

NATIONAL ALLIANCE TO END HOMELESSNESS
***CARES Act Funds Have Kept Homeless Families Safe So Far During the Pandemic, But
More Stimulus Funds Are Needed for Winter to Shelter, Quarantine, and Re-House***

Introduction: We urge lawmakers to include three House-passed provisions in the next COVID stimulus package:

1. \$11.5 billion in Emergency Solutions Grants (ESG) for the homelessness system,
2. At least \$1 billion in Housing Choice Vouchers to help people most vulnerable to the coronavirus—the elderly, disabled, and sick—secure permanent housing, and
3. \$100 billion in rental fund assistance to help millions of low-income renters avoid homelessness when eviction moratoria expire and they are confronted with massive arrearages in back-rent.

According to the last official point-in-time (PiT) count, there are more than 567,000 people experiencing homelessness in the United States, on a given night, and 211,000 of them live outside or in places unfit for habitation (e.g., cars, parks, sidewalks, abandoned buildings). The number of persons who become homeless over the course of a year is estimated at two to three times the PiT count.

In March, at the beginning of the pandemic, experts at several major universities determined that the cost of safely sheltering and quarantining the nation's homeless population is \$11.5 billion for one year. An additional \$4 billion was added to that amount in order to secure housing for as many homeless families and individuals as possible. Hence, the need for \$15.5 billion in ESG to help people experiencing homelessness address the health and economic consequences of COVID-19 and the recession it caused.

The CARES Act provided the homelessness system in March with a crucial \$4 billion in initial ESG funding. Provision of the remaining \$11.5 billion in ESG would be a natural extension of the bipartisan CARES Act. ESG is a flexible program, thanks to Congress and HUD. Communities use ESG differently, but during the pandemic it is commonly used to pay for shelter spaces, motel quarantine sites, personnel and supplies, outreach to unsheltered homeless people, and re-housing efforts.

1. CARES Act ESG is being used to safeguard the health of people experiencing homelessness...

People experiencing homelessness, particularly the unsheltered, are in poor health compared to the general population. In fact, experts feared at the beginning of the pandemic that homeless families and individuals were much more likely to be hospitalized, require critical care, and die because of COVID-19. Indeed, it was often reported back in March that, seemingly overnight, scores of shelter residents had been infected with the coronavirus. Ultimately, most statistics indicate that people experiencing homelessness are slightly more likely to contract COVID-19 than the general population but less likely to die. CARES Act ESG made this remarkable public health accomplishment possible because the proceeds paid for...

a. the establishment of safe shelter spaces

This is not just moving beds farther apart—because in many cases they are, literally, screwed into the floor—and taking bunk beds apart, but also significantly upgrading cleaning and laundering and adapting or expanding common areas: bathrooms, showers, and dining rooms. However, in moving residents further apart, consistent with CDC guidelines, capacity is lost, so shelters have expanded in their current locations, moved to new locations, opened new locations, adapted by moving beds out into the halls, and borrowed for free facilities from governments, businesses, and charities. Night facilities are now open all day and Winter facilities stayed open.

Expansion has also required increases in personnel in order to help more clients and staff more facilities, which must be open longer. Nobody gets rich in homelessness, but every successful shelter requires a dedicated workforce: front-line staff, street outreach workers, facilities maintenance staff, social workers, behavioral health specialists, physical health specialists, and food prep workers. Volunteer staff tend to be older; and many of them have understandably taken leave for health reasons and been replaced by paid staff.

Examples: Even before shelter spaces were lost because of social distancing, **Lexington, KY**, really needed ESG. Due to the lock-down of the area's biggest shelter, a "huge influx" of people released from the state's prisons; and the loss of FEMA trailers, the area has been left short 300-400 spaces for Winter—at the same time unsheltered homelessness has noticeably increased. **El Paso, TX**, was typical in using the first tranche of ESG dollars on adapting an existing shelter for social distancing and then paying for increased staffing at that shelter; and part of its second tranche on the establishment of a new, 24/7, no barrier, emergency shelter, in addition to continuing to operate the older shelter.

b. the creation of motel quarantine spaces

Providers can agree on three things when it comes to motels. First, they provide ideal quarantine spaces for those people experiencing homelessness who are most vulnerable to the coronavirus (so they can be in their own spaces and more easily follow safe practices). Second, they are very expensive, even when an agreement has been reached for FEMA to pick up 75% of the costs. It has been estimated that the services which must be paid for by the community are 40% of the overall costs. Nevertheless, this option has proven so valuable that some communities pay for motel quarantine spaces without any FEMA subsidy. If a community prefers to avoid the higher costs and longer start-up times associated with new shelters, particularly if the need is short-term or for quick or unexpected surges, then motel spaces are seen as an acceptable alternative. Third, many communities find motels useful in de-congregating their shelters in order to achieve social distancing and in inducing to come inside people experiencing unsheltered homelessness who eschew congregate shelter because of the coronavirus.

