

# RENTAL ASSISTANCE

**Description:** Rental assistance provides funding to cover all, or part, of the rent of a housing unit to help low- or moderate-income renter households afford their housing costs. During the COVID-19 public health crisis, rental assistance has been used in response to sudden and projected income losses to both tenants and landlords. As local, state and federal eviction moratoria expire, rental assistance will play an increasingly important role in helping renters to avoid eviction. This brief discusses common approaches of and factors to consider when developing a rental program assistance program. The brief also shares early learnings from local rental assistance programs established in response to the COVID-19 crisis in Chicago, Minneapolis, and San Antonio.

For specific details on local rental assistance programs established in response to COVID-19, see Local Housing Solutions' brief on [COVID-19 Emergency Rental Assistance Programs in Ten Localities](#).

## Goals of rental assistance programs:

- Increasing the affordability of rental housing
- Improving housing quality and safety
- Increasing housing stability for renters and stability of operations for rental property owners

**Approach:** Rental assistance can be funded and administered through a range of federal, state, or local programs. Depending on state and local law, rental assistance programs can be created through administrative actions by cities and states, the legislative process, or modifications of state of emergency declarations. Rental assistance can be provided either to tenants (who use it to pay the rent) or directly to landlords. During the current crisis, rental assistance is being used to relieve financial burdens on households facing income reductions and to prevent increases in homelessness and eviction.

[Housing Choice Vouchers](#) are one form of rental assistance that provides a subsidy intended to cover the difference between the rent (or a locally determined rent standard) and the amount a tenant can afford to pay. Substantial increases in permanent Housing Choice Vouchers would require federal funding, but some public housing agencies are taking advantage of flexibilities associated with the Moving to Work program to provide short-term rental assistance that functions similarly to the Housing Choice Voucher program. Other cities and states are using [Community Development Block Grants](#), [Emergency Solutions Grants](#), [housing trust funds](#) and other funding sources to provide short-term rental assistance. Some short-term rental assistance programs provide a shallower form of assistance than Housing Choice Vouchers in order to assist a larger number of households with a set amount of funding.

**Stakeholder involvement:** State and local rental assistance state or local governments or by public housing agencies. Nonprofit organizations are often involved in administering the program and/or conducting outreach to potential participants.

## Short-term considerations:

- Program sponsors may choose to provide one-time relief (for example, a single payment to prevent homelessness or eviction in the event of unexpected job loss or expenses, for instance) or

ongoing assistance to help tenants with longer-term housing affordability challenges. Local budgetary constraints will affect the size and duration of the assistance jurisdictions can provide.

- Many jurisdictions have loosened eligibility criteria and means-testing in response to the COVID-19 public health crisis in order to serve a wider range of tenants.
- Assistance to landlords during the crisis has frequently been conditioned upon agreements not to evict tenants for nonpayment of rent.
- Different funding sources may be needed to the extent that certain funds have time limits or restrictions on eligibility.

#### **Medium- to long-term considerations:**

- In addition to funding rental assistance on behalf of individual households, localities may wish to consider making loans or other assistance available to small landlords, as losses of rental income will make it more difficult for landlords to perform building maintenance and repairs.
- While some forms of rental assistance assume tenants will later pay back arrears, many programs are providing assistance in the form of grants that do not need to be repaid given the economic uncertainty associated with the current crisis.
- Localities may wish to consider pairing rental assistance with other measures designed to ensure housing stability and enable tenants to choose to stay in their apartments, such as assistance with utility payments and access to pre-eviction mediation.
- Localities may want to consider partnerships with foundations and nonprofit organizations to secure funding for rental assistance programs, accept donations from individuals and corporations, and link recipients of rental assistance to local service providers. Funding from non-governmental sources can provide localities with greater flexibility to assist more households and households that may not be eligible under certain federal or state regulations.

#### **Early learnings from rental assistance programs developed in response to COVID-19:**

There is much to be learned from the early experience of cities developing and administering local rental assistance programs to address COVID-19 challenges. To this end, the Local Housing Solutions team conducted brief discussion with program staff in three cities that recently implemented emergency rental assistance programs:

- Chicago's [Covid-19 Housing Assistance Grant Program](#) partnered with the Family Independence Initiative (FII) to distribute \$2 million from the Affordable Housing Opportunity Fund (AHOF) to help Chicagoans at or below 60% of the AMI.
- Minneapolis' [Gap Funding](#) Plan included \$1 million for families with children in Minneapolis Public Schools and \$2 million for other low-income residents.
- San Antonio's [COVID-19 Emergency Housing Assistance Program](#) dedicated \$25 million towards rental, mortgage, utility and cash assistance for families facing financial hardship or loss of income due to COVID-19.

