



# Congressional Leaders Agree to Coronavirus Response Package with Funding for Homelessness and Housing

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After many long days of negotiations, congressional leaders reached a bipartisan agreement on a \$6 trillion package, including \$2 trillion in direct spending, to respond to the coronavirus pandemic – the third package to address the crisis. The Senate is voting on the bill tonight and will send it to the House for approval and then to the president’s desk for his signature as soon as possible. For more information, see NLIHC’s [chart](https://nlihc.org/sites/default/files/Coronavirus-Budget-Chart.pdf) (<https://nlihc.org/sites/default/files/Coronavirus-Budget-Chart.pdf>) comparing the House, Senate, and final bills.

The bill marks a significant victory for the NLIHC-led Disaster Housing Recovery Coalition (DHRC) and our collective goal of ensuring people with the greatest needs – people experiencing homelessness and America’s lowest-income renters – are protected during this crisis.

Thanks to all of your advocacy over the past several weeks and our congressional champions, the final bill provides billions of dollars to help prevent an outbreak of the virus among people experiencing homelessness, as well as critical resources for HUD housing providers to help cover their increased costs and to adjust rental assistance for households that see their incomes decline. The bill institutes a much-needed temporary moratorium on evictions and foreclosures for homeowners and renters in homes with federally-backed mortgages.

By extending and expanding unemployment insurance, the package provides laid-off workers, on average, with full pay for four months – a move that will help many low-income renters be able to continue to pay their rent each month of this crisis, although additional assistance is needed to help those who struggled to make ends meet before the pandemic. The deal also provides hundreds of billions of dollars in assistance to state and local governments through a new Coronavirus Relief Fund and FEMA’s Disaster Relief program so these organizations can provide [emergency protective measures \(https://nlihc.org/sites/default/files/Category-FEMA-Public-Assistance-COVID-19-Crisis.pdf\)](https://nlihc.org/sites/default/files/Category-FEMA-Public-Assistance-COVID-19-Crisis.pdf), including shelter, and other critical services. These resources will make a significant difference for communities across the nation.

Overall, the bill provides more than \$12 billion in funding for HUD programs, including: \$4 billion for Emergency Solutions Grants for homelessness assistance, \$5 billion in Community Development Block Grants, \$1.25 billion for the Housing Choice Voucher program, \$1 billion for project-based rental assistance, \$685 million for public housing, \$300 million for tribal nations, \$65 million for Housing for Persons with AIDS, \$50 million for Section 202 Housing for the Elderly, and \$15 million for Section 811 Housing for Persons with Disabilities.

We still have a lot more work ahead of us as this crisis unfolds. NLIHC and the 850 organizational members of the DHRC will continue to push for the resources and policies needed to keep people experiencing homelessness safe and healthy and to ensure that low-income renters are stably housed. A full list of DHRC policy recommendations is available at: <https://nlihc.org/responding-coronavirus> (<https://nlihc.org/responding-coronavirus>)

Below is a full analysis of the housing provisions in the bill.

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## Moratoriums on Evictions and Foreclosures

The bill institutes a moratorium on foreclosures for all federally-backed mortgages, including those covered by HUD, USDA, FHA, VA, Fannie Mae, and Freddie Mac, for 60 days beginning on March 18, 2020. Under the bill, a borrower with a federally-backed mortgage experiencing financial hardship due to coronavirus may also request a forbearance for up to 180 days, which may be extended for another 180 days at the request of the borrower.

The law allows multifamily housing owners with a federally-backed mortgage to request a forbearance for up to 30 days, which can be extended by another 60 days at the request of the borrower, on the condition that they agree not to evict tenants or charge tenants’ late fees.

The bill also institutes a moratorium on filings for evictions for renters in homes covered by a federally-backed mortgage for 120 days of enactment.

The bill provides a temporary moratorium on evictions for most residents of federally subsidized apartments, including those supported by HUD, USDA or Treasury (Low Income Housing Tax Credit developments). The bill also institutes a moratorium on filings for evictions for renters in homes covered by federally-backed mortgages for 120 days of enactment.

