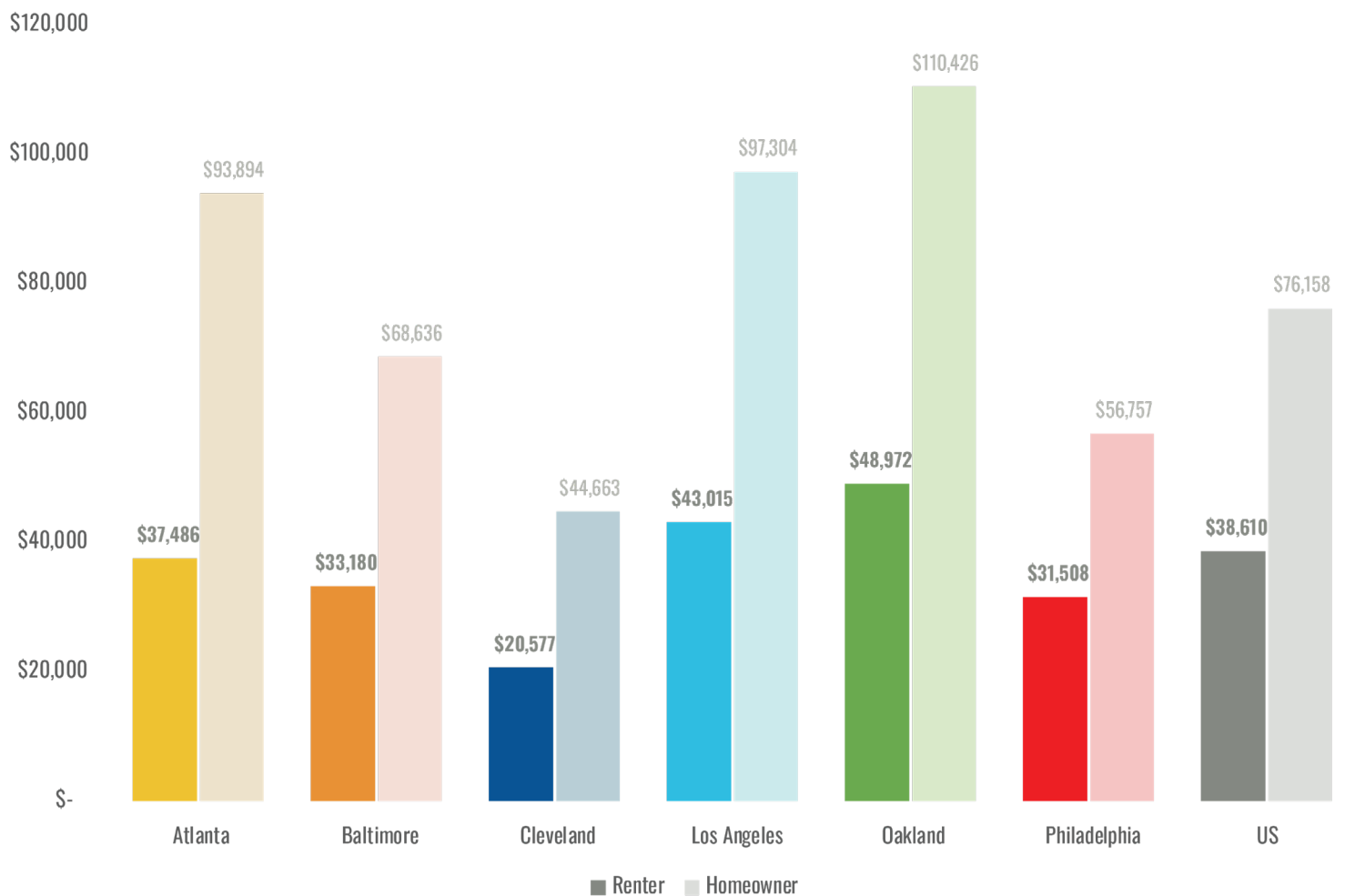
*Source: 2018 ACS 5-Year Estimates*

Understanding rent burden and where it occurs is essential to combating housing insecurity. Rent burden is typically defined as spending 30% or more of monthly household income on rent. According to the 2018 ACS data, all the cities in our study have high shares of rent-burdened residents. A spatial analysis of rent burden can help identify vulnerable communities and help policymakers to proactively prevent housing displacement or eviction.

	ATL	BWI	CLE	LA	OAK	PHL
<b>Average Rental Household size</b>	242,421	294,522	213,347	1,474,043	171,829	682,893
<b>30% Of Income Spent On Rent</b>	49.8%	48%	46.2%	40%	48.7%	45.2%
<b>50% + Income Spent on Rent</b>	25.6%	28%	30.7%	32.5%	26.2%	32%
<b>Population Below Poverty</b>	43.4%	47.3%	41.3%	36.8%	40.4%	53%
<b>Median Rental Cost</b>	\$1,099	\$1,051	\$700	\$1,376	\$1,354	\$1,007