Below is a brief summary of key lessons learned from the discussions about funding distribution, outreach, and program implementation. These learnings, while preliminary, may benefit other localities designing similar rental assistance programs.

#### *How cities conducted outreach to reach hard-to-reach populations*

- Chicago **partnered with community organizations with a history of working with undocumented residents** and others who are reluctant to submit an application to a government entity. The City required the organizations to conduct exhaustive outreach to notify their clients of the availability of cash grants and to receive applications from eligible households.
- In Minneapolis, program information and details about the application process were advertised over radio and local media, and through community networks. To make the program accessible to the larger minority groups in Minneapolis, **applications were translated into Spanish, Somali, Arama, and Hmong**. Applications from these populations were triaged to staff from culturally appropriate organizations who collected information from applicants over the phone.
- San Antonio **partnered with grassroots organizations and local churches** to conduct outreach to vulnerable residents, including undocumented immigrants, many of whom may have chosen not to apply through government channels. Seven churches established intake centers for the program and helped the city screen applications. The City also mailed program information to landlords that had recent eviction proceedings.

#### *How cities decided to distribute the funds*

- Chicago used a **combination of a lottery system and selection by community organizations** to award \$1,000 cash grants to 2,000 eligible applicants. The city partnered with Family Independence Initiative to quickly disburse cash payments directly to tenants, rather than landlords, via mobile payment apps. Grant recipients reportedly appreciated the trust a direct cash transfer demonstrated. Half of the grants were awarded to applicants through a lottery system and the other half were chosen by 12 non-profit community organizations across the city. Chicago decided not to have a first come, first served selection process because it did not want to favor people who happened to be tech savvy or heard about the program first.
- Since demand for assistance far exceeded the supply of funds, Minneapolis elected to use a **lottery system** to provide assistance to applicants.
- San Antonio is distributing funds to eligible applicants on a **first come, first served** basis. The City considered establishing other methods for distributing the funds, such as serving very low-income households first, but ultimately decided not to limit eligible households without a full understanding of the needs of residents.

### *Factors that contributed to successful implementation*

- Chicago **used non-federal funds** for the program so that cash grants could be provided to recipients with no strings attached. The funds were distributed by the nonprofit Family Independence Initiative, which could have had a system already in place and could get the money to recipients more quickly than the City. Program staff believe recipients of the cash grants appreciate the trust the City demonstrated by making grants to tenants rather than landlords and with no requirement than recipients prove that the grants were used to pay rent.
- In Minneapolis, a key component to the program's success was working with **existing community partners that had the capacity to help with the application review process** in a professional and culturally sensitive manner. Reviewers were also able to identify other basic needs of applicants during the application process and seamlessly refer applicants to other resources, such as domestic violence services or food banks. Additionally, when the City realized it needed more staff capacity to process applications and respond quickly to applicants in four languages, the City **reassigned staff** from other duties and put out a **call for volunteers with expertise in providing social services** to help process 8,000 applications in just a few weeks.
- Before COVID-19, San Antonio had worked with **a community stakeholder group** that advised the City on the development of a risk mitigation fund to help households at risk of displacement. Given the difficulty of engaging the public during the pandemic, the City requested input from this established group on its proposed rental assistance program. The group suggested improvements such as marketing the program at food banks and setting up a call center to be run by Catholic Charities for applicants who do not want to apply via the City.

### *Factors that hindered successful implementation*

- Chicago noted that choosing potential community partners to assist with the program was challenging given that **some local organizations have turf battles with others**. Additionally, some selected community partners were also affordable housing owners, which required the City to take measures to ensure that those partners did not favor their own tenants in the selection process.
- Minneapolis' program application process allowed data to be entered in many different formats, including online forms and applications taken over the phone, and applicants could provide proof of income loss in multiple ways. This led to program staff spending significant time **merging and verifying submitted data in order to determine eligibility** for the lottery. If the City conducts an additional round of funding, it plans to restrict how data are entered to speed up the eligibility determination process.
- San Antonio's rental assistance program that predated COVID-19 was not federally funded, so when the City decided to use federal funds for its COVID-19 rental assistance program there was a **steep learning curve regarding funding limitations and requirements**. Additionally, the City

had to build its capacity to process the rapid submission of applications. The City had to refine its process to facilitate faster payments and increased program staff from 5 to around 60, which necessitated reassigning City staff from other departments.

**Complementary policies:**

- [Eviction moratoria](#)
- [Eviction prevention programs](#)
- [Housing Choice Vouchers](#)
- [Tenant-based rental assistance](#)