Strengthening Housing Stability

Lessons from a Flexible and Holistic Approach

STEWARDS OF AFFORDABLE HOUSING FOR THE FUTURE

HOUSING PARTNERSHIP NETWORK

Executive Summary

Broadly, the COVID-19 pandemic has highlighted the unacceptably fragile nature of housing stability in this country and the inextricable link between our collective well-being and a stable, healthy home for every person. While the impact of the crisis is still felt in many communities, we have clearly seen the importance of a holistic approach to supporting housing stability, particularly during times of crisis. Mission driven housing organizations can be stalwart partners in developing practical and equitable solutions for housing stability. This was the case for nineteen organizations that are members of Stewards of Affordable Housing for the Future (SAHF) and the Housing Partnership Network (HPN) that deliver a multifaceted program of services and relief from rent arrearages. The Strengthening Housing Stability (SHS) program, supported by JPMorgan Chase, illustrates the foundational value of mission-driven providers and the resident services functions they provide in affordable rental housing. To advance housing stability, policy makers and philanthropic partners should support sustainable, resident-centered programs and the systems that support them; invest in sustainable, mission-driven partners who can help deliver equitable, targeted solutions at moments of disruption; and utilize existing networks to reach residents efficiently as well as share best practices and ideas with peers.

Policy Recommendation	Action	Agencies/Partners
1 **Improve our Emergency Response by Leveraging Landlords as part of a Delivery System**	Create a clear nonexclusive pathway that allows landlords to apply for rental assistance on behalf of residents in any state or local emergency rental assistance programs and in future federal programs	State Housing Finance Agencies and departments of housing, Department of Housing and Urban Development (HUD), US Department of Treasury, local government
2 **Create Affordable Housing Programs with Resident Services that Support Sustained Housing Stability**	Define a pathway for funding resident services coordination in all HUD assisted properties, explore opportunities to support service coordination in LIHTC transactions and in GSE loans. Explore new initiatives that pair funds from HHS to support services with housing funds through HUD to promote affordability and stability	Developers, LIHTC Investors, HUD, Treasury, State Housing Finance Agencies, Fannie Mae, Freddie Mac, philanthropic partners
3 **Establish an Equitable Infrastructure for Housing Stability by Closing the Digital Divide**	Create standard eligibility for the Affordable Connectivity Program for all residents of Section 8 assisted homes, prioritize installation of high-speed internet in multifamily housing when deploying Broadband Equity Access and Deployment funds and remove barriers to owner provided internet in HUD assisted housing.	Federal Communication Commission, National Telecommunications and Information Administration, HUD, state broadband offices, Developers

Introduction

People of color and people with low incomes are both disproportionately renters and at higher risk of housing instability and continue to feel the impacts of the pandemic and the inequities that it highlighted.

The COVID-19 pandemic highlighted the extensive housing instability resulting from our nation's housing affordability crisis. People of color and people with low incomes are both disproportionately renters and at higher risk of housing instability and continue to feel the impacts of the pandemic and the inequities that it highlighted. In 2019, a significantly larger share of Black and Hispanic households reported difficulty paying rent than white households.[1] This trend continued through the first year of the pandemic – Black households are more than twice as likely to be behind in rent when compared to white households.[2] The trend for Hispanic and Asian households is only slightly better than for Black households. These disparities in housing stability are fueled by other systemic barriers to housing stability and equity such as employment, education, income and wealth. These inequities are relevant for residents of federally assisted affordable housing, such as the properties in the SHS cohort, who are disproportionately likely to be people of color.

When the first wave of related closures began in March 2020, affordable housing operators quickly understood that members of their communities would be swiftly and deeply impacted. This was indeed the case. For example, one property where many residents were employed in the hospitality sector experienced more than a 50% job loss in a single week in Spring 2020. Food insecurity and social isolation challenges soon followed, as closures and acute spikes in demand for affordable housing rendered many usual community partners and social safety nets unable to respond. As society moved many core functions online, the digital divide posed new challenges for people with low incomes in accessing unemployment benefits, online schooling and employment opportunities.

Affordable rental housing operators, including the members of SAHF and HPN, were well positioned to respond to this systemic disruption given their deep mission and enterprise-level commitment to and capacity for resident engagement and services. Resident services

1 Greene, Solomon & McCargo, Alanna. "New Data Suggest COVID-19 is Widening Housing Disparities by Race and Income. *Urban Institute*, 2020, https://www.urban.org/urban-wire/new-data-suggest-covid-19-widening-housing-disparities-race-and-income

2 Luberoff, David. "How Have Renters Responded to Financial Stress in the Pandemic?" *Joint Center for Housing Studies of Harvard University*, 2021, https://www.jchs.harvard.edu/blog/how-have-renters-responded-financial-stress-pandemic

coordinators had the resident rapport and community contacts needed to step into the gap in the early months and support the housing stability and well-being of residents. However, as the crisis continued with no end in sight and many months of rent unpaid and operational costs escalating for personal protective equipment, cleaning measure and sick leave for staff, operators of affordable rental housing faced challenges to sustaining – much less expanding – services.