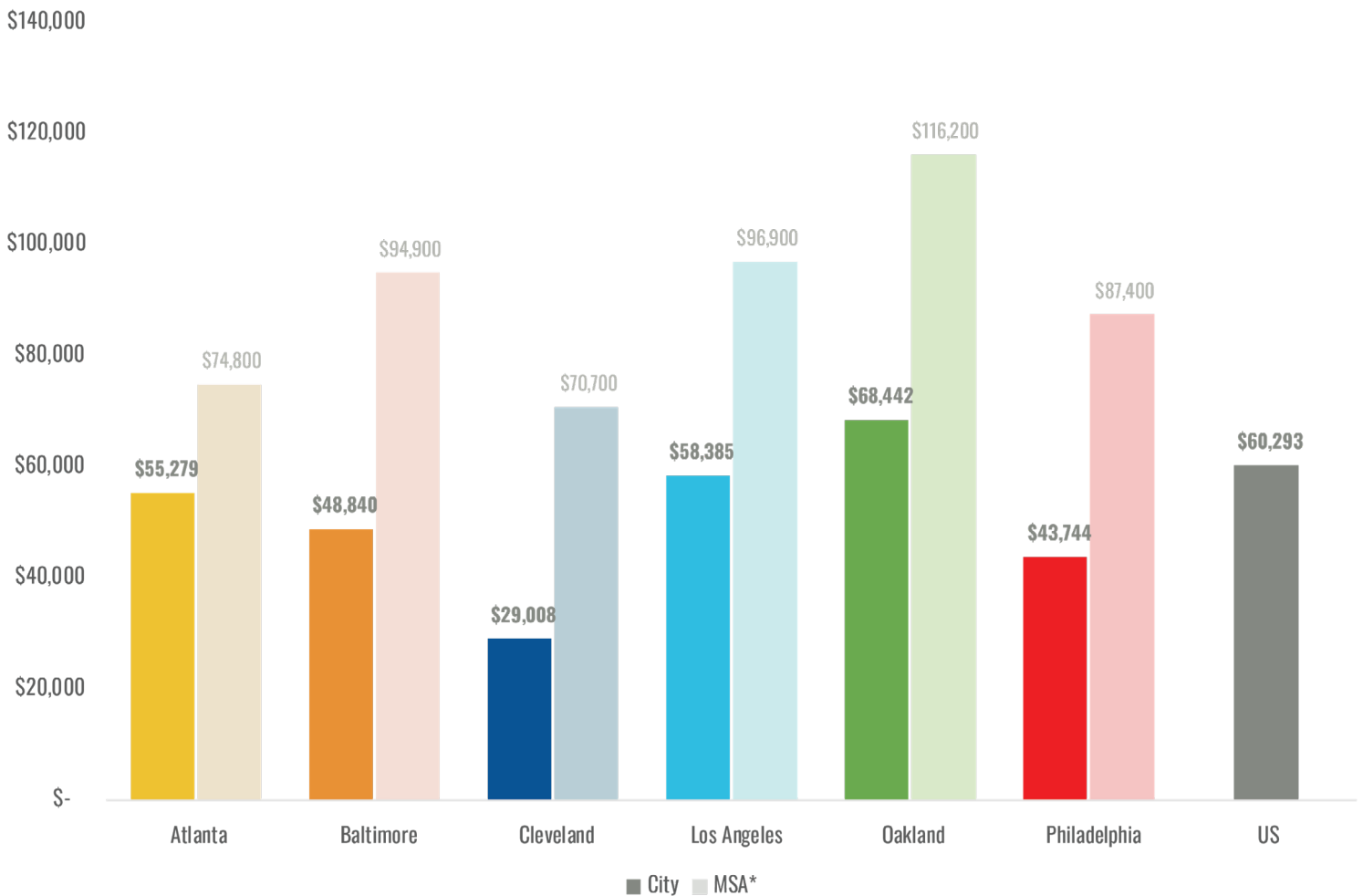
## Renter & Homeowner Income Disparity

As the cost of living in many American cities rises, there is a significant and growing gap between the income levels of renters and homeowners. In a majority of our six partner cities, the median household income for homeowners is more than double the median household income for renters. The income divide is most severe in Atlanta, Los Angeles, and Oakland.



Source: 2018 ACS 5-Year Estimates

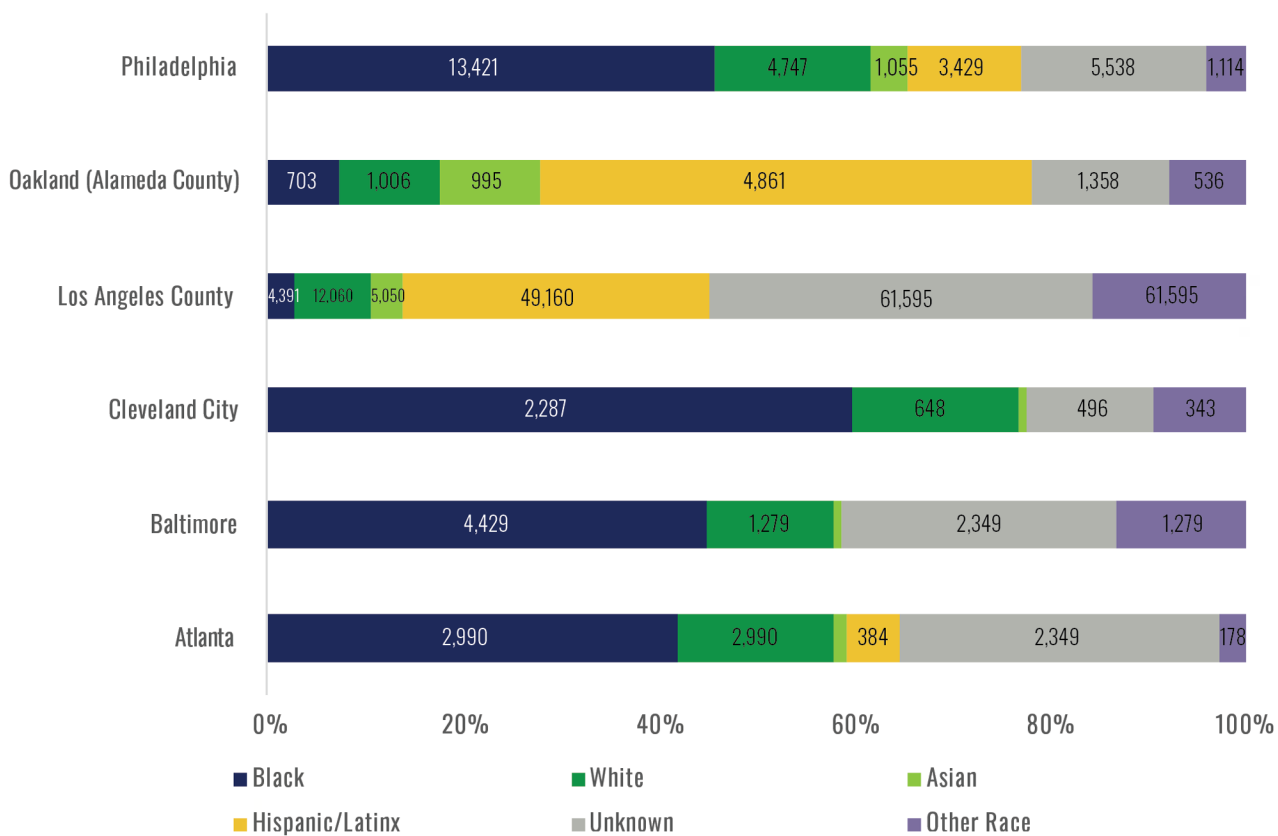
Housing assistance programs typically use a household's share of area median income (AMI) at the *metropolitan* level to determine their eligibility. For our six partner cities, the AMI at the Metropolitan Statistical Area (MSA) level is significantly higher than the AMI at the city level, meaning that a larger proportion of renters in these cities qualify for housing assistance programs.



