

Democrats have proposed \$100 billion for struggling renters. It may not be enough.

The plan was part of their \$3 trillion coronavirus relief bill, which Republicans quickly rejected.

By **Renaë Merte**

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With Utah's eviction moratorium set to expire Friday, the state is scrambling to launch a \$4 million program this week to help tenants cover their rent payments.

Nevada is using \$2 million from a state settlement with Wells Fargo for a renter assistance program, while the city of Austin is determining who is eligible for its \$1.2 million program through a lottery. Philadelphia is offering struggling renters up to three months or \$2,500 of help but has warned upfront: "Funding is limited. Not every applicant will receive assistance."

Across the country, dozens of state and local programs have emerged to prevent a potential wave of evictions as the country's unemployment rate reaches historic highs and moratoriums that prevent landlords from removing tenants from their homes begin to expire.

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But these patchwork measures are not likely to be enough to prevent millions of people from losing their homes in the coming months, housing industry officials and economists say. Amherst, a data and analytics real estate firm, estimates up to 28 million renters, or 22.5 percent of all U.S. households, are at risk of eviction or foreclosure because of the coronavirus.

House Democrats included \$100 billion for a national rental assistance program in their \$3 trillion coronavirus relief bill this week.

Republicans quickly rejected the proposed legislation, and some tenant advocacy groups say \$100 billion will not be enough. Many communities were already suffering a housing affordability crisis that made renters more vulnerable to financial shocks from the coronavirus pandemic, they say.

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"Rental assistance is a short-term measure," said Tara Raghuvver, the Homes Guarantee campaign director at People's Action, a national tenants rights group. As the economy deteriorates, Raghuvver said, "we will have a come-to-Jesus moment. There will be a moment when we realize that what we need is a more comprehensive solution."

The number of Americans struggling to pay their rent or mortgage has exploded since March as unemployment rates have reached heights unseen since the Great Depression. As of May 7, nearly 4.1 million homeowners were receiving mortgage relief, up 7 percent from the end of April and 2,600 percent from the beginning of March, according to Black Knight, a mortgage technology and data provider.

The problem is most acute among renters, who are more likely to hold the kinds of jobs that have been lost during the pandemic, economists say. Thirty-three percent of renters still have not paid their May rent at all or in full, compared with about 25 percent during the same period in April, according to a survey by Apartment List, an online rental marketplace. More than 40 percent of renters said they were worried about covering their next month's rent, while only 20 percent of homeowners shared the same concern about their mortgage, according to a survey by the Urban Institute released last week.

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The numbers would be worse if not for the \$1,200 stimulus checks and enhanced unemployment insurance passed by Congress in the Cares Act, said Ed Mills, a policy analyst for Raymond James Financial. "There is no doubt that there is a severe economic shock that has occurred, but it has been somewhat mitigated," he said. "So far what we have done seems to have prevented some of the worst-case scenarios from playing out."

If the economy does not recover quickly, a national rental assistance effort may become a more pressing issue, Mills said. After the 9/11, the Federal Emergency Management Agency leveraged the Stafford Act, typically used after a natural disaster such as a hurricane, to provide up to 18 months of rental and mortgage assistance to people affected by the attacks. A similar program could become necessary this time, Mills said.

"We have a precedent of providing housing assistance," he said. "Not all disasters destroy your home. Sometimes it destroys your income."

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Many renters have been temporarily protected by eviction moratoriums put in place in March and April as the spread of the coronavirus shuttered much of the U.S. economy. But those protections are not universal and will soon lapse in places. A 120-day federal ban on evictions included in the Cares Act covers only the 30 percent of renters who live in properties with a federally backed mortgage or who receive other kinds of federal assistance.

Renters' level of protection varies widely by state, with some people covered by overlapping eviction bans established by governors, state legislators or the courts, said Emily A. Benfer, director of the Health Justice Advocacy Clinic at Columbia Law School.

In some states landlords are still allowed to file eviction notices even if the courts are closed, and in others late fees can continue to accumulate through the moratoriums, said Benfer, who has been maintaining a database of eviction policies during the coronavirus crisis. Nine states, including Arkansas, Oklahoma and Ohio, never enacted state-level eviction bans, and moratoriums in Colorado, Rhode Island and several other states are set to expire in a few weeks, she said.

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In the meantime, local officials say they are scrambling to bridge the gap.

Under the Utah program, renters affected by the coronavirus and ineligible for unemployment benefits could receive \$1,500 a month under the program. "We know there are individuals and families in Utah who may be falling through the cracks," said Jonathan Harby, director of the state's Housing and Community Development Division. "We don't want anyone to lose their housing as a result of this pandemic."

Arizona has received nearly 11,000 applications from renters seeking help from a new \$5 million rental assistance program. But by Friday, only \$394,751 had been distributed to 391 renters, according to the Arizona Department of Housing. Thousands of renters submitted incomplete applications, the state said.

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Washington state's King County, which includes Seattle, was already struggling with a homeless problem when the coronavirus hit, said Gordon McHenry Jr., president and chief executive of United Way of King County. In mid-April, the organization raised about \$5 million for a rental assistance program in hopes of helping 2,000 residents cover their housing expenses. But 72 hours after the program was launched, United Way received 7,000 applications and had to shut down the application process, McHenry said.

The nonprofit group is still working through that backlog but also is getting applications from people seeking help with their May rent, McHenry said. In April, the money was distributed on a first-come, first-served basis, he said. For May, the group may need to be more strategic and focus on those in most need of help, he said.

"We're trying to raise more money and going through this very tough process of deciding who gets help," McHenry said. "We're spending it as it comes in."

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Renaë Merle

Renaë Merle covers white-collar crime and Wall Street for The Washington Post. She has also worked for the Wall Street Journal and the Associated Press. [Follow](#) 