Broad scale rental relief was slow to materialize. The Coronavirus Aid, Relief and Economic Security Act (CARES Act), passed in late March 2020, included stimulus payments for most households and limited funding for emergency rental assistance through the Emergency Solutions Grant (ESG) Program. While stimulus payments flowed relatively quickly, not all households received payments and the funds only went so far to meet the wide-ranging needs of households who had suffered complete income loss and increased expenses. Rental assistance under ESG took many months to flow into communities and, given the targeting, was often hard to access for residents of affordable housing. Further relief for residents did not arrive for five more months when the CDC Federal Eviction moratorium was passed, and additional rental assistance was not authorized until the final days of 2020 when the Consolidated Appropriations Act of 2021 was passed, creating the Emergency Rental Assistance (ERA) program. Establishing this program took time and in many communities that rental assistance did not materialize until later in the first quarter of 2021, a full year after the pandemic began. While the ERA program was a welcome relief, it was unclear whether it would be sufficient given that estimates from Moody's Analytics indicated that the need for relief would be closer to $70B.[3]

FEDERAL HOUSING RESPONSES TO COVID-19 PANDEMIC

MAR. 27, 2020

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

- Stimulus checks of $1,200/adult and $500/ dependent issued beginning on Apr. 15, 2020
- $4 billion for Emergency Solutions Grants Program (ESG)

SEPT. 4, 2020

CDC Federal Eviction Moratorium

- CDC issues national eviction moratorium to last until Dec. 31, 2020
- Dec. 27 – Congress extends moratorium through Jan. 31, 2021
- CDC extends initial order three times: through Mar. 31, Jun. 30, and Jul.31, 2021
- On Aug. 3, 2021, CDC issued moratorium to last until Oct. 3, however the Supreme Court struck down the order on Aug.26.

DEC.27, 2020

Consolidated Appropriations Act, 2021

- Stimulus checks of $600/adult and $600/ dependent issued beginning on Dec. 29, 2020
- $25 billion for Emergency Rental Assistance (ERA1) Program

MAR. 11, 2021

American Rescue Plan Act of 2021

- $21.55 billion for Emergency Rental Assistance (ERA2) Program

3 Bendix, Anderson. "U.S. Multifamily Tenants Owe $70B in Unpaid Rent." WealthManagement.com, 2021, https://www.wealth-management.com/multifamily/us-multifamily-tenants-owe-70b-unpaid-rent

As we reached the end of the first year of the pandemic, rent collections were fairly strong with over 93% of payments made by the end of January 2021.[4] However, these figures mask the hard truths for residents and properties where rent remained unpaid. In the same time frame, research found that 18% of all renters had delinquent rent payments[5] (arrearages) and that the typical delinquent resident is four months behind. Residents of class B and C apartments – comprising a significant portion of our country's affordable housing stock – have borne a disproportionate burden of job losses and other related COVID impacts, and those properties are likely to have much lower rates of rent payments than national statistics suggest. This is consistent with the SAHF portfolio performance. In a survey of 1,095 SAHF member properties comprised of approximately 81,000 units, we found that as of December 31, 2020 approximately 18% of units had some arrearages and that more than $17.3 million in back rent was owed across this portfolio, **after** the benefit of state and local rental assistance had been applied.[6] As further evidence that national statistics do not reflect the reality for all rental properties, in this survey of SAHF members about 2% of the properties account for at least 14% of the arrearages and 3.7% of properties had collected less than 50% of rents.

Early experiences with rental assistance programs showed that many residents needed assistance accessing programs and that a small, but significant portion of residents were ineligible or underserved by programs for a host of reasons. It was clear that even after the creation of the Emergency Rental Assistance program, additional tools and creative approaches would be needed. More than a year after ERA funds began flowing, the need remains for creative approaches in reaching residents and, now, for keeping people stably in their homes as the eviction moratorium expires.

The Strengthening Housing Stability Program

In the early months of the pandemic, government programs scrambled to provide emergency assistance, anticipated to be limited and short term in nature. SAHF and HPN members understood that the impacts of this crisis would have longer-term effects for low-income households. SAHF and HPN members were increasing services to support resident health and well-being, but also bracing to absorb the economic shock of missed rent payments, extraordinary health and safety costs, and increased services cost. To support the housing stability and resilience of low-income people, HPN and SAHF proposed a robust strategy of financial support and peer exchange that would support resident services, housing stability solutions and policy advocacy. Using their peer exchange platforms, SAHF and HPN would identify, fund, and bring together member organizations working to support housing stability and resilience for residents experiencing COVID-related income loss and develop policy proposals to support an equitable recovery.