Source: 2018 ACS 5-Year Estimates, HUD's Office of PD&R

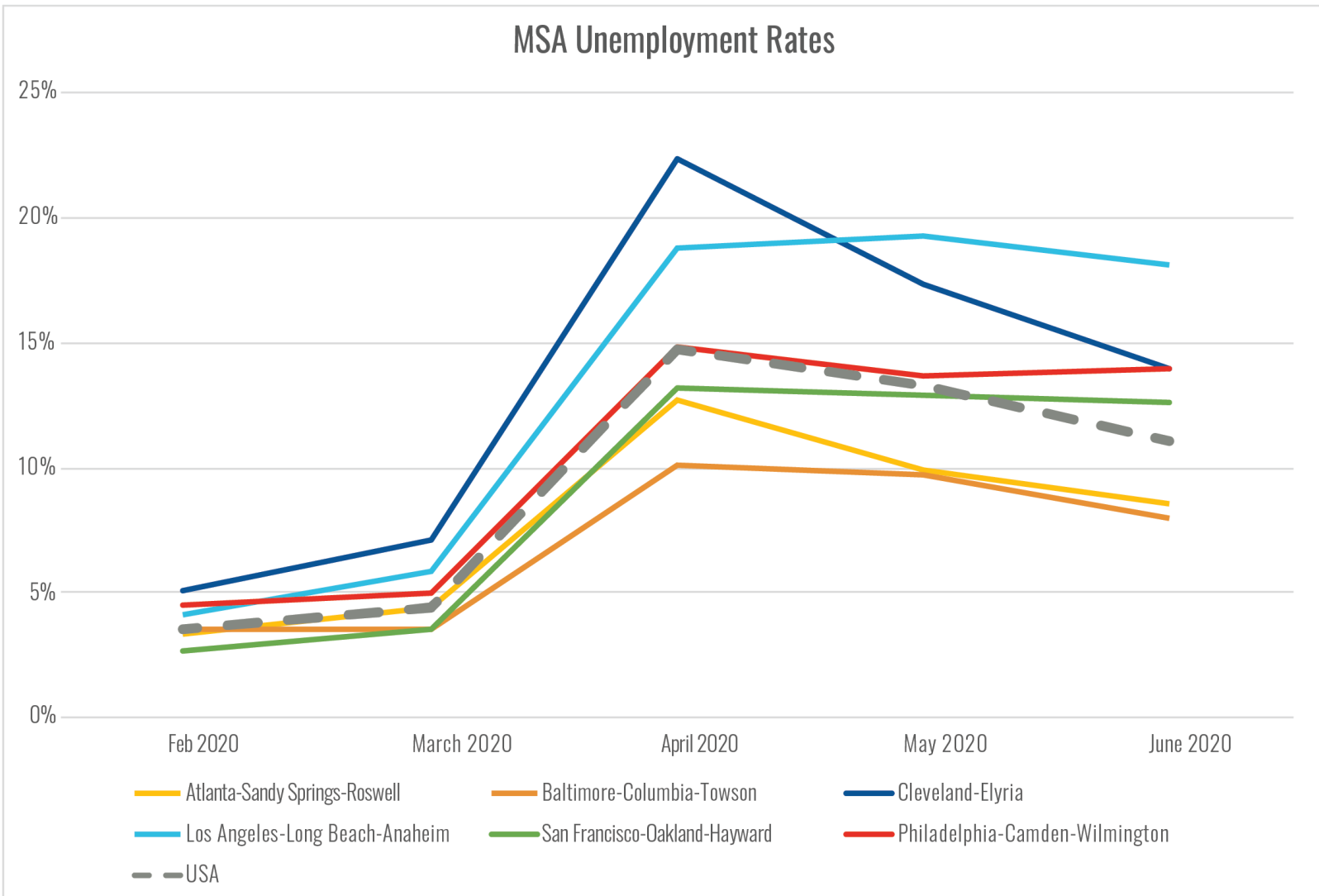
Most of the cities in the study have been hot spots for COVID-19 cases in their regions and states. Cities and states have adopted differing responses to the pandemic, depending on the severity of their case and death rates, as well as on the political alignment of city and state leadership. Whereas some cities continue to have stay-at-home orders, others have fully or partially reopened, and still others have remained open for almost the entire duration of the pandemic. In our six partner cities, residents of color are disproportionately represented among both cases and deaths.

**COVID-19 Cases by Race**



Source: City/County Health Departments

Unemployment has soared across the United States. The nation first saw large spikes of employment loss in March and April with cities like Los Angeles and Cleveland among some the hardest hit. In May and June, Atlanta, Baltimore, and San Francisco have all seen slight declines in unemployment, while Cleveland has seen close to a 10% decrease in their unemployment rate between April and June. There are concerns that the nation will face a second wave of unemployment as COVID-19 cases continue to rise.



