Designing a Rental Assistance Program for COVID-19

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
meditation.

- 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 set eligibility criteria and to assist more households more quickly.

**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, Aroma, 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.

Tips and Best Practices from 8 Cities Across the Country

Given families’ urgent, often overwhelming, need for financial assistance, timely and
efficient program implementation and administration is paramount. The Local Housing Solutions team has been holding regular, bi-weekly discussions with cities from across the country to learn about what best practices they’ve implemented to conduct successful outreach, improve program take-up, coordinate with tenants and landlords, build capacity within their departments, and monitor program implementation. The following is a summary of additional tips and best practices that these cities recommend to increase program take-up rates and streamline processes.

**Conduct Successful Outreach**

The most common problem localities face when starting emergency rental assistance programs is reaching the residents of the greatest need. To help increase program awareness, cities recommend the following techniques:

- Publicize the program on outdoor, high-traffic advertising space, such as kiosks, bus stations, billboards, etc.
- Publicize the program within locations that administer healthcare and other emergency assistance, such as COVID kiosks or food pantries.
- Announce the program through their Office of Emergency Management’s SMS-texting system.
- If their housing court systems were open, hand out program information, and even work to sign-up tenants facing eviction, in the courthouse.
- Include program information and messaging as part of other COVID-related communications, such as through Mayoral press conferences, government websites/newsletters, etc.
- Partner with community organizations and establish a referral network, especially with groups that also provide some sort of emergency assistance (such as food pantries, healthcare clinics, etc.). These partnerships can help program administrators seamlessly match applicants with other assistance programs.

**Improve Program Takeup**

Despite households’ urgent need for assistance, many localities received incomplete applications (which may result in ineligibility) and high “drop-out” rates throughout the income verification process. To improve program take-up rates, localities offer the following suggestions:

*Create a web portal*

- Rather than offer applications in a variety of formats, create a single application portal that is accessible for mobile devices and easy-to-navigate.
- The portal should also include a document upload page, which applicants can
securely and efficiently upload income verification materials.

- Relatedly, all follow-up communications should be conducted through the portal, using branded communication methods. Not only will this improve the perceived legitimacy of your program, it may help prevent communications being sent to SPAM.

- Consider possible data issues early and take proactive measures. Some families may submit multiple applications in the hopes of improving their chance of receiving benefits. Some possible solutions to this problem include:
  - Limiting the number of applications from the same IP address.
  - Creating a number of key indicators to match application data, such as address or surname.

Create accessible applications

- Use simple, clear language throughout the application and question the necessity of each application question. Look for opportunities to streamline the process and reduce the burden on applicants (and reviewers). For example, if the applicant receives another form of public assistance with similar income requirements, allow the applicant to confirm receipt of that assistance in lieu of submitting income documentation for the rental assistance program.

- Translate the program applications in multiple languages, especially those that are common throughout your community. Seek out native speakers to assist with translation and avoid translating services, such as Google Translate, which may neglect nuance or use unclear terms.

- Test the application’s reliability by sending it out to individuals/focus groups to receive feedback.

- Offer alternative, accessible modes of application dedicated to individuals with hearing and/or visual impairment.

- For incomplete or abandoned applications, conduct follow-up communications.

Build Capacity to Review and Process Applications

Due to the COVID-19 pandemic, many local governments have had to furlough staff. At the same time, the overwhelming need for rental assistance often necessitates increased staffing to process applications and quickly “get dollars out the door.” The following tips may help build program capacity despite overall municipal staff reductions:

- For inexpensive/free assistance, local governments have partnered with community organizations who temporarily “lend” their staff to help process applications. In addition, local governments may also wish to outsource part of the administrative
process to trusted community partners, as Chicago did with their Covid-19 Housing Assistance Grant Program. However, this method may require that local government employees conduct time-intensive training with these outside groups.

- For additional capacity, local governments have also hire temporary workers or temporarily re-hired furloughed workers who may already be familiar with program administration methods.

**Monitor and Track Implementation**

Applicants are often eager to receive frequent updates on their application status, so include a means of tracking and reporting this information in the rental assistance program. Additionally, if localities choose to outsource all or part of a program’s management, a consistent, reliable monitoring method will help increase coordination and efficiency across partner organizations. Consider the following suggestions:

- Create an internal database or project management system that tracks application review status.
- Relatedly, for localities that use an online application portal, offer applicants the ability to check their application status online.
- Create a public, online dashboard that publicizes the program’s implementation status. For example, localities may wish to post daily updates on the percent of tenants who have received their benefits, if waitlisted applicants are being accepted, etc. Such information will keep the public and community partners informed and would be especially beneficial in localities unable to allow applicants to check their application statuses online.

**Working with Landlords**

Programs that administer funds directly to landlords are often reliant on landlord cooperation in submitting information, such as rent expenses and W-9 forms. Some programs require landlords to be onboarded as vendors or contractors, creating additional administrative burden. To help ensure landlord cooperation in a rental assistance program, create a portal for landlords to securely and efficiently complete and upload application materials and to send and receive communications about the program or application status.

**Additional Considerations**

- If rental assistance programs are available at multiple levels of government (ex: city- and state-level programs), programs administrators will need to dedicate additional time and resources to ensure that:
  - There are no gaps in eligibility (ex: local governments may be able to provide aid to families at higher AMI levels than state-level programs).
• Families do not receive double-benefits, especially if only a portion of applications are accepted.
• All programs receive adequate communication and outreach.

Complementary policies

- Eviction moratoria
- Eviction prevention programs
- Housing Choice Vouchers
- Tenant-based rental assistance