With generous, responsive, and flexible support from JPMorgan Chase, SAHF and HPN launched a multi-faceted housing stability initiative, Strengthening Housing Stability (SHS), in early summer 2020. The aim of SHS was to address resource gaps that contribute to housing instability by supporting members to create new and expanded resident services programs, provide flexible and equitable financial assistance to landlords to benefit residents facing rent arrears, leverage platforms for sharing best practices and learnings with peers in affordable housing and inform policy.

4 National Multifamily Housing Council. "NMHC Rent Payment Tracker." https://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/

5 Olick, Diana. "Nearly 20% of renters in America are behind on their payments." *CNBC*, 2021, https://www.cnbc.com/2021/01/25/nearly-20percent-of-renters-in-america-are-behind-on-their-payments.html

6 The impact also appears to be greater in distressed communities, where median rent collections are 2% lower than in non-distressed communities and on average 6% more units per property are in arrears.

Overview of SHS Program

JPMorgan Chase provided two years of support (May 2020-May 2022), totaling $3,000,000, to SAHF with an explicit agreement that HPN would be a partner in creating and operationalizing the four elements of the program:

1. Provision of small, flexible sub-grants to nonprofit affordable housing owners throughout JPMorgan Chase's footprint to support resident services for impacted households; initially, anticipated activities included eviction prevention programming and additional service coordinator staffing and services to connect residents with relief resources and employment opportunities;

2. Expansion of virtual peer exchange among SAHF and HPN members to identify ongoing challenges to housing stability and elevate local successes and novel ideas for replication and scaling. This peer exchange would provide a vital forum for identifying policy gaps and resources for facilitating housing stability and economic resilience. In particular, SAHF and HPN would facilitate peer exchange between property management and resident services groups to foster integrated approaches that support housing stability;

3. SAHF and HPN also would advocate for federal funding to support core policy priorities including emergency rental assistance and policy changes that support housing stability and an equitable economic recovery. SAHF and HPN would also advocate for policies and resources to support the sustainability of CDFIs and nonprofit developers; and

4. An additional round of small sub-grants to the same initial cohort of sub-grantees to give property operators flexible funds to develop responsive strategies to help clear rental delinquencies (arrears) at cohort properties.

Subgrant Distributions

Subgrants were made available to SAHF and HPN member organizations operating within JPMorgan Chase's footprint and based on their established resident services capacity and demonstrated need. SAHF staff created a streamlined application process that invited applicants to target particular properties with new or expanded services that support stability. Grants were targeted to properties serving families who were likely to have incurred immediate impacts on income and expenses. These flexible dollars were used at properties members identified as particularly in need of additional or expanded resident services. As it became clear that the crisis would continue and that rental assistance was in discussion, but nowhere near flowing, JPMorgan Chase provided additional support for continued services to help further stabilize these properties by helping members clear some of their rent payment arrears.

Grants were targeted to properties serving families who were likely to have incurred immediate impacts on income and expenses. These flexible dollars were used at properties members identified as particularly in need of additional or expanded resident services.

Lessons Learned

Resident services coordinators often have the rapport and level of trust with residents essential for communicating about difficult topics including job loss, nonpayment of rent and health crises.

The creation of a flexible and holistic housing stability program with a national cohort of high-capacity housing providers offered the opportunity for significant learning and exchange in the eighteen months that it was active. While numerous lessons emerged and practices from the day-to-day practices to larger systems approaches were replicated, a few key lessons emerged.

LESSON 1

Resident services infrastructure is key for a comprehensive approach to housing stability and the sustainability of mission-driven housing providers

Resident services, typically facilitated through resident services coordinators (RSC) assigned to a property and shaped by engagement with residents and assessment of their priorities, have long been key to addressing the diverse needs impacting housing stability. Unsurprisingly, RSCs often have the rapport and level of trust with residents essential for communicating about difficult topics including job loss, nonpayment of rent and health crises; and have connections in the community to help people access needed resources. During the pandemic, RSCs were also critical in helping residents gain access to health and economic resources by stepping up to fill gaps as community-based organizations were strained by significant demand and their own operational constraints. SAHF and HPN member organizations' ability to respond quickly and effectively to resident needs in the face of historic disruption stemmed from sustained enterprise-level commitments to and capacity for resident services. These organizations have not only site-based programs and staff but also have staff and systems at the enterprise level dedicated to resident engagement and services. In fact, 13 of the 19 organizations in the SHS cohort are certified under the Certified Organization for Resident Engagement and Services (CORES) or work with certified service provider.

A Holistic Approach to Resident Services

SHS cohort members were invited to apply based on their commitment to and capacity for resident services and encouraged to focus on direct housing stability and employment related supports. However, to quickly respond to the unique challenges COVID-19 presented, resident services would not only need additional financial support to help keep residents housed, but also innovative ideas to lessen the additional household burdens of the pandemic. Not only were residents facing potential job loss, but often becoming full-time caregivers, navigating limited food availability due to ongoing shortages, and dealing with pre-existing, now exacerbated, gaps in internet and technology access.