Source: 2020 BLS Monthly Labor Reports



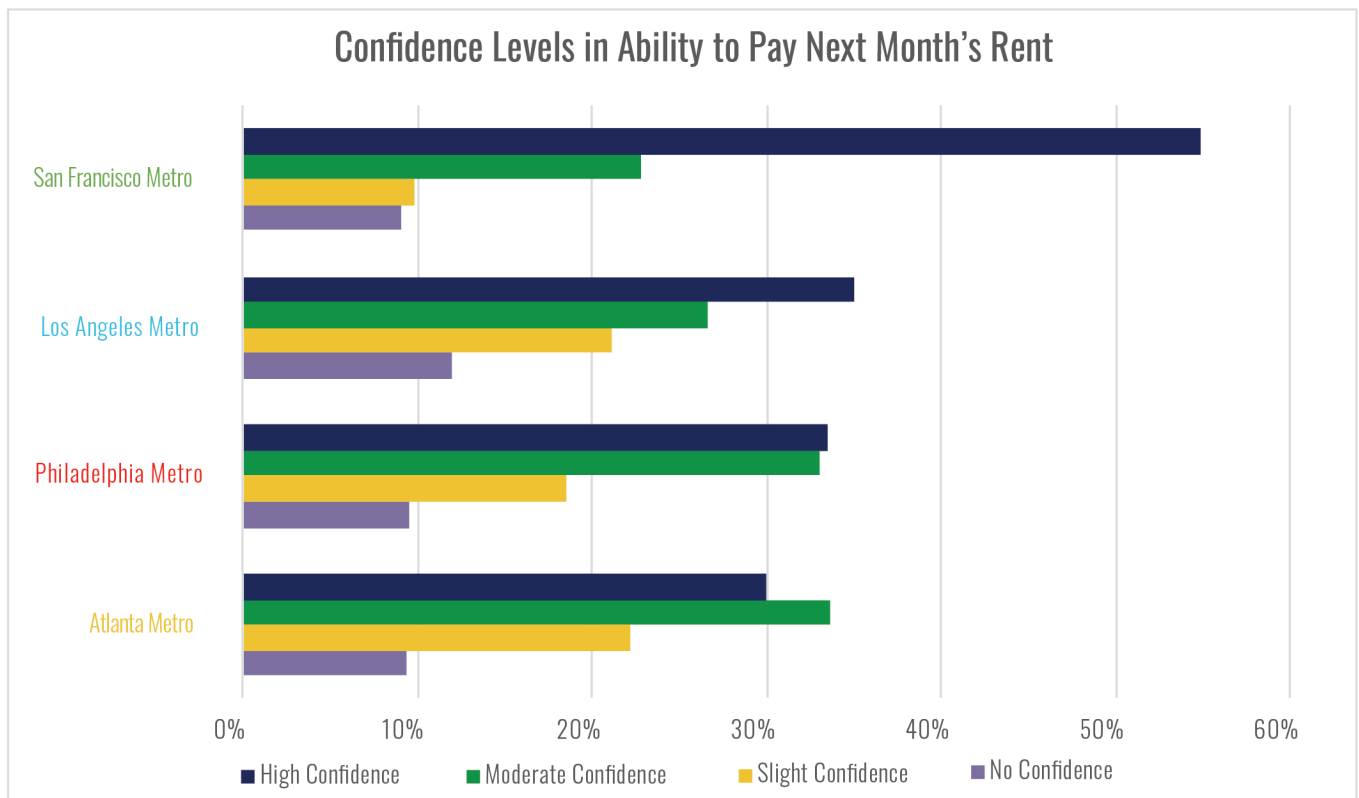
## Lost Income Due to COVID-19

Since the start of the pandemic, over 50% of income-earning adults have lost employment income. The highest levels of income loss and anticipated income loss among our six partner cities were found in Los Angeles, which is consistent with trends in California. San Francisco has fared significantly better with rates more than 10% lower than Los Angeles'. Across all geographies, Black and Hispanic residents, and households with annual incomes of less than \$50,000, have been most likely to experience income losses since the onset of the pandemic.

	Lost Income Since March 13th	Expect to Lose Income in Next 4 Weeks
<b>Los Angeles Metro Area</b>	59.1%	48.2%
<b>Atlanta Metro Area</b>	56.0%	39.1%
<b>Philadelphia Metro Area</b>	51.8%	31.2%
<b>San Francisco Metro Area</b>	46.9%	33.2%
<b>California</b>	57.3%	42.7%
<b>Georgia</b>	51.4%	37.3%
<b>Maryland</b>	50.9%	30.9%
<b>Pennsylvania</b>	49.9%	31.4%
<b>Ohio</b>	45.2%	29.9%

*Source: US Census Household Pulse Survey*

Across our partner cities, there is a wide range of confidence levels in ability to pay August’s rent. The Atlanta and Los Angeles metro areas have the highest shares of renters with no or slight confidence levels. Renters in the San Francisco MSA, which includes Oakland, have the highest rate of confidence in their ability to pay rent.



Source: US Census Household Pulse Survey

## Rent Payment Status

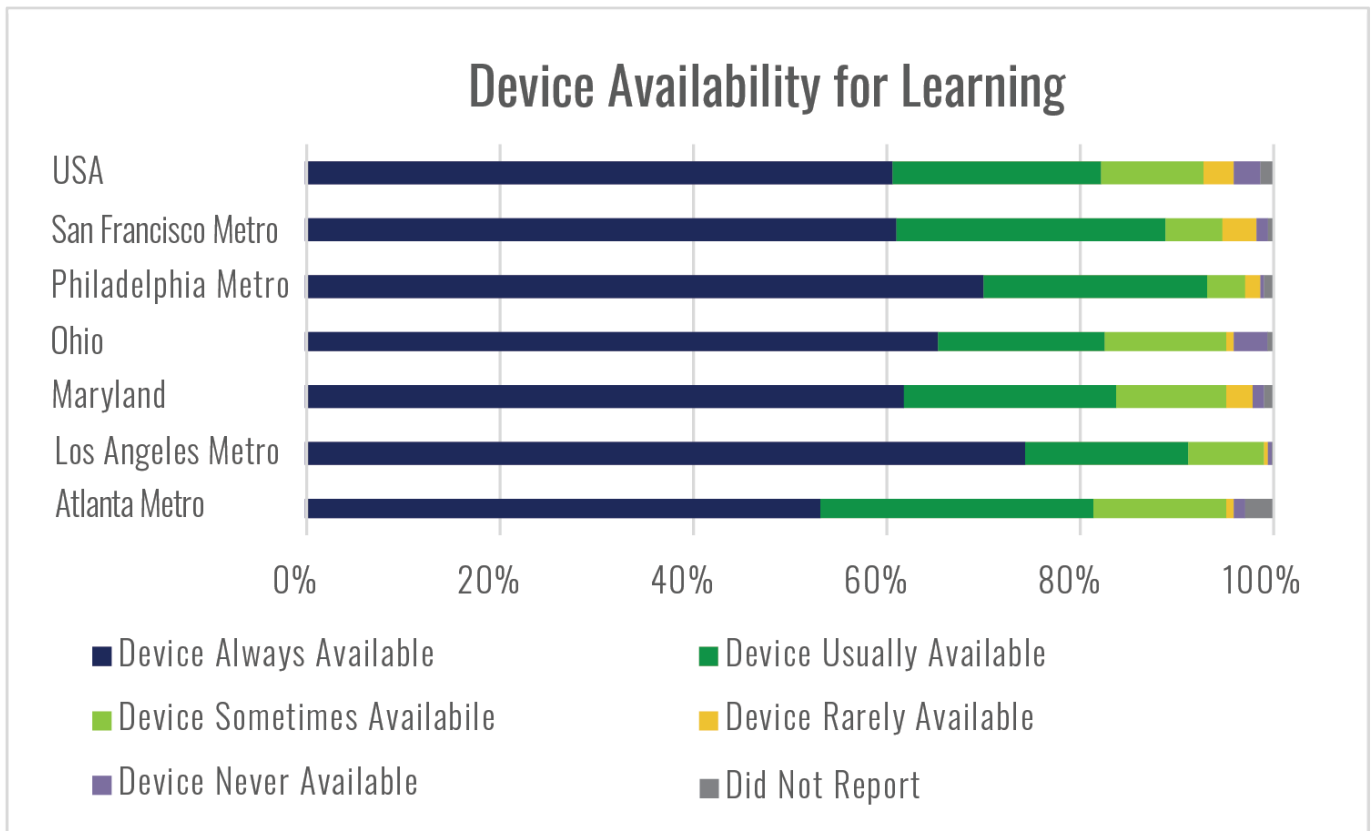
At the metropolitan level, Atlanta and Philadelphia have the highest shares of renters who reported not paying rent in July. At the state level, Maryland renters have been particularly hard hit with a non-payment rate close to 28%, more than double California’s rate of 11%.