Examples: **Massachusetts** is pretty typical, generally using the first tranche of ESG to create safe shelter spaces and the second tranche of ESG on motel spaces in order to de-congregate those shelter spaces. A **Northeastern state** is using ESG funding to "cover motel costs—again, for those not able to access regular shelters, or who need to isolate...We are also supporting additional staffing and services to ensure these folks get services, referrals, etc., just as they would if they were at a shelter." **Jacksonville, FL**, uses motels broadly, without any FEMA subsidy, to quarantine the most medically vulnerable, rent a motel exclusively for victims of domestic violence, and keep a back-up capacity of low-barrier spaces for short stays for more self-sufficient clients before transitioning them to permanent housing. **Cuyahoga County, OH**, needs additional ESG to pay for running a motel/nursing home that would be bought as a long-term investment (and one which avoids some shelter start-up costs) but which would also be useful throughout the pandemic.

c. aggressive outreach efforts

Often clad in PPE, outreach personnel continue to seek out unsheltered homeless folks, whether living alone or in sanctioned or unsanctioned encampments, to spread the word about the virus, encourage safe practices, conduct tests, and often make available masks, soaps, sinks, and toilets. In addition to those supplies, shelter have also used CARES Act proceeds to pay for PPE, gloves, and cleaning supplies. Perhaps the biggest expense for providers has been food because many of the usual sources of food for the unsheltered homeless have either dried up during the lock-down or are only slowly re-emerging.

Much outreach continues to focus on homeless folks with mental illness and substance abuse issues, trying to connect them with shelters and health care. However, outreach is more difficult than ever. Because of the required social distancing, outreach has become "shout-reach". Because of all the additional supplies required, outreach is more expensive than ever. Because of COVID-19, outreach is more dangerous than ever. But outreach is also more important than ever because of its contribution to public health during this unprecedented pandemic.

Examples: The **Kentucky** Balance of State Continuum of Care (CoC) needs additional ESG for outreach, which is important for rural areas in identifying those most reluctant to seek health care. **Louisville, KY**, is using ESG to pay for four case managers to work the streets and induce people to enter shelters and permanent housing; and provide an informal transportation network: procuring vans and then driving them around the city—to get homeless people to housing, employment and shelters. With Healthcare for the Homeless, **Harris County and Houston, TX**, have established a homeless-specific testing process. Homeless persons can be picked up by special cabs which take them to a testing center. After being tested, homeless persons wait at the quarantine center until the results become known. If a homeless person tests negative, she is assessed for housing.

2. ...but additional ESG is necessary to safely shelter people experiencing homelessness.

The costs associated with creating safe shelter spaces, securing motel quarantine spaces, and conducting aggressive outreach aren't going away. Shelters continue to incur these substantial expenses. Given that most experts predict that COVID-19 will be with us well into 2021, the homelessness system obviously needs additional ESG. We all know, in our own lives, how easy it is to take short-cuts that put us at higher risk of contracting the virus, right? Let's not put shelters in the position of having to cut corners and risk the health of their clients because they were denied much-needed federal assistance. Similarly, it will continue to make sense to place the most vulnerable homeless people in motel quarantine spaces. And it is in everyone's interest for providers to continue to use outreach to keep unsheltered homeless people healthy.

3. The homelessness system must be adequately resourced to face three daunting challenges:

- a. Evictions:** Millions of low-income renters are benefitting from eviction moratoria but nevertheless incurring massive arrearages in back-rent that they will be unable to pay because of income lost during the COVID-19 recession, absent the establishment of a robust rental assistance fund.

Examples: Many communities, including **Philadelphia, PA, Alameda County, CA, and Miami, FL**, re expecting waves of new homelessness when eviction moratoria expire, based on how local prevention programs have been extremely over-subscribed. In the words of a senior official in **Philadelphia**: "We are facing an eviction avalanche. We put out rental assistance locally and got 14,000 applications in June and were able to help just 4,000 people...(W)e have never experienced anything like this before." Before the pandemic, Alameda County, despite considerable efforts, could house just one person for every three persons who became homeless. It is feared post-moratorium evictions could double or even triple the county's already sizeable homeless population. **Miami, FL**, reports the responses to CARES Act ESG and other rental assistance funding made available by communities during the pandemic have been overwhelming. More than 4,000 preliminary applications were received by a single CARES Act ESG provider, and another 9,000 applications were received by a non-federal provider.

However, many areas are experiencing increases in homelessness because evictions have already started, notwithstanding various moratoria.

Examples: **Mobile, AL**, reports that in the area homelessness is up 20% and unstable housing is up 60% compared to the same time in 2019. Writing in NYT, Professor Matthew Desmond, director of Princeton's Eviction Lab, reported that, "**Tucson** usually sees 10 to 30 eviction cases a day. In June it handled roughly 50 cases a day. That same month, eviction cases were up 70 percent in **Alabama**, compared with last June." "In some cities in the Rust Belt, you are seeing evictions go up," Desmond later told NPR. "Milwaukee and Cleveland, evictions have been hovering around 40% higher than they usually are (in July of) a typical year. That's pretty scary." "One of the largest single-family rental landlords in the United States, Invitation Homes (which owns 80,000 rental homes) has (in September) restarted efforts to evict residents of its homes across the country," according to the Private Equity Stakeholder Project, "filing more than seventy eviction cases since July and more than two dozen cases since (the CDC) announced an eviction moratorium on September 1 to limit the spread of COVID-19."

- b. Winter:** In many areas, the weather turns cold during the Winter months, sometimes dangerously cold, increasing the risk of frostbite and hypothermia for unsheltered families and individuals. During previous Winters, people experiencing homelessness could be packed inside shelters, gymnasiums, and houses of worship when temperatures dropped. Because of COVID-19, however, and the requirements of social distancing, many areas will have to increase their shelter capacity—again!—in order to protect people from the cold while still protecting them from the coronavirus. This may mean expanding existing shelter spaces, establishing new shelter spaces, or using motel spaces. However, the deficit in safe spaces is offset, the homelessness system needs to be adequately resourced. The anticipated cost of ensuring additional shelter space during Winter is part of the \$11.5 billion overall cost determined by experts to