

Working Paper Written
by Dr. Ayse Pamuk and
Temur Umarov

Policy Brief Designed by
Temur Umarov



CALIFORNIA COVID EMERGENCY HOUSING POLICIES OVERVIEW

**APPLIED HOUSING
RESEARCH INITIATIVE (AHRI)**



EXECUTIVE SUMMARY

- Studies show eviction moratoriums were effective in preventing an eviction crisis, while expiration of these policies was associated with increased COVID cases and deaths due to the virus.
- The literature shows that nonprofits play a significant role in the success of EHP, but there were considerable capacity issues hampering the distribution of rental assistance funding.
- Project Homekey experienced issues with difficulty converting motel and hotel units to PSH, the lack of coordination among funding streams, delays due to different rules and regulations imposed by funding providers, among other problems.
- Maintaining adequate funding for operation and management is the predominant long-term challenge for Project Homekey.
- The emergency housing policies implemented during the pandemic show how government can dramatically intervene in the housing arena to protect Americans and prevent the potential of a much deadlier pandemic.



INTRODUCTION

In response to the economic fallout from the COVID pandemic, governments at all levels passed emergency housing policies to prevent an eviction crisis and a significant increase in homelessness. Dr. Ayse Pamuk, professor of Urban Studies and Planning at San Francisco State University and director of the Applied Housing Research Initiative (AHRI), and MPA graduate student Temur Umarov published a [working paper](#) titled “Conceptualizing the Landscape for Emergency Housing Policies and Programs during the COVID-19 Pandemic in California” to provide an overview of the emergency housing policies implemented in response to the pandemic as well as discuss the preliminary studies on their effectiveness and issues. These policies targeted three groups: tenants, homeless, and homeowners.

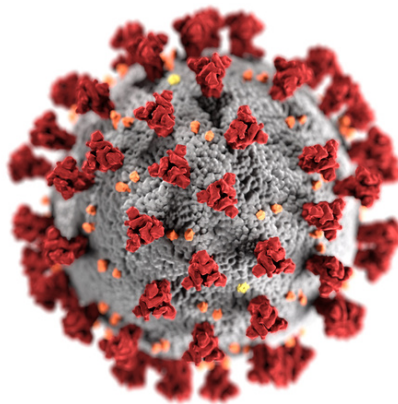


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TENANTS

Eviction moratoriums were enacted at the federal, state, and local levels. The federal government passed several eviction moratoriums. The first federal eviction moratorium was part of the CARES Act and covered tenants who lived in rental units that are 1) participants in federal assistance programs; 2) subject to a federally backed mortgage loan guarantee; and 3) covered by federally backed multifamily mortgage loans. In response to the looming expiration of the CARES Act eviction moratorium in July 2020, former President Donald Trump issued an Executive Order in early August 2020 to direct the CDC to enact another eviction moratorium. Until the Supreme Court struck it down, the CDC eviction moratorium covered tenants in areas with substantial or high level of COVID-19 transmission.

On the state level, the California State Legislature passed AB 3088 (August 31, 2020), which is the state's eviction moratorium. The bill banned evictions of California tenants that can demonstrate COVID-19 related financial hardship and required them to pay 25 percent of the rent by January 31, 2021. Lastly, similar to the state moratorium, local eviction moratoriums were also fairly broad and could supplement the state moratorium. For example, the LA County eviction moratorium granted additional tenant protections in the form of preventing evictions due to no-fault, nuisance, denying landlord entry, pets, and COVID-19 violations related to unauthorized occupants.

The federal government allocated more than \$46 billion for emergency rental assistance nationwide through both the Consolidated Appropriations Act (CAA) 2021 and the American Rescue Plan Act (ARPA) 2021. On the state level, California Governor Gavin Newsom signed COVID-19 Tenant Relief Act that utilized \$2.6 billion from federal assistance to pay landlords 80% of unpaid rent for low-income tenants impacted by the pandemic. In return, landlords were required to accept rent forgiveness for the remaining 20% in back rent and agree not to evict tenants. At least 25% of back rent was required to be paid to the landlord to avoid eviction.



The California State Rental Assistance Program was created under SB-91 (January 29, 2021) and \$1.5 billion in federal Emergency Rental Assistance Program (ERAP) funds was allocated for this program. The rental assistance was distributed at both the state and local levels. The state rental assistance program had several rounds of funding distribution and each had slightly different priorities including 1) households below 50 percent AMI; 2) communities disproportionately impacted by COVID-19; and 3) others eligible for the program who make just below 80 percent AMI. Likewise, for local rental assistance programs, target population and eligibility criteria reveal each city's priority in terms of advancing equity in economic, health, and race/ethnicity. For example, in Oakland, there were some more specifically targeted efforts to reach households living in areas with high COVID-19 infection rates.



