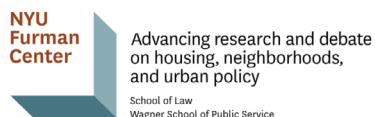


# Advancing Racial Equity in Emergency Rental Assistance Programs

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Even before the COVID-19 pandemic magnified housing insecurity, Black, Latino, and Native American renters faced disproportionately high rent burdens. Further, these same groups often face systemic barriers when trying to access housing assistance programs. The economic fallout from the COVID-19 pandemic has only compounded these inequities.

The coronavirus relief package passed in December includes \$25 billion in rent and utility cost relief for struggling renters. This funding promises to stabilize many renters facing housing insecurity. Because the current challenge of administering these funds has fallen to state and local governments, it is a key moment to learn from the state and local COVID-19 rental assistance programs launched in 2020, and to use these insights to develop emergency rental assistance programs that work towards addressing disparities by income, ethnicity, and race.

The NYU Furman Center, together with the Housing Initiative at Penn and the National Low Income Housing Coalition, recently co-authored a report describing these “first-generation” COVID rental assistance programs, based on a survey of 220 programs across the country. The report sample spans 40 states (including Washington, D.C.), with survey responses collected from 22 statewide rental assistance programs and 198 local and locally administered programs. This brief draws upon the analysis from that survey, along with additional document review and interviews with selected program administrators.

Drawing on these sources, we highlight several lessons about strategies states and localities can use to design and implement more equitable emergency rental assistance programs.

## Lessons for Advancing Equity in Emergency Rental Assistance Programs

### 1. Ensure Program Funding is Allocated Based

**on Need:** First and perhaps most fundamentally, states can ensure that funding is allocated to households with the greatest need. Unfortunately, Congress allocated assistance to states and localities based on population share rather than renter population share or share of estimated need. Thus, although localities with more than 200,000 residents were able to receive emergency rental assistance funding directly, these amounts typically fell far short of their share of actual need.<sup>1</sup> New York City (NYC), for example, is slated to receive 19 percent of the total rental assistance funding provided to New York State. Yet we estimate that 75 percent of the rental assistance need in New York State is concentrated in NYC. Further, the per capita allocation disadvantages renters of color: 74 percent of the state's renter [households headed by Black individuals](#) and 80 percent of the state's [Latino-headed renter households](#) live in NYC. This unequal pattern was also suggested in our national survey, with larger cities more likely than smaller places to receive more applications for rental assistance than their programs could serve.

States receive and distribute a major portion of rental assistance funds to cities and counties. States with a large share of residents living in direct-allocation cities can make funding flows more equal either by passing on an additional portion of state assistance to these cities, or by allowing people in large cities to apply to the state's assistance program.

### 2. Target and Prioritize Assistance to Vulnerable Groups:

The statute authorizing the new \$25 billion in emergency rental assistance and the current Treasury guidance state that households at or below 50 percent of the area median income, or with an individual who has been unemployed for at least 90 days, should be prioritized. The authorizing statute also specifically provides that states or localities can introduce additional priority criteria.

Program administrators can use this flexibility to target households with the greatest needs. We found that about half of the existing programs surveyed created priority groups; of those, most focused on ensuring that very low-income households and families with children received priority. Localities may also consider prioritizing applications that originate from disadvantaged census tracts, such as those with high rates of COVID infections or unemployment, or households with fewer assets.

Cities might prioritize landlords most affected by rent non-payment, which tend to be small building owners as they are less likely to have the resources to manage lost rental revenues. These landlords are also [more likely to be households of color](#). However, it is important for localities to balance prioritization with caution against additional application materials and added administrative burden (see "4. Simplify Applications and Documentation").

1. Local jurisdictions receive direct allocations based on their population, but 45% of the award goes to a local jurisdiction and the state still receives the other 55%.