## Emergency Solutions Grants

The bill provides \$4 billion in Emergency Solutions Grants to help prevent an outbreak among sheltered and unsheltered people experiencing homelessness and very low-income households (earning less than 50% of Area Median Income) who are at risk of homelessness. The funds can also be used for eviction prevention assistance, including rapid rehousing, housing counseling, and rental deposit assistance will mitigate the adverse impacts of the pandemic.

Of the total amount provided, up to \$2 billion may be distributed according to allocations made in FY20 within 30 days of enactment. The remaining amount will be distributed within 90 days to communities with the greatest needs, based on criteria determined by the HUD Secretary, such as risk of transmission, rates, and numbers of unsheltered and sheltered homeless populations, and economic and housing market conditions. The bill dispenses of any existing match requirements.

The bill language allows these funds to be used for temporary emergency shelters, waiving federal habitability and environmental review standards. Funds may also be used to cover staff costs, training, and hazard pay. The bill provides broad authority to the HUD Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if the Secretary finds good cause for the waiver and if the waiver is necessary to prevent and respond to coronavirus. In addition to using these funds to address coronavirus, the bill allows ESG funds allocated in previous Fiscal Years (FY) to be used for this purpose.

It is critical to note, however, that none of the funds provided may be used to require people experiencing homelessness to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services.

# Community Development Block Grants (CDBG)

Congress provides \$5 billion for CDBG to cities and states. Of the total amount provided, \$2 billion will be allocated to states and units of local governments that received an allocation under the FY20 formula. Another \$1 billion will go directly to states and insular areas based on public health needs, the risk of transmission, the number of coronavirus cases, and economic and housing market disruptions. The remaining \$2 billion will be allocated to states and units of local government based on the prevalence and risk of COVID-19 and related economic and housing disruptions resulting from coronavirus.

The bill provides broad authority to the HUD Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary, to expedite the use of these funds to prevent and respond to coronavirus. This broad authority could allow jurisdictions to use CDBG funds to provide emergency rental assistance or address the needs of people experiencing homelessness, for example.

The bill eliminates the cap on the amount of funds a grantee can spend on public services, removes the requirement to hold in-person public hearings in order to comply with national and local social gathering requirements, and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred. This funding builds on \$6.7 billion provided in fiscal years 2019 and 2020 by allowing grantees to combine prior year funds with new funding in order to prevent, prepare for, and respond to COVID-19.

An additional \$150 billion in flexible funds was provided to state and local governments through the Coronavirus Relief Fund for many of the same purposes as CDBG. More details are provided below.

## Tenant-Based Rental Assistance

The bill provides \$1.25 billion for tenant-based rental assistance to help public housing agencies maintain normal operations and take other necessary actions to respond to coronavirus. Of this amount, \$850 million can be used for a combination of administrative costs and other expenses for activities including those to “support and maintain the health and safety of assisted households” and to retain and support participating landlords. The

remaining \$400 million is to adjust renewal funding for public housing agencies that experience a significant increase in voucher per-unit costs and would otherwise need to terminate rental assistance for families due to the lack of funds.

These funds will be distributed based on need, as determined by the HUD Secretary, and provides broad authority to the Secretary to waive or set alternative requirements, for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary for the safe and effective administration of these funds to prevent and respond to coronavirus.

The Secretary may award unobligated funds from prior FYs for incremental TBRA.

## **Project-Based Rental Assistance**

The bill provides \$1 billion for project-based rental assistance to maintain normal operations and to take any other necessary actions during the period that the program is impacted by coronavirus. It provides broad authority to the Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary, to expedite these funds in responding to coronavirus.

## **Public Housing**

The bill provides \$685 million for the public housing operating fund to maintain normal operations and to take any other necessary actions. The bill allows – through the end of the 2020 calendar year – for public housing agencies to combine its capital and operating funds, including some funds from past FYs, to respond to coronavirus. It allows the HUD Secretary to extend this flexibility in additional 12-month increments if needed, and it provides broad authority to the Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary for the safe and effective administration of these funds to respond to coronavirus.

## **Native American Housing Programs**

The package provides \$300 million to address tribal housing needs. Of this amount, \$200 million would be for Native American Housing Block Grants, using the same formula as used in FY20. Up to \$100 million is for the Indian Community Development Block Grant to prioritize activities to prevent, prepare for, or respond to coronavirus.

Additional funds are available to tribal nations through the Coronavirus Relief Fund. Details on the Coronavirus Relief Fund are at the bottom of this analysis.