	<b>Did Not Pay Rent Last Month</b>	<b>Occupying Unit Without Rent</b>	<b>Deferred Rent</b>
<b>Los Angeles Metro Area</b>	11.41%	4.20%	4.46%
<b>Atlanta Metro Area</b>	19.50%	4.70%	0.87%
<b>Philadelphia Metro Area</b>	17.90%	4.20%	1.10%
<b>San Francisco Metro Area</b>	10.93%	2.54%	5.76%

<b>California</b>	11.10%	3.80%	3.32%
<b>Georgia</b>	22.00%	7.30%	2.59%
<b>Maryland</b>	27.67%	3.06%	3.32%
<b>Pennsylvania</b>	21.89%	3.32%	0.92%
<b>Ohio</b>	19.17%	3.22%	1.47%

*Source: US Census Household Pulse Survey*

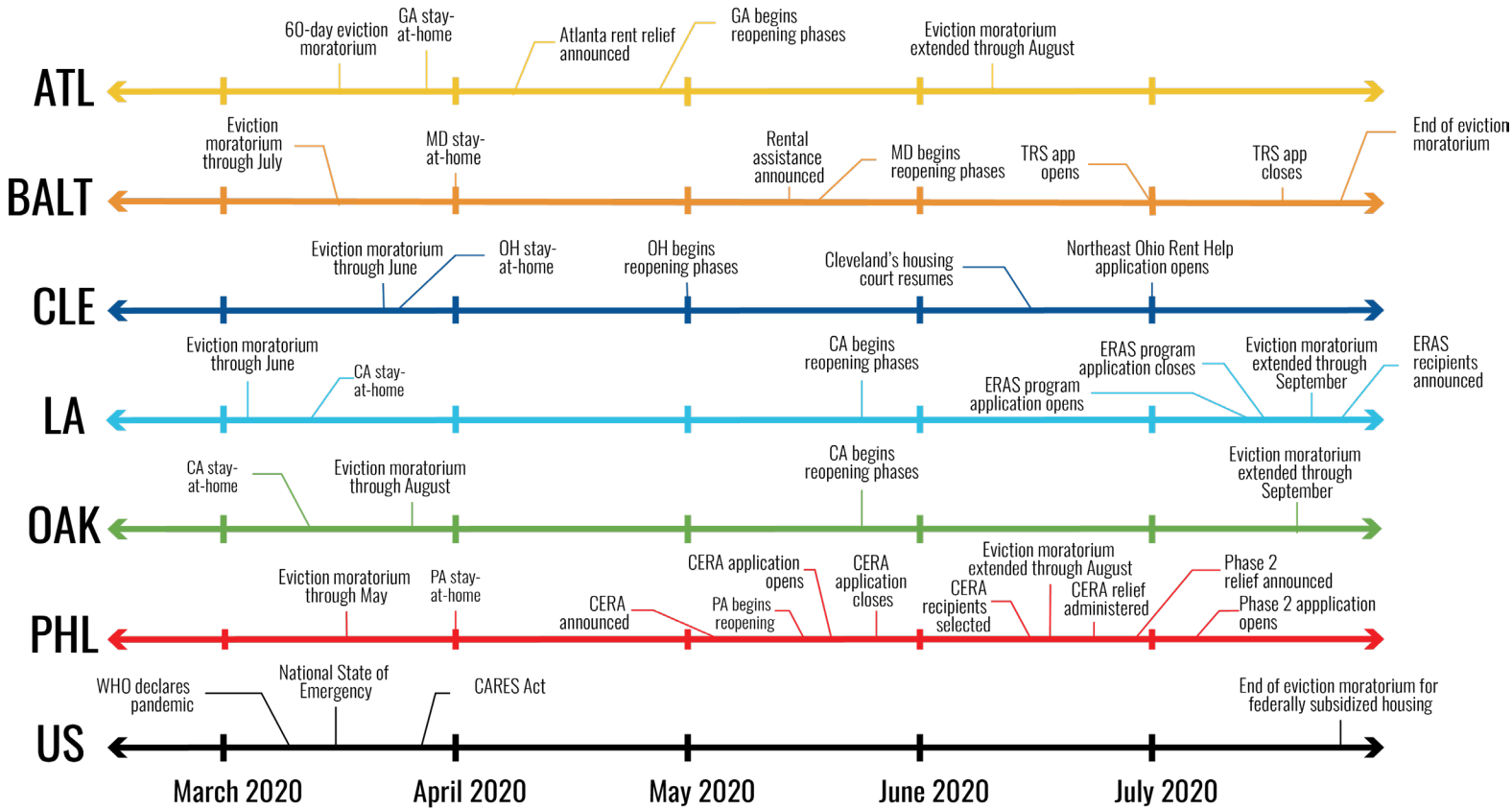
Device availability for learning constitutes a major concern for households as many school districts have announced plans to begin fall classes online. Significant disparities in access to electronic devices exist across cities and across household socioeconomic indicators. These disparities raise the larger issue of the digital divide. Lower-income families are less likely to have devices and/or internet available for their children to learn at home. Philadelphia, Los Angeles, and San Francisco fare best, while Atlanta has the lowest device availability rates of the MSAs and states. Access to electronic devices and internet are important not just for child learning, but also for applying for and receiving housing assistance. Cities must consider how most equitably to enroll households in rental assistance when face-to-face interactions pose health risks.



Source: US Census Household Pulse Survey

In all of our partner cities, an eviction moratorium was the first policy protecting renters during the pandemic. Eviction moratoria were first implemented in March and have often been extended repeatedly throughout the late summer and early fall of 2020, but have now expired in Cleveland and Baltimore. There has been wide variety in the implementation timeline for rental assistance. Philadelphia mounted the earliest programmatic response, administering their first wave of rental assistance in May and June. Other cities, such as Baltimore, Cleveland and LA, opened their programs in early July and are now in the process of reviewing applications and administering aid. Atlanta hopes to launch its program in August.

### COVID-19 Housing Response Timelines



While the CARES Act protected renters in federally subsidized housing, local rental assistance programs (also funded by the CARES Act) protect renters in unsubsidized rental units. The goals of rental assistance programs will differ depending on the demographics of each city. The majority of our partner cities opted to orient their programs towards stemming an anticipated wave of evictions, a process that is costly to both residents and the public.