Finally, the process used to select recipients has important equity implications. Even if cities do not adopt explicit priorities, they might consider randomizing all applications that come in during a set application window. In our interviews, we found that some existing city programs tried to move away from first-come, first-served application processing as they worried that first-come, first-served processes can disadvantage those with limited technology access and language barriers. Program coordinators can reduce these disadvantages by processing and prioritizing applications in phases and awarding assistance through random lotteries.

**Example:** In [Harris County, TX](#), the county's rental assistance funding was awarded by lottery, with applications prioritized for those ineligible for unemployment insurance or those who applied but did not receive adequate funding to meet essential needs. Additionally, to reach those most vulnerable in its communities, the county used the Centers for Disease Control's Social Vulnerability Index to prioritize applications from vulnerable census tracts, with those in the most vulnerable areas receiving up to a 50 percent higher chance of being selected to receive assistance.

**3. Invest in Outreach and Targeting:** Reaching communities with the greatest need is always challenging, but even more so during a pandemic. These challenges are heightened in communities isolated by geography, language differences, and inadequate access to technology. Many localities adopted creative strategies to overcome these barriers and to reach those wary of government assistance due to mistrust or fear of stigma.

We found that many existing programs relied on trusted community partners (often smaller nonprofit and community-based organizations) to help with outreach. They explicitly chose to work with organizations that had ties to communities with large populations of at-risk renters who might have difficulty learning about or applying to emergency rental assistance programs.

**Example:** In the first round of rental assistance, [Chicago, IL](#) struggled to get immigrant populations to apply via online applications. In its second round of assistance, the city extended efforts to select partner organizations with ties to these communities. The city reports that it saw a lot of success in relying on these partner organizations to reach disadvantaged communities.

**4. Simplify Applications and Documentation:** Even if localities successfully get the word out to a broad set of communities, many individuals may still face challenges in completing applications. More than 70 percent of surveyed programs cited incomplete applications as a challenge, making it the most reported problem these programs faced. A key barrier was the amount of documentation programs required, based on program administrators' interpretation of guidelines from the applicable funding sources (HUD and/or Treasury).

The vast majority of programs required that renters provide documentation of income and a current lease, but most also required additional documents like a driver's license or state ID, a social security number, or proof of COVID-related income loss. Importantly, we found that a greater number of documentation requirements was correlated with more incom-

plete applications, and programs that required proof of COVID income losses reported more difficulty getting tenants to complete their applications. While our survey wasn't able to discern who wasn't completing applications, applicants who were already unemployed when the pandemic began, face language barriers, have irregular income streams, or work in the informal economy will find proving COVID-related income losses more difficult. Finally, nearly 90 percent of program staff in our survey reported that they required a current lease as part of their eligibility documentation, yet this criterion automatically disqualifies those with more informal rental agreements.

By reducing such requirements, programs can serve more households in need, though they need to balance the goal of easing barriers with avoiding fraud. Because many cities seemed to interpret initial federal guidelines as discouraging self-certification, only about a third of programs accepted self-certification of income loss in place of formal documents. New federal guidelines regarding the \$25 billion in new emergency rental assistance make clear that self-attestation is an acceptable proof of eligibility in most circumstances, and many of the program administrators we spoke to are now shifting to allow self-certification.

Localities can also work with community organizations to provide residents assistance in filling out applications and to boost completion rates, which may help to alleviate the administrative burden for both cities and applicants and reduce application processing times. In our report, we found those working with nonprofits were less likely to report application completeness as a problem.

Finally, localities can ensure that the application itself is inclusive. Application instructions should be simple, clear, and translated into multiple languages. Based on our interviews, we found that programs implemented multiple ways for applicants to share documentation, including allowing photos rather than scans and accepting electronic signatures rather than wet signatures. Mobility barriers can be reduced by allowing community organizations to accept applications at neighborhood-based offices. Localities might also consider setting up a dedicated hotline to provide assistance to those with limited English or technology access as they fill out the online application over the phone.

