



On behalf of each of our member groups, the **Houston Apartment Association (HAA)** and **The Metropolitan Organization (TMO)** announce our unified support for emergency rental assistance to support the hundreds of thousands of families and small business property owners in Houston and Harris County impacted by the COVID-19 pandemic.

HAA is a trade association representing rental property owners, management companies, and the product and service companies who supply the industry. AAGD represents more than 1,800 companies and 900 owner/management companies who own and operate 3,010 properties with more than 624,000 rental units in twelve counties surrounding the city of Houston.

TMO is a faith-based, non-partisan, community organization made up of a diverse group of over --- institutions that includes religious congregations, schools, and other non-profits in the Houston metropolitan area. TMO represents thousands of metropolitan Houston residents, many of them low income, undocumented or both. Today, its members' stories are of crushing vulnerability. They have lost their jobs due to the COVID-19 crisis. Losing the roof over their heads will have a devastating impact on these families and the communities they support.

Emergency Rental Assistance: According to the 2018 American Community Survey, 36% of the 122 million U.S. households were renting households with an annual median income of \$41,000. This group of 44 million renters are highly likely to be financially disrupted by the COVID-19 pandemic. In Texas, a recent Census survey of renters revealed that 40% of renters were unsure of their ability to pay August rent (two in five Texans said they either had no confidence, slight confidence, or would have to defer payment of rent entirely). The follow-on consequences of these disruptions will inevitably spread to their communities at large.

This trickledown effect of 44 million financially distressed renters is causing many downstream HAA members to be among the most vulnerable to the negative consequences of the pandemic. The National Apartment Association (NAA) estimates that in normal economic periods HAA members only clear 9 cents of every dollar after covering overhead and operating costs. These costs do not disappear when a renter defaults. And clearly, these are not normal economic times.

So far, thankfully, a number of relief measures have been enacted at all levels of government in response to the COVID-19 crisis. At the federal level, Congress passed the CARES Act which provided direct payments to some individuals and an expansion of unemployment insurance for those who could demonstrate they are able to work but cannot because of COVID-19.

These benefits were critical and much needed, but they are limited in scope and duration and, importantly, they do not reach a great portion of the renting populations who need it most. Furthermore, unemployment benefits generally cover up to only half an employee's wages. Finally, these benefits are set to expire at the end of July, which if allowed, will cause its own "second wave," a contagion of default.

At the local level, Gulf Coast Area cities and counties have begun to administer COVID-19 relief programs to provide rental, mortgage, utility, and food assistance to their residents in need. Unfortunately, because of the economic impact of COVID-19, these programs have been overwhelmed by the unprecedented need for assistance and have run out of funding almost immediately.

For example:

- In Dallas, a \$13.7 million program for rental and mortgage assistance was closed with the first 26 hours after receiving more than 25,000 applications (only 1,000 families will be served by the program).
- In Chicago, the city designed its rental assistance fund to assist 2,000 families but received 83,000 applicants in the first five days.

- In the Texas Gulf Coast Region, the City of Houston, Harris County, Ft. Bend County, and Jefferson County committed over \$80M to rental assistance. **In the City of Houston, the \$15 million program for rental assistance ran out of funding and closed in under 90 minutes.**

These examples show that the demand for rental assistance is great, and the efforts being made at the local level – coupled with temporary federal assistance through the CARES Act – are simply not enough to keep pace with the overwhelming, desperate need for rental assistance as a result of COVID-19.

According to the Urban Institute, it would cost approximately \$96 billion to assist 17.6 million renter households needing rental assistance due to the impacts of COVID-19 for six months. The National Low-Income Housing Coalition found that \$100 billion in federal rental assistance is needed to cover all extremely and very low-income renters during the pandemic. We feel that these numbers more accurately represent the amount of federal funding needed for emergency rental assistance, and we appreciate the \$100 billion in rental assistance included in the HEROES Act.

In addition to the amount of rental assistance funding, we believe that any emergency rental assistance legislation should include the following concepts:

- A mechanism that efficiently and effectively disburses rental assistance funds at the state and local level, instead of using the HUD Emergency Solutions Grant (ESG) program. ESG is geared toward homeless populations and is not suited to the goals of a large-scale, temporary rental assistance program. Federal rental assistance should be utilized with multiple existing HUD programs – not relying on any one program – to increase capacity and flexibility.
- A federal rental assistance program should leverage existing state and local programs with the capacity to adapt and adjust to the volume of funding. Disbursement methods should include nonprofits with experience in administering rental assistance and those that have the trust of their communities like the **Greater Houston Community Foundation, United Way of Greater Houston, Catholic Charities of the Diocese of Galveston-Houston, Jewish Family Services, St. Vincent de Paul, Baker-Ripley, and the Association of Community Assistance Ministries (ACAM).**
- Existing program requirements may need to be waived or modified in this exigent situation to streamline delivery of funding at the local level - recognizing the urgency of the need for rental assistance during these unprecedented times.
- Funding should be made available for all renters in need across all housing types and income levels, but local jurisdictions should determine the eligibility and priority guidelines for renters in their community.

We appreciate your leadership during these difficult times, and we look forward to working with you to ensure that any rental assistance program created maximizes flexibility and efficiency, leverages existing nonprofit programs to administer funding, and focuses on populations with the greatest unmet needs.

Sincerely,

Clay Hicks
President,
Houston Apartment Association

Bishop Michael Rinehart
Texas-Louisiana Gulf Coast Synod
Evangelical Lutheran Church in America

Rev. John Ogletree
First Metropolitan Church

Rabbi David A. Lyon, Senior Rabbi
Congregation Beth Israel

Rev. Carissa Baldwin-McGinnis
Northside Episcopal Church

Rev. Dr. Colin Bossen, Senior Minister
First Unitarian Universalist Church Houston

Fr. Albert Zanatta, CRS
Assumption Catholic Church