## **Housing for Persons with AIDs (HOPWA)**

The package provides \$65 million for HOPWA to address operations, rental assistance, and other actions to prepare for and respond to coronavirus. Of this amount, \$50 million is to be provided via the formula used in FY20. Up to \$10 million can be used for one-time, non-renewable grants to permanent supportive housing providers, made proportionally to their existing grants. The funds may be used to cover rent, mortgage, and utility payments for up to 24 months. These funds are not to be used for permanent supportive housing, but may be used to help individuals isolate and self-quarantine or relocate to hotels. Up to 2% may be used to increase technical assistance.

## **Other HUD Programs**

The bill provides \$50 million for Section 202 Housing for the Elderly, including \$10 million for service coordinators, and \$15 million for Section 811 Housing for Persons with Disabilities. It provides broad authority to the Secretary to waive or set alternative requirements for any statute or regulation, outside of those related to fair housing, nondiscrimination, labor standards, and the environment, if necessary to expedite these funds in responding to coronavirus.

A total of \$2.5 million is provided for fair housing activities, including \$1.5 million for the Fair Housing Assistance Program Partnership for Special Enforcement grants and \$1 million for the Fair Housing Initiatives Program.

## **USDA Rural Housing Programs**

No funds were provided to address needs in USDA's rural housing portfolio.

# Unemployment Insurance

The bill provides expanded coverage of unemployment insurance for laid-off workers. According to [Senator Schumer](https://thehill.com/homenews/senate/489219-schumer-government-will-pay-four-months-of-full-salary-for-furloughed-workers) (https://thehill.com/homenews/senate/489219-schumer-government-will-pay-four-months-of-full-salary-for-furloughed-workers) (D-NY), the bill will provide these workers with, on average, the full amount of their incomes for 4 months. This will help many low-income renters be able to continue to pay their rent each month of this crisis, although additional assistance is needed to help those who struggled to make ends meet before the pandemic and those who have seen their work hours reduced. NLIHC will continue to push for emergency rental assistance to help keep low-income people stably housed.

# FEMA Disaster Relief Fund

The bill provides \$45 billion for the Disaster Relief Fund, the primary funding source for FEMA disaster recovery programs, including direct federal assistance to states, municipalities, and tribes, as well as Public Assistance (PA), Individual Assistance (IA), the Disaster Unemployment Program, and more. An additional \$200 million is provided to the Emergency Food and Shelter Program which provides shelter, food, and supportive services through local service organizations.

President Trump's National Emergency Declaration under the Stafford Act permits both Federal Assistance and [Public Assistance grants](https://nlihc.org/sites/default/files/Category-FEMA-Public-Assistance-COVID-19-Crisis.pdf) (https://nlihc.org/sites/default/files/Category-FEMA-Public-Assistance-COVID-19-Crisis.pdf) for emergency protective measures.

Under Governor-requested Major Disaster Declarations – which currently exist in California, Iowa, Louisiana, New York, and Washington State, Florida and Texas – FEMA can provide their full suite of programming to assist in pandemic response. The activation of these programs is contingent upon approval by FEMA.

NLIHC encourages governors to request a major disaster declaration and to use any approved funds to help address the needs of people experiencing homelessness and low-income renters.

To learn more about FEMA resources available during this crisis, see NLIHC's recent [memo article](https://nlihc.org/resource/stafford-act-covid-19-emergency-declaration-activates-femas-public-assistance-program) (https://nlihc.org/resource/stafford-act-covid-19-emergency-declaration-activates-femas-public-assistance-program).

# Coronavirus Relief Fund

Congress provided a \$150 billion Coronavirus Relief Fund for state, tribal, and local governments to help broadly cover any “necessary expenditures incurred due to the public health emergency” created by COVID-19. The bill specifies that within 30 days of passage the funds will be released to states based on their relative populations, receiving at least \$1.25 billion. These state funds can also be separated out to provide funding directly to local governments. The funding cannot be used to replace already-allocated state funds.

Because of the broad nature of these funds, state and local governments could use these dollars to help address the needs of people experiencing homelessness and low-income renters impacted by the pandemic.

Of the total amount provided, \$3 billion will be provided to territorial governments and D.C., while \$8 billion is reserved for tribal governments.