Affordable housing providers realized they needed to leverage their resident services capacity during the pandemic in new ways to meet these challenges, but resources for resident services remain limited. The grants distributed from JP Morgan Chase to SAHF would help providers address other critical needs necessary to housing stability, including in areas of digital access, food access, job readiness, and childcare. Below, we highlight examples in these four areas that demonstrate the resourcefulness and creativity of resident services at several subgrantee organizations.

FOOD ACCESS

Food security quickly emerged as one of the most significant challenges to the housing stability and wellbeing for impacted households. Many households experienced job loss, limited food options in stores, the need for food to be delivered, and more food expenses with children out of school. These pressures quickly created impossible choices between access to the healthy food that families needed to survive and paying rent and/or taking precautions to help stop the spread of the virus. Access to healthy foods can help alleviate those choices by supporting the ability to shelter in place and a reducing toxic stress created by food insecurity. Further, alleviating financial pressures ultimately increases the likelihood that residents will be able to pay rent. With subgrant funds, many organizations expanded their food response partnerships. Some organizations, including Montgomery Housing Partnership, used food distribution programs as an opportunity for double impact by employing residents to help distribute food.

OVERVIEW OF RESIDENT SERVICES SYSTEMS

Resident Services Systems are about more than hosting on-site social and educational events for residents. A Resident Services System ties all its functions back to its organization's mission to offer resident-centered programming, and often involves several key components, including core staff, external partnerships, evaluation of services, and constant communication using numerous tools. Resident Services Systems may engage a wide range of stakeholders - not just resident service coordinators and residents, but also asset management, property management, development teams, executive teams, and partners across nonprofit, philanthropic, government, and sometimes even corporate sectors.

From a growing body of literature, as well as from our members, we know that resident services can be a crucial piece of the puzzle to influencing positive resident outcomes – including financial stability. Resident services can support resident finances in several ways, from offering financial education and providing employment resources, to helping individuals purchase homes or earn degrees. This is so important to remaining stably housed, as, in 2019, 37% of Americans did not have enough money to cover a $400 emergency expense, meaning they were one incident – such losing their job or getting sick – away from financial collapse. In April 2020, at the height of COVID-19, a poll found that 52% of people with low incomes had a job loss or income reduction in their household due to the pandemic.

CASE STUDY: TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION

More than 5,800 people, including 700 children live in homes operated by Tenderloin Neighborhood Development Corporation (TNDC). Of those households, 85% earn less than 30% of San Francisco's Area Median Income. During the pandemic, families with children had limited access to meals they would typically receive through their school, increasing their cost burden and stress. To address these additional burdens, TNDC implemented several creative strategies, including delivering groceries and prepared meals directly to residents sheltering in place; providing food distribution in after school programming; assembling grocery bags for families; and utilizing external partnerships and grants to supplement funding. Partners like San Francisco Unified School District distributed meals at Tenderloin's After School Program. Arcadio's Produce provided weekly produce boxes through a USDA Farmers to Families grant and their own donations.

TNDC social workers and property managers were also able to work in close partnership with other community organizations and residents to ensure residents continued to receive services to support housing stability, including those related to emergency food access. These strategies helped residents cope with what would otherwise be extra expenses during an already difficult economic period. Overall, through their partnerships and coordination, TNDC was able to distribute 372,500 pounds of food to residents (with support from Urban Agriculture and Food & Nutrition) and, through social work's collaboration with property management, prevent 538 evictions.

TNDC PROGRAM IMPACT NUMBERS

4,000
prepared meals served

500
bags of groceries delivered

1,700
household served weekly*

**At peak levels maintained for more than half of 2020.*

DIGITAL ACCESS

Affordable housing providers have grappled for many years with the policy and financial barriers to ensuring in-home access to high-speed internet access for all residents. The consequences of the digital divide, that was estimated to leave affordable housing residents twice as likely to have insufficient access, became dire as in a matter of weeks society shifted core functions online[7]. Without consistent access, residents were unable to work or learn remotely during the pandemic, as well as access unemployment benefits, rental assistance programs, or other supports essential for remaining housed. Several subgrantee organizations implemented programming to address this concern.

Addressing the digital divide at scale required creative approaches. Holistic, wraparound services which incorporated digital support were one of the most successful approaches implemented by subgrantees. Housing providers in the SHS cohort provided core access, including devices and

7 LeadingAge. "Broadband in Affordable Housing: A Guide for Providers." n.d., https://leadingage.org/broadband-affordable-housing-guide-providers

connectivity that in many cases was leveraged to address other resident needs. For instance, Mercy Housing, was able to leverage partnerships in several other areas to provide much-needed youth programs. By providing internet access using Wi-Fi hotspots; distributing Chromebooks to promote online learning for children, developing a Mercy Virtual Program (MVP), a platform with online homework hubs, tutoring for youth, and other youth enrichment services; and leveraging Mercy resident services staff (including a credentialed teacher) to create a summer enrichment program with online lessons and activities, Mercy was able to help address learning gaps and provide social connectivity and activities for children and relief for parents experiencing high stress levels. At Preservation of Affordable Housing (POAH), a partnership with Cincinnati Works and the Cincinnati Public Library was created to support both digital equity through device lending programs and financial security, including a virtual launch on a Family Self-Sufficiency (FSS) program.