	ATL*	BALT	CLE	LA	OAK**	PHL
<b>Prevent Homelessness</b>	✓		✓	✓		✓
<b>Stem Evictions</b>	✓	✓	✓	✓	✓	✓
<b>Support Landlords</b>				✓		✓
<b>Reduce Rent Burdens</b>		✓	✓	✓	✓	

\* Atlanta’s rental assistance program has not been released publicly. Information in this table is subject to change.

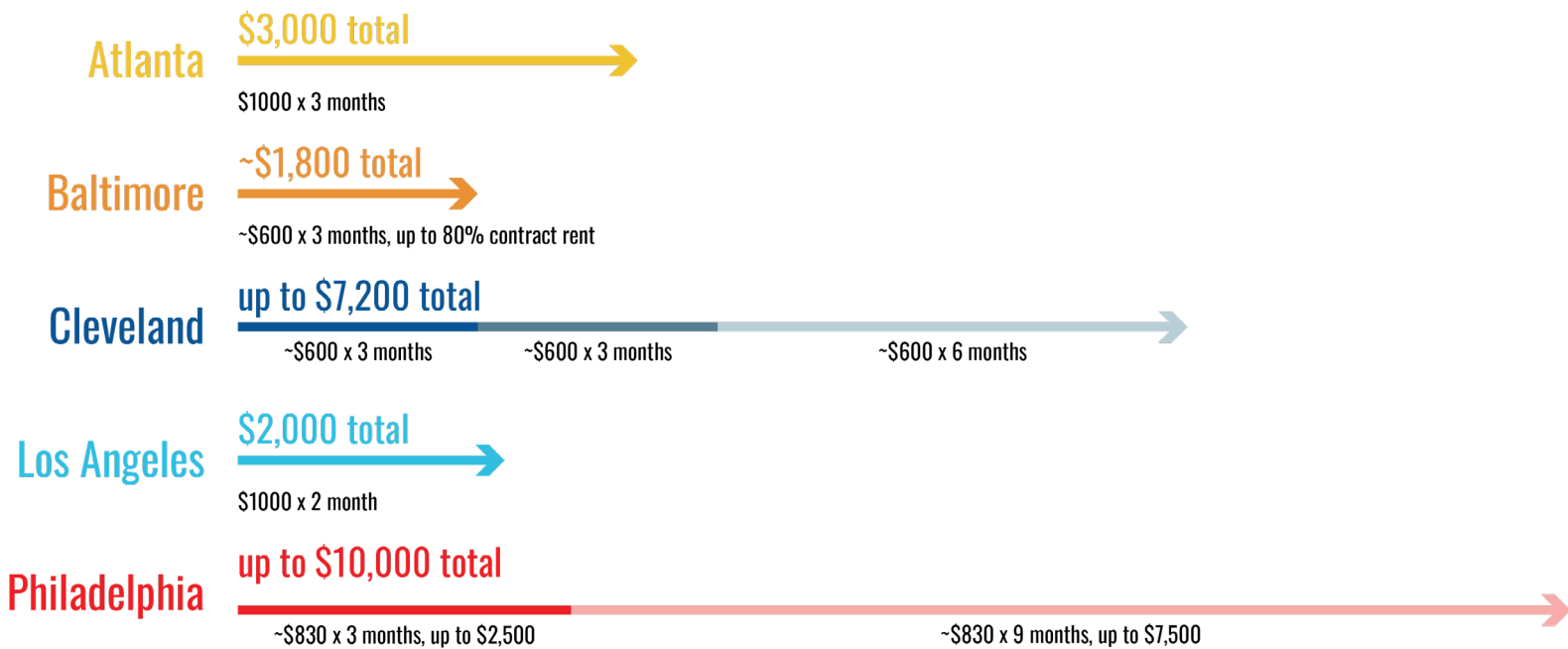
\*\*Oakland has yet to design and launch a specific COVID-19 rent relief program. Information in this table reflects the city’s existing rental relief programs.

Funding for rental assistance programs varied greatly across HIP cities. Los Angeles had the largest funding pool at \$100 million. Cleveland had a total of \$11.3 million, utilizing \$6.4 million in CDBG Funds and \$3.9 in ESG allocations. Baltimore had a total budget of \$15 million, all of which was federally allocated. Philadelphia had one of the smallest budgets for the first phase of its program, at \$10 million, but is now administering a second phase that is funded by CARES Act funds allocated to the state.

	ATL*	BALT	CLE	LA	PHL
<b>CDBG-CV</b>	✓	✓	✓		✓
<b>ESG-CV</b>	✓		✓		
<b>Other Federal Funding</b>				✓	
<b>City General Funds</b>				✓	
<b>City Affordable Housing or Housing Trust Fund</b>					✓
<b>HOME Funds</b>			✓		✓

\* Atlanta’s rental assistance program has not been released publicly. Information in this table is subject to change.

The amount of rental assistance per household is typically either varied based on the recipient's household income and rent, or fixed. Baltimore implemented a dynamic allocation model wherein eligible households received aid towards rent arrears for April, May, and June. The City awarded eligible tenants the difference between 30% of their monthly household income and 80% of their total contract rent for these three months. In Philadelphia, the amount of assistance was uniform and applicants were selected to receive aid using a lottery system. Both Cleveland and Philadelphia implemented an extended assistance model which requires applicant recertification and either in-person or virtual unit certification.





## Eligibility for Tenants

Eligibility criteria for applicants were fairly uniform across cities. Most programs required that recipients have household incomes below under a certain share Area Median Income (AMI) and that they have COVID-19-related income losses. Atlanta and Baltimore prioritized low-income applicants with children as well as the elderly. In Los Angeles, tenants with household incomes below 30% of AMI or below 50% of AMI were prioritized, with a certain share of assistance reserved for each category. In Philadelphia, priority was given to households with children who resided in high poverty census tracts (with poverty rates of 25% or higher).

	ATL*	BALT	CLE	LA	OAK**	PHL
<b>Maximum Allowable Pre-COVID Household AMI</b>	60%	50%	80%	80%	50%	50%
<b>Behind on Rent Since COVID</b>		✓				
<b>Financial Hardship of Loss of Income Due to COVID</b>	✓	✓	✓	✓	✓	✓
<b>Tenant has applied for other state or federal relief unemployment</b>	✓	✓				
<b>City Residency</b>	✓	✓	✓	✓		✓
<b>Must Have Current Lease</b>	✓	✓	✓	✓ <sup>†</sup>		✓

\* Atlanta’s rental assistance program has not been released publicly. Information in this table is subject to change.

\*\*Oakland has yet to design and launch a specific COVID-19 rent relief program. Information in this table reflects the city’s existing rental relief programs.