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HOMELESS

Projects Roomkey and Homekey are the unprecedented policies the California state government implemented to house the homeless. Project Roomkey was designed to reduce the spread of COVID-19 among the state's vulnerable homeless population by sheltering them in motel and hotel rooms. Program goals included: 1) housing California's homeless population in non-congregate shelters, such as hotels; 2) reducing the spread of COVID-19 among vulnerable populations; 3) protecting human life; and 4) minimizing strain on healthcare system capacity. Project Homekey aimed to provide local entities with funding to purchase and rehabilitate housing, including hotels, motels, and vacant apartment buildings, and convert them into interim or permanent long-term housing. The funds for the program came from both the federal and state governments. Recently, Governor Newsom announced that the state awarded \$694 million to 35 projects in 19 communities throughout California to create 2,500 new housing units for the homeless. The Office of Governor Newsom claims that the program created 12,500 permanent and interim homes for the homeless.



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HOMEOWNERS

In addition to enacting emergency housing policies to assist tenants and the homeless, federal, state and local governments also enacted emergency housing policies to assist homeowners who suffered financial hardship during the pandemic. At the federal level, banks were instructed to waive late fees and penalties for Freddie Mac owned mortgages as part of a mortgage forbearance plan. In addition, Freddie Mac allowed loan modifications to provide mortgage payment relief or to maintain the payments the same after the forbearance period. While homeowners were allowed to not make regular payments without penalty, their loans were deferred and were expected to be paid later.

The California Mortgage Relief program is a part of the Housing is Key initiative with funding from the American Rescue Plan Act (ARPA). The program could provide a maximum of \$80,000 per household through a one-time grant directly to homeowners. As of late June 2022, the state mortgage relief program paid \$81.3 million to 2,302 households with an average of \$35,334 per household. Additionally, a state property tax relief component of the program allows for a maximum relief of \$20,000 to cover past due property tax payments.



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FINDINGS

Preliminary analyses show the number of evictions prevented, the public health benefits associated with the prevention of an eviction crisis, and the primary justifications used to implement these policies. For example, Rangel et al. (2021) found that the CDC eviction moratorium helped prevent 1.55 million evictions nationwide. The expiration of eviction moratoriums was associated with increased COVID-19 case incidences and mortality leading to 433,700 excess cases and 10,700 excess deaths nationally by September 3, 2020 (Leifheit et al. 2021, 2566). Benfer et al. (2022) noted that most of the 43 state level eviction moratoriums implemented by governors, state legislatures, or judges cited public health and/or economic concerns as justification for the implementation(s) of these tenant protections.

Several studies and surveys document the significant capacity issues plaguing the implementation of emergency housing policies and the important role nonprofits played in fund distribution. Elizabeth Kneebone and Quinn Underriner (2022) noted that local governments and nonprofits did not have the capacity to distribute the rental assistance funding and the ones performing the best had more than four times the number of housing and community development related nonprofits than the average performing county.

In March 2022, an interdisciplinary team of researchers at San Francisco State University, including Pamuk and Umarov, designed and implemented the California Cities' Emergency Housing Policies Survey. The survey also sought to document challenges or successes cities faced when implementing those emergency policies. It found that although local government housing officials were emphatic about the successes they had in achieving their emergency housing policy goals, many respondents reported that a significant number of goals remain unmet as cities struggled to find the resources and lacked the capacity to implement these policies (Shea and Mamo, 2022).



CONCLUSION

The emergency housing policies helped prevent a massive eviction crisis and rise in homelessness. In parts of the US, early eviction moratorium expirations potentially led to excess cases and deaths. However, localities with fewer nonprofits and those containing local nonprofits with fewer resources struggled to distribute funding to renters. Project Homekey had similar capacity issues but also included problems with the coordination of funding sources, the presence of low-income residents living at residential hotels set to convert to PSH, data collection, and covering operating costs long-term.

The unprecedented government implementation of emergency housing policy should not be regarded as a one-time event, but a glimpse of the potential for government to protect Americans from eviction and homelessness. A permanent Housing Stabilization Fund should be implemented to provide emergency rental assistance to renters experiencing a sudden and temporary financial hardship due to no-fault of their own and will significantly strengthen our social safety net. Permanent supportive housing (PSH) through Project Homekey could help California house its large homeless population but will require the state to provide long-term funding for the program because some local governments are likely to face budget deficits in the coming years.



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