JOB READINESS

During the pandemic, many individuals experienced job loss and limited opportunities for reemployment. Multiple housing providers in the SHS cohort reported that residents experienced multiple waves of job loss as the pandemic continued. Understanding that ensuring that residents could return to the workforce would be essential for addressing long-term housing stability and well-being, several organizations provided residents with tools for job readiness and job searches. At Foundation Communities, resident services staff created virtual versions of their financial programs and offered College Hub's Employment and Childcare Navigator (ECN) and Job Coach to help families address long-term financial stability goals by 1) providing residents the opportunity to upskill, 2) connecting families with free financial education and wellness information, and 3) creating an avenue for improved income opportunities. The ECN and Job Coach played

CASE STUDY: HOMES FOR AMERICA

During the pandemic, technology played a big role in supporting residents' ability to have their children attend school, work remotely where needed, and access important services to remaining housed.

With its subgrant, Homes for America (HFA) launched resident services at Brent Place Apartments, in Alexandria, VA. At this property, 58% of households have Section 8 vouchers and earn 30% or less of the area median income. Grant funds were used to increase digital access for residents by purchasing laptops and Wi-Fi hotspots, as well as computers and technology for a newly renovated cyber lounge available 24/7 to residents. In addition to providing residents with vital technology, HFA worked with Alexandria City Public Schools to identify additional households in need of chrome books and Wi-Fi hot spots.

The funding used to create the Brent Place Cyber Lounge and Digital Lending Library greatly supported residents that were not tech-savvy, experienced language barriers, and lacked computer skills. Residents were able to print and scan documents they may need for a certain provider or to attend virtual classes or other appointments. Overall, this space was able to reduce isolation, support resident agency, and allow residents to be more independent in navigating what, in many cases, was a new digital world. Residents were able to attend virtual classes on financial literacy, access case management services, receive mental health counseling, and more.

a vital role in identifying gaps in employment support, as well as connecting residents to resources and wraparound services.

At CommonBond Communities, subgrant funds were used to provide residents with staff support and iPads to use when applying for rental assistance, completing job searches, and gaining access to other programming that could provide secondary financial support, such as food, telehealth services, mental health resources, and medication delivery. With support from these services and the coordination of CommonBond's Advantage Services (free resident services), 31 households received direct rent relief; 52 adult job placements were made in 2021; and Advantage Services assisted 405 residents with their annual rent recertification in 2021.

CHILDCARE

While we did not, initially, contemplate children's programming as a housing stability support under this program, the relationship between childcare and housing stability quickly came into sharp focus during the pandemic. Parents often lost access to childcare and had to become full-time care givers even for school-aged children who were trying to learn from home. This quickly impacted employment for parents and the mental health of parents and children, and students' ability to learn while not in a traditional classroom setting. To help parents cope, organizations used their funding to expand childcare services and, in effect, reduce the burden and stress on parents and children while addressing barriers to employment.

For example, Volunteers of America provided one-on-one tutoring services, which were helpful in supplementing children's learning, but also provided important support to parents. Their after-school care for children, as well as a summer camp program, began incorporating STEAM programming to help support potential lost learning in school during the pandemic, and prepare students for the return to the classroom. This support not only served children as an academic program, but also served as an eviction prevention program which allowed parents to work or search for employment while their kids were occupied, so that they could continue providing income to their family.

Across the board, rent arrearage support helped parents who were struggling with providing childcare keep themselves and their children housed. At Homes for America, one parent who was unable to work due to limited childcare options was able to keep their home because of this funding.

A Shift in Resident Services Systems for Greater Capacity & Sustained Funding Sources

The role of resident service coordinators became key to filling gaps in capacity from government and local partners to assist residents in completing rental assistance applications. With this realization, many business models evolved to recognize the importance of the resident service coordinator. Resident services grew, partnerships strengthened, and property management often took on a more collaborative relationship with resident services. It has become clearer that the effective performance of resident services requires a symbiotic relationship with property operations and asset managers. Resident services staff helped collect hundreds of thousands of dollars of rental assistance even in mid-sized organizations. While this scale of recovery may not occur in future years, it has seeded discussions in many organizations on effective models for providing resident services and collaborating across departments.

During the grant period, the support provided to resident services led to more than 190 new programs – serving 5,420 households across 19 organizations and 80 properties. When households participated in funded programming, the rate of those remaining stably housed was 95%.