† Los Angeles requires that the tenant establish their tenancy, but they accept a verbal lease.

All of the cities in this study sent or will send aid directly to the landlords on behalf of selected tenants. Landlords are usually required to forgo evictions and waive penalties while receiving aid. Baltimore and Philadelphia have taken it a step farther and required that landlords not pursue eviction for a period of time after the assistance is received. In some cities, landlords are also required to discount or forgive back rent during certain months. In Baltimore, the city’s subsidy only covers up to 80% of the contract rent but landlords must agree to accept the discounted rent as whole in order to receive the subsidy. Cities may also require the landlord to be formally registered with the city or submit a W-9 (tax documentation).

	BALT	CLE	LA	OAK**	PHL
Complete Agreement Form	✓		✓		✓
Waive Tenant Late Fees or Penalties or Interest	✓		✓		✓
Forego Eviction While Receiving Assistance	✓		✓		✓
Forego Eviction for 6 Months After Receiving Assistance	✓ <sup>†</sup>				✓
Landlord Must Forgive a Certain Portion of Arrears	✓ <sup>††</sup>	✓			✓ <sup>††</sup>
Must Have Rental License or Formal Registration	✓		✓		✓
Submit W-9			✓	✓	✓

\*\*Oakland has yet to design and launch a specific COVID-19 rent relief program. Information in this table reflects the city’s existing rental relief programs.

† Baltimore bars eviction during the months of July and August

†† In Baltimore, Landlords must discount back arrears by 20%. In Philadelphia, landlords must forgive 1/3 of backrent and provide tenants 6 months to make back payments

Most programs in the study require landlord participation. Landlords must meet the criteria and provide the documentation in order for their tenants to participate in the program. Tenants must also submit their own documentation. Submitting documentation online can be time-consuming and programs that require extensive documentation likely deter prospective applicants from completing their application. Los Angeles requires documentation only after the selection process is complete, which may increase tenant uptake and equity.

	BALT	CLE	LA	OAK*	PHL
<b>Proof/Self-Certification of Loss of Income or Unemployment Benefits</b>	✓	✓	✓	✓	✓
<b>Proof of Income Prior to COVID-19</b>			✓	✓	✓
<b>Indentification</b>	✓	✓	✓	✓	✓
<b>Documented Lease, Rental Agreement or Proof of Tenancy</b>	✓	✓	✓	✓	✓
<b>Unit Self-Certification</b>		✓ <sup>†</sup>			✓

\* Oakland has yet to design and launch a specific COVID-19 rent relief program. Information in this table reflects the city’s existing rental relief programs.

† Cleveland’s Rental Relief program only requires self-certified inspection for units receiving ESG-CV and Home Funds allocations. The intent is to ensure that the units in question are actually habitable for the required stay-at-home orders mandated during the COVID-19 Pandemic. Along with proving changes in income due to COVID-19, in Oakland, applicants must prove that they would be unable to pay rent or that they are already behind on payments.

## Ineligibility

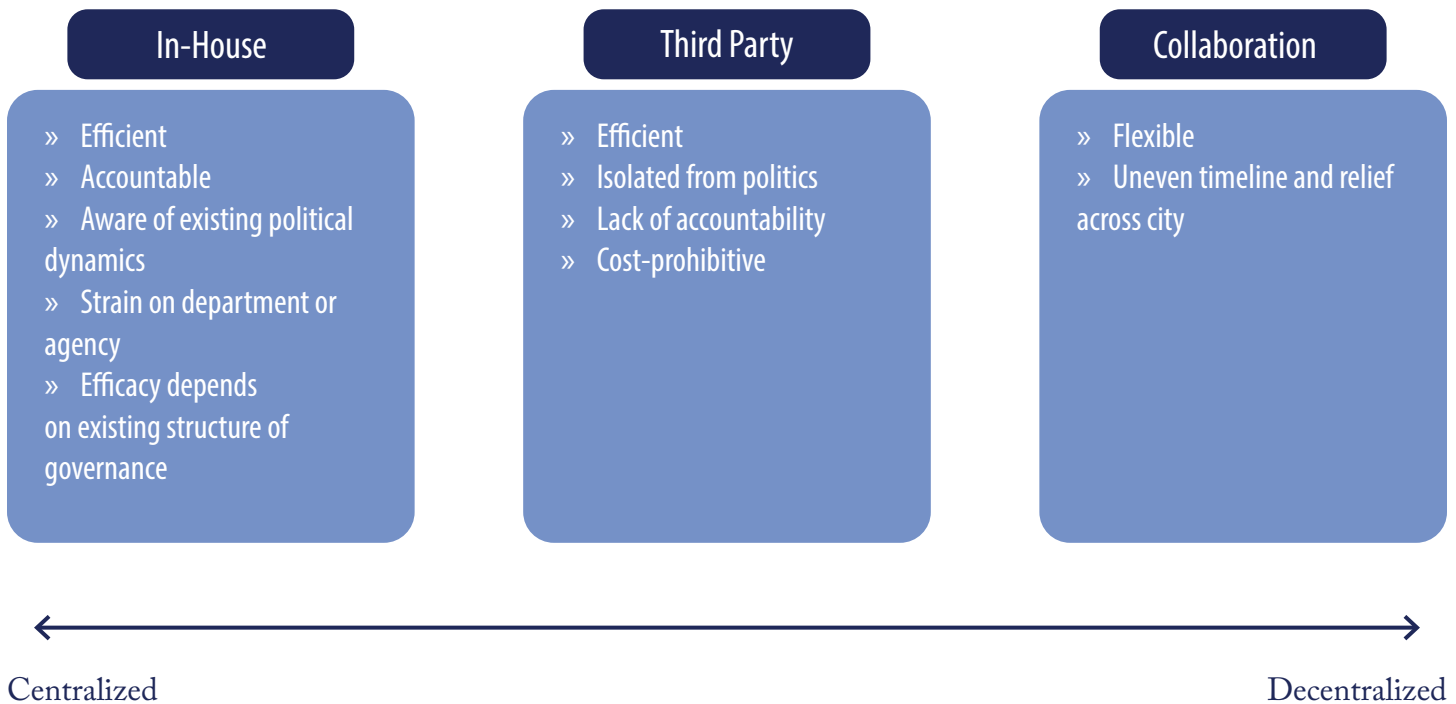
All cities using CARES Act funding must comply with the regulations governing that funding, and therefore are unable to assist tenants who already receive federal housing subsidies such as Housing Choice Vouchers. Baltimore and Philadelphia had additional ineligibility criteria that eliminated applicants who were in poor financial standing with their landlord or already facing eviction proceedings.

