

DEVELOPING A COVID-19 HOUSING RESPONSE PLAN

As the COVID-19 pandemic unfolds, we recommend that all cities, towns, and counties develop a COVID-19 Housing Response Plan to provide direction for the jurisdiction's response to the immediate housing issues raised by the COVID-19 pandemic as well as the medium- and longer-term issues that are likely to arise as a result of the accompanying economic downturn and increased unemployment.

A COVID-19 Housing Response Plan need not be complicated, and it's appropriate for it to be an evolving document. But the plan should be strategic in (a) clearly defining the jurisdiction's objectives, (b) identifying specific policies and programs to advance those objectives, and (c) describing the metrics that will be used to assess how well the policies (and the plan overall) are advancing the stated objectives.

This brief provides an initial framework to consider in scoping out the topics to cover in the plan. Other resources being developed for LocalHousingSolutions.org will provide guidance on how to approach each topic. The Local Housing Solutions team will be continually updating the COVID-19 response page to provide users with real-time information on how cities are addressing the housing implications of the crisis together with additional guidance on how to develop a COVID-19 Housing Response Plan.

In developing their COVID-19 Housing Response Plans, cities, towns, and counties should consider and address disparities across neighborhoods and among people of different income levels, abilities, race and ethnicity. Close attention to these disparities can help identify areas or populations with a particularly high level of need and/or distinct challenges and inform a more inclusive recovery.

It is helpful to consider three initial phases of response to the COVID-19 pandemic and accompanying economic crisis: **Crisis Response** (short-term), **Stabilization** (medium-term), and **Recovery** (long-term).

I. CRISIS RESPONSE – implement policy responses to respond to the immediate crisis

Most immediately, local officials face the daunting tasks of helping homeless individuals and families to stay safe during the pandemic and preventing evictions and foreclosures due to loss of income. Other immediate challenges involve adapting to social distancing in administering government subsidy programs like public housing and Housing Choice Voucher program and addressing disruptions in housing production and preservation programs.

The following are some of the key policy objectives to consider for the Crisis Response phase:

- **Homelessness:**
 - Ensure all sheltered homeless individuals and families have access to a safe shelter in which social distancing is possible and practiced
 - Ensure policies are in place for dealing with outbreaks at homeless shelters
 - Ensure on-the-street homeless individuals have access to the facilities needed to maintain adequate hygiene
 - Ensure homeless individuals and families have access to medical care
 - Develop policies for handling the discharge of homeless individuals from the hospital
 - Ensure the safety of individuals who work with the homeless

- **Rental housing:**
 - Protect renters from eviction
 - Help rental property owners manage the loss of income associated with eviction moratoria and unpaid rent as well as potential increases in operating costs
 - Develop procedures for administering public housing, the Housing Choice Voucher program, and other housing subsidy programs in light of COVID-19 and social distancing
 - Address obstacles to the completion of planned affordable housing projects
- **Homeownership:**
 - Protect homeowners from foreclosure
 - Help homeowners avoid utility shut-offs

II. STABILIZATION – help to stabilize the housing situations of residents and multifamily properties

The process of helping to stabilize residents and multifamily properties begins once the immediate threats posed by COVID-19 recede. Eventually, shelter-in-place orders will end and large numbers of people will return to work. At the same time, hundreds of thousands (and potentially millions) of people are likely to remain unemployed or underemployed and to struggle paying their rent or mortgage. While rents may fall due to reductions in renter income, they generally cannot drop to the level that the lowest income people can afford, leading to rising unaffordability. Local governments will not be able to maintain eviction moratoria indefinitely. New solutions will be needed – particularly long-term rental assistance and longer-term mortgage forbearance – along with expanded eviction and foreclosure prevention programs.

The following are some medium-term policy objectives to consider during the Stabilization phase:

- Provide rental assistance to help struggling renters when eviction moratoria expire
- Help struggling homeowners avoid mortgage and tax foreclosure when the initial period of mortgage forbearance runs out
- Help owners of multifamily properties meet their operating expenses and debt service in the face of declining rent revenue
- Help small developers (both nonprofit and for-profit) remain in business to preserve development capacity
- Monitor maintenance issues in rental housing to ensure housing quality is maintained

III. RECOVERY – restore the long-term ability of individuals, families, and housing providers to achieve their housing goals

Even after the economy has recovered and the jobless rate has declined substantially, there will still be lingering challenges associated with the COVID-19 downturn. For example, to the extent that people spend down their savings trying to stay afloat during the economic downturn, they will have less money available to manage unexpected financial emergencies, purchase homes, or fund their retirements. It's likely that many individuals will also experience impaired credit and high debt levels and borrowing costs due to an inability to pay bills during the economic crisis. Some small builders and nonprofit developers may go out of business as a result of the economic slowdown, leading in some areas to long-term reductions in the supply of housing that ultimately foster higher rents and home prices. Over the long

term, solutions will be needed to restore the ability of individuals, families and housing providers to achieve their housing goals. Cities, towns and counties will also need to analyze how things have changed in light of the COVID-19 pandemic and economic downturn to refocus and revitalize their housing policy for the future.

The following are some long-term policy objectives to consider during the Revitalize phase:

- **Assist struggling renters and owners:**
 - Help renters with impaired credit and limited savings to improve their credit scores and pay for the security deposits needed to move into new rental homes
 - Help renters with limited funds for a downpayment and impaired credit to purchase homes
 - Provide financial coaching and other assistance to help individuals improve their credit and pay down debt
 - Provide education and counseling to individuals whose retirement savings have declined
- **Ensure an adequate supply of housing:**
 - In high-cost regions and other places where housing supply has historically fallen short of demand, work with developers and advocates to identify steps for jumpstarting housing development once social distancing rules are relaxed, including reductions in regulatory barriers
 - Assess the capacity of developers within the jurisdiction to meet production and rehabilitation needs and, if necessary, develop policies and support to expand this capacity
- **Adjust to changing circumstances:**
 - If property values decline, acquire well-located properties for use as affordable housing
 - Work to root out any new forms of discrimination that emerge during and after the COVID-19 crisis
 - Assess whether the COVID-19 crisis has affected residential patterns (e.g., are young people moving into cities at the same rate as before the crisis?) to determine if adjustments are needed to existing policies

To assist localities in anticipating the full range of possible implications, this [white paper](#) provides an overview of the potential implications of COVID-19 for U.S. housing policy.

Future Phases

As the immediate crisis recedes, localities should consider adding a fourth phase to their COVID-19 Housing Response Plans focused on helping individuals, families, and communities become more resilient to future housing shocks. Finally, as the COVID-19 crisis moves more clearly into the rear-view mirror, cities will want to re-examine their broader housing strategies in light of the “new normal” established by the post-COVID-19 housing situation to develop new comprehensive local housing strategies.