LESSON 2

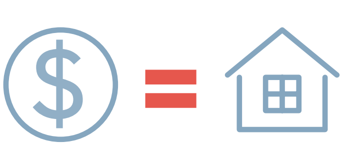
Rental Assistance Programs should Leverage Mission-Driven Landlords as a Delivery System

As noted above, a part of JPMorgan Chase philanthropic investment was designated to support rent relief at specific member properties. To help inform our expectations around how these funds would be utilized, we hosted a peer exchange for members to share and learn from each other's prior experience administering rent relief programs. Foundation Communities, Mercy Housing CA, The Community Builders, and BRIDGE Housing all identified the same two major challenges of (i) conducting sufficient outreach to residents to inform them of rent relief programs; and (ii) the very small portion of renters who were not willing to address the issue, whether due to misunderstanding that eventually rent would be due despite the moratorium, mental health crises and trauma brought on by the stressors of the moment, or negligence. Those who shared their experiences emphasized the importance of resident services and property management working closely together to support residents who participated in the programs. The funding available, while generous, was insufficient to clear all accrued rent even at the small number of subgrantee properties, so it was essential to give landlords flexibility to determine how best to distribute the funds. Accordingly, we established the following three eligible methodologies that were, ultimately, used to address property arrearages:

- Per capita allocation (equal distribution to all households with March-Dec. arrears, i.e., $200 to each);
- Pro rata allocation (distribution to all households with arrears in proportion to the amount of rent arrears); and/or
- Targeted based on need (based on income or assessment of need, e.g. job loss, health challenges, loss of childcare, etc.)

While we anticipated broad support for need based or pro rata allocation, several grantees strongly advocated for per capita allocations to all households with arrears or to all households in general. The operators had observed many residents making difficult decisions not to pay other bills or using credits to pay rent. These operators felt strongly that a holistic approach should make the benefit of assistance available to those residents. Given limited funding under this program, grant funds were only applied to address current rent arrearages, but this on the ground experience stresses the need for both early communication with residents to understand how short term and

THREE METHODOLOGIES FOR RENT SUPPORT

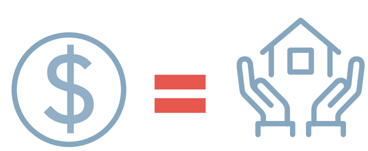


PER CAPITA ALLOCATION

Equal distribution to all households with March-Dec. arrears, i.e., $200 to each

PRO RATA ALLOCATION

Distribution to all households with arrears in proportion to the amount of rent arrears



TARGETED BASED ON NEED

Based on income or assessment of need, e.g. job loss, health challenges, loss of childcare, etc.

ultimately destabilizing solutions may be in use and flexible approaches that don't disadvantage residents who made extraordinary efforts to continue to meet rent obligations. In the case of SHS funds, because the funds were received by and distributed through mission-driven landlords, they were able to stabilize as many residents as possible, using a variety of approaches. Landlords were able to:

- Use funding to support residents unable to receive other support due to being undocumented residency/citizenship status
- Use funds to close gaps that other rent assistance programs fail to cover
- Bring residents back into contact with resident services and property management to help more holistically address barriers to housing stability
- Build close relationship between resident services and property management to support residents

Given this range of impacts and ability to target residents unserved by other systems, we believe it is important that current and future rental assistance policies consider this strategy. The value of this approach can be seen in examples from the SHS cohort.

RENT RELIEF CHALLENGES & OPPORTUNITIES

RESIDENT JOB & INCOME LOSS

National Housing Trust (NHT), Montgomery Housing Partnership (MHP), and The Community Builders (TCB) were particularly focused on supporting residents facing the loss of employment and income. Specifically, both MHP and TCB shared that many residents found themselves experiencing multiple rounds of job losses even in the early months of the pandemic and for various reasons, including businesses (employers) forced to open and close repeatedly. This particular instability often made qualifying for and maintaining access to public benefits challenging, given constantly shifting employment statuses.

BENEFIT ENROLLMENT ISSUES

Aeon shared that they had to significantly reallocate staff time to benefit enrollment assistance because Minnesota's program required tenants to apply directly and submit a long application and secure documentation. In one instance, a staff member spent over three hours working on an application with a resident. Preservation of Affordable Housing (POAH) shared several complications with accessing rent relief. First, a few residents had completed the application process for rent relief however, by the time it reached the right hands, their documentation had become out of date and they were required to reapply. Additionally, there was variability in how individuals assessing applications determined eligibility for the program, including how residents documented their economic hardship and whether it aligned with the program's intended impact. The ability for resident services staff to understand resident needs and help them navigate the complex benefits systems meant that they could often get the assistance where it was needed faster.

RENT RELIEF CHALLENGES & OPPORTUNITIES

ELIGIBILITY GAPS

Many members found themselves working hard to assist residents facing gaps in their eligibility for benefits, including NHT, Hispanic Housing, Community Builders, CommonBond, and Foundation Communities. For example, NHT noted that tax credit properties do not request documentation status, so many of those residents may have been locked out of CARES Act funding and access to federal stimulus checks. CommonBond shared that residents in subsidized building were unable to access many programs.