	ATL*	BALT	CLE	LA	OAK**	PHL
<b>Tenant Already Receives Federal Housing Aid</b>	✓	✓	✓	✓	✓	✓
<b>Tenant Has Unpaid Rent Prior to COVID-19</b>		✓				✓
<b>Landlord Began Eviction Proceedings Prior to COVID-19</b>		✓				✓

\* Atlanta’s rental assistance program has not been released publicly. Information in this table is subject to change.

\*\*Oakland has yet to design and launch a specific COVID-19 rent relief program. Information in this table reflects the city’s existing rental relief programs.

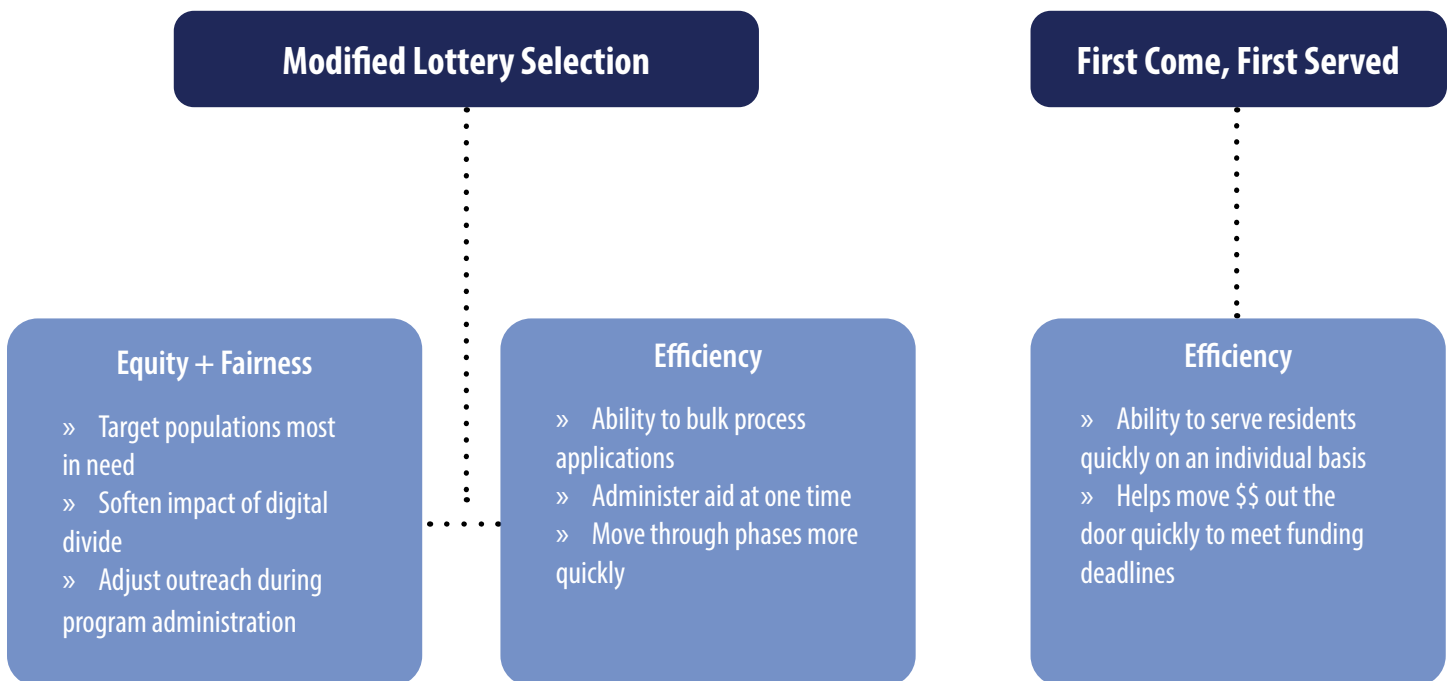
For many cities, developing and launching rental assistance programs is a new endeavor, and approaches varied. An in-house model, as seen in Los Angeles, Baltimore, and Philadelphia, relies primarily on existing city government staff. The City of Atlanta plans to work closely with a third-party administrator, United Way of Atlanta, to distribute funds, while Cleveland has engaged 35 organizations to conduct intake and provide assistance to tenants, including rent relief.



In-house models rely largely on one city agency to coordinate all levels of program administration from design to implementation. But even in-house models often rely on outside organizations for payment distribution or outreach. Some city housing departments or agencies do not have sufficient internal capacity to quickly develop and implement a program of this kind; they can increase efficiency by partnering with a third-party administrator or nonprofit network.

## Selection Process & Outreach

When the number of eligible applicants exceeds available assistance, cities must use a process to select rent relief recipients. A modified lottery approach randomizes selection, but still prioritizes certain groups or ensure a representative distribution across geography, income, or other variables. Randomization allows for program administrators to process applications in bulk once the application window has closed. It also ensures that residents who do not hear about or apply for the program within the first days or hours of launch still have an equal chance of receiving assistance. Alternatively, some cities use a first-come, first-served selection process, which gets money out the door more quickly. This is important, given that certain funding streams are time-limited, such as CARES Act funding, which expires at the close of 2020. However, first-come, first-served selection requires staff oversight to review each application and award aid on a rolling basis.



Program outreach is a critical component of informing the public about rental assistance programs. Cities in the study conducted outreach across multiple platforms and languages to reach as many eligible households as possible. Channels for outreach included messaging in housing court or through housing counselors, press releases, and outreach via social, print, and radio media.

Recent Household PULSE Survey data collected by the U.S. Census Bureau during the week of July 29<sup>th</sup>, 2020 show that 13.5% of renters surveyed nationally had no confidence in their ability to pay August's rent. Another 19% of renters have only slight confidence. The same PULSE Survey data also indicate that of the 73 million respondents, 61% either have experienced job loss or reside with someone who experienced job loss since the onset of the COVID-19 pandemic in March 2020. The eviction protections and unemployment insurance offered through the CARES Act expired on July 31<sup>st</sup>, such that we may see a spike in the inability to pay rent, and a wave of evictions as a result.

Local rental assistance programs have helped to supplement income losses and stabilize low-income renters. Cities, counties, and towns will continue to play a critical role in assisting the most vulnerable in this time of crisis.

Our goal at HIP is to help inform these efforts by providing data analysis and best practice research, and by facilitating knowledge sharing across cities.

**HIP would like to extend our heartfelt thanks to our Summer 2020 Partner Cities, the Stoneleigh Foundation, The California Community Foundation, and PennPraxis, for their support.**