**Examples:** Centro Legal de la Raza is a non-profit legal services organization that administers the rental assistance programs for the cities of **San Leandro & Oakland, CA**. In addition to providing their application in both English and Spanish, the organization allows rental assistance applicants the option to complete their application online, by phone, or via mail. Furthermore, applicants have the option to self-certify in lieu of some of the more onerous documentation requirements.

Additionally, in **Portland, OR**, the city partnered with over 40 “culturally specific organizations” to conduct outreach and manage application intake efforts for its rental assistance program. Organizations were given the autonomy to prioritize applicants within a given program framework. Prioritized applicants were then transferred to the Housing Authority for administrative processing and financial payment.

### 5. Monitor and Make Mid-Course Corrections:

Tracking patterns and making adaptations is also critical to advancing equity. However, our interviews revealed that very few programs tracked populations served beyond the metrics required by the funding source(s), and some programs had not yet reviewed the demographic and other data they had collected. To the extent feasible, localities should carefully collect and monitor both process and outcome data broken down by gender, age, and race/ethnicity ([as required by Treasury](#)), as well as by neighborhood and other variables of concern.

Examples of data to be collected include:

- **Program outreach:** who receives outreach, type of outreach, frequency of outreach, etc.
- **Applications:** who submits a completed application, whose applications are prioritized, who submits an application with incorrect or incomplete documentation requirements, and (if possible) who starts applications but does not submit, etc.
- **Participation:** who drops out of the application process, which landlords refuse to participate, etc.
- **Assistance:** who receives funding, amount of funding awarded, etc.
- **Compliance:** are landlords adhering to the terms of their assistance agreements, such as suspending eviction filings.<sup>2</sup>

By collecting this variety of data, program administrators can better identify disparities in service provision and make mid-course corrections to achieve more equitable access and outcomes.

**Examples: Utah's** Division of Multicultural Affairs and Department of Workforce Services [analyzed data](#) on how approved rental assistance applications in 2020 were distributed throughout the state. The analysis revealed that only 34 percent of approved applications came from ZIP Codes with the state's highest eviction rates. The state is now working to adopt strategies to increase targeted outreach, case management, and awareness of disparities to ensure a greater number of submitted and approved applications come from high-eviction ZIP Codes.

In evaluating its application data, **Los Angeles, CA** found that almost 45 percent of landlords/property owners did not participate in the city's rental assistance program. Because of concern that many renters in need were getting shut out of the program as a result, the city used the flexible authority provided by the first round of Treasury funds to offer a direct-to-tenant payment when the tenant was eligible but the owner did not participate. It likely will do so in the same context during their current round of funding.

2. Very few programs we interviewed monitored tenants or landlords to ensure that they adhered to program requirements. Most programs, however, had no way of tracking compliance beyond complaints from tenants, and many said that their program requirements to suspend evictions or waive fees were impossible to enforce.



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## Considerations

It is important to note that many households, especially low-income renters and renters of color, faced housing affordability challenges prior to the pandemic, which COVID-related emergency assistance will not address. But the lessons here should hopefully help states and localities design and implement equitable systems going forward that reduce the racial and ethnic disparities that have long characterized housing outcomes.

Finally, local policymakers might also consider pairing rental assistance with [several additional measures to reduce evictions](#) once the federal moratoria expires. Examples of additional support programs include providing universal access to counsel and eviction diversion programs.

## Conclusion

There is much to be learned from jurisdictions' early experiences in developing and administering emergency rental assistance programs to address COVID-19 housing instability. The examples above highlight ways that states and localities across the country worked to make their rental assistance programs more racially and economically equitable. As state and local rental assistance programs are tasked with distributing an even larger pool of funds, administrators must apply past lessons learned, continue to monitor their programs, and adjust to new opportunities and challenges as they arise. Learning from the efforts of programs nationwide provides a crucial opportunity to redesign programs with racial equity in mind.

## RESOURCES

[NLIHC COVID-19 Rental Assistance Database](#)

[COVID-19 Emergency Rental Assistance: Analysis of a National Survey of Programs](#)