OPPORTUNITIES TO REENGAGE WITH RESIDENTS SERVICES

Foundation Communities and Homes for America highlighted the difficulty of engaging residents who had not, previous to the pandemic, had much or any interaction with resident services. They described pursuing multiple forms of outreach including posting flyers and setting up resident hotlines. Homes for America attached a flyer to the rent relief letter that provided contact information for case management services and reported that by removing/lessening the threat created by rent accruals, they were able to engage these residents. Other cohort members reported that notice of rent relief seemed to have a de-escalating effect that brought other residents back into contact as well.

LESSON 3

For Effective Solutions, Leverage Mission-Driven Networks and Peer Exchange

SAHF and HPN ground their work in the experience and feedback of members and designed the rent relief cohort to provide a feedback loop between SAHF, HPN and members that could be used to inform policy, but also to create a peer exchange amongst members to share their best ideas and solutions for supporting housing stability in an incredibly dynamic environment.

The first component of the program included support for resident services that foster housing stability. Through facilitated peer exchanges, which included both resident services and management company staff, SAHF and HPN helped identify common challenges among grantees, including making connections with non-responsive residents and addressing gaps in eligibility for rental assistance programs. Members shared challenges, but also solutions. For instance, two organizations shared details of how they created anonymous hotlines where residents could call for rental assistance information or other supports if they were uncomfortable making in person contact with management or resident services. Peer exchange also allowed for more focused, topical discussions around programming type. For example, operators shared solutions for keeping residents engaged in virtual programming by mixing tactile and participatory experiences and discussed how to resolve challenges to job readiness programs created by drug testing requirements. As federal and private rental assistance funds are dispersed and federal and state eviction moratoria expire, cohort members have also discussed challenges in continuing to ensure housing stability. Emerging and tested strategies shared included partnerships with legal aid organizations, trauma-informed approaches to operations and services and evolving staffing structures that both address high turnover and harness the powerful partnerships between property management and resident services that emerged during the pandemic. The value of this exchange is evidenced by attendance at peer exchange for the cohort and beyond, which remained exceptionally high through the grant period and continued to produce replicable practices and insights that informed policy adjustments.

Finally, the real time feedback from practitioners gained through peer exchange also informed policy recommendations made by SAHF and HPN. With an increased understanding of the challenges of engaging residents who were enduring multiple traumas and fear of displacement, SAHF and HPN advocated for viable pathways for landlords to apply for assistance on behalf of residents if they were unable to respond. SAHF and HPN also successfully elevated concerns about states that were failing to make ERA funds available to households that received Section 8 assistance even when they were otherwise eligible. SAHF and HPN also used insights about the operational challenges of mission-driven housing operators to advocate for effective distribution of Coronoavirus Relief Payments to these landlords, directly.

LESSON 4

Continue Learning and Peer Exchange around Effective Resident Communication and Practical Support for Housing Stability

The SHS funding support and peer exchange was valuable for the housing operators and in the cohort and there were many effective practices and new insights shared. However, the presence of a global pandemic with the overlay of a federal eviction moratorium has meant that much of the learning is ongoing. In the fourth quarter of 2021, SAHF and HPN convened cohort members for a final peer exchange around how they were communicating with residents as the federal eviction moratorium neared its end and rental assistance would soon be exhausted in some communities. A few lessons emerged clearly from that and subsequent conversations. First, resources for clear communication with residents about rent obligations are needed. Many housing operators noted that residents were confused by the implications of the moratorium and accrued rent. As housing providers sought to create plain language notices for residents, many learned that improved communications about lease obligations and lease noncompliance were needed more broadly. Multiple providers reported that even before the pandemic a significant portion of residents with rent arrears would not engage on repayment discussions until a notice to quit or other formal notice was issued. Housing providers have been discussing forms of plain language notices or processes that may be effective in opening discussions before a notice to quit, but a standardized form has not yet emerged.

At the same time, housing providers are exploring a wide range of repayment plans, supports for financial stability and alternative processes to eviction. While much of this discussion is spurred by a significant number of residents who still have large levels of rent debt, it opens an opportunity for better practices going forward. However, with a multitude of pressures on housing operators right now, it will be vital to continue forums for peer sharing around these practices not for a few more months, but for the next one to two years as practitioners try to adjust new approaches and understand their effectiveness in a non-emergency state.

Key Policy Implications

It is important to reflect not only on the lessons for emergency response, but also on the broader policy and systems reforms needed for long-term housing stability.

While dismantling inequitable systems and creating just ones is our long-term shared work, the SHS cohort offers some near-term lessons for supporting residents of affordable rental housing. It is important to reflect not only the lessons for emergency response, but also on the broader policy and systems reforms needed for long-term housing stability.

Improving our Emergency Response by Leveraging Landlords as part of a Delivery System

At a national level, we need a better-established vehicle for swiftly delivering rental assistance. The nine-month lag between the onset of pandemic shutdowns and approval of broad scale rental assistance together with the significant limitations of the existing delivery systems demonstrate the need for a system that goes upstream to support stability rather than focusing on emergency solutions for people entering homelessness. The Emergency Rental Assistance Program will offer lessons to help inform such a program. One key feature should be inclusion of a landlord pathway for rental assistance. While initial rental assistance efforts focused rightly on resident-initiated approaches, it quickly became clear that this could mean that many residents were unreached and agencies managing rental assistance could be quickly overwhelmed, leaving residents at risk of housing instability and the stock of affordable housing at growing risk as accrued rents and financial needs grow. Demonstration programs like the Subsidized Housing Emergency Rental Assistance (SHERA) program in Massachusetts and the SHS Cohort demonstrate that flexible support for landlords serving people at greater risk of instability can help quickly address stability at scale and help support stability for households that might otherwise fall through the cracks.

Create Affordable Housing Programs with Resident Services that Support Sustained Housing Stability

While an improved emergency rental assistance system is necessary to address large scale disruptions like a pandemic, individual households face economic disruption, health emergencies and other threats to their housing stability on a daily basis. The SHS cohort and the broader pandemic have highlighted policies and practices must be improved to create longer-term stability. Resident service coordinators were able to identify root causes and threats to housing stability and forge the relationships with residents and partnerships in the community to address them. Resident services coordinators helped residents access millions of dollars of rental assistance and housing operators told us that, through the pandemic, those efforts more than paid for the staff time. We know from data across the SAHF member portfolio that residents of properties with resident services have significantly lower rates not just of eviction, but negative exits overall than the population as whole.

Although resident services support housing stability and resident wellbeing, neither policy nor practice around the finance and operation of affordable housing recognize that. In HUD programs, only a limited number of properties serving older adults and people with disabilities receive funding for resident services. There are no federal grant programs for resident services for properties serving families, leaving the services to be funded when cash flow is available but jeopardized in lean years when they may be needed most. In many programs, the ability to include the expense of resident services is limited. Even where operators are permitted to include resident services expenses "above the line," they are still constrained by traditional underwriting.

A holistic approach to housing stability would fund a stable slate of resident-centered services and establish the impact of resident services on property performance and resident and program outcomes. Resources to support consistent services and a body of evidence around their impact would help inform changes in policy and investment that are needed to scale this effective practice. HUD should harmonize existing guidance on the treatment of resident services coordinator expenses across multifamily housing properties serving seniors and people with disabilities and should immediately seek avenues to support service coordination in family properties. State Housing Finance Agencies should explore and implement avenues for funding resident through services by capitalizing a portion of increased developer fees or other strategies and Fannie Mae and Freddie Mac should continue to explore property and enterprise approaches to supporting the cost of effective services coordination. If we do not invest in robust resident services now, we cannot assume that these vital resources will be available to create the same flexible and comprehensive approach when the next disruption occurs.

Establish an Equitable Infrastructure for Housing Stability by Closing the Digital Divide

The systemic inequities in the availability of high-speed connections (digital redlining) and the failure of policymakers to modernize affordable housing programs to include affordable, in- home internet access exacerbated the disparate impact of the pandemic on households of limited economic means, including disproportionate numbers of households of color. Long-term support for housing stability and well-being must include a solution for consistent in-home internet access. While funds allocated under the Infrastructure Investment and Jobs Act of 2021 could help address the digital divide in multifamily affordable housing, this will only occur if stakeholders push state and federal policy makers to access with intention. The Broadband Equity, Access and Deployment (BEAD) program does allow infrastructure funds to be used in unserved/underserved multifamily properties that serve households with low incomes; however states have discretion in how to use these funds, making it vital for stakeholders to encourage states to invest these funds in multifamily communities where they are sure to serve the intended population.

The Affordable Connectivity Program (ACP) offers cost reduction for high-speed internet service for households with low incomes. While this program reflects many improvements over previous iterations, it still generally requires household-by-household qualification, leaving residents to navigate complex systems that could exclude them based on past accounts with a provider or other eligibility issues. HUD and the FCC should work together to establish building wide eligibility for affordable housing properties and to allow landlords and broadband providers to bundle eligibility to make in- home service automatically available to residents.

Finally, HUD should recognize the importance of internet access to housing stability by harmonizing the treatment of internet expenses among its programs and allowing privately owned, HUD-assisted properties to provide owner-paid internet access for residents from property operating funds, as is the case for public housing. Current policy creates a disparate framework for the treatment of this expense that leaves residents with otherwise similar incomes and characteristics different options for connectivity based on subsidy type.

Conclusion

By leveraging their commitment to and capacity for resident services and utilizing network relationships and peer exchange, mission-driven housing providers have been able to comprehensively respond to resident needs and overwhelmingly support housing stability through two years of a global pandemic. As we emerge from a state of emergency into a new paradigm where disruption is the norm, it is essential that philanthropic and financial partners and policymakers invest in the resident services systems and mission-driven organizations that have facilitated this holistic response to move towards a more equitable future. At the same time, these affordable housing providers and the networks that serve them must continue to identify and pilot operating practices, financing structures and services that support housing stability, particularly for those at the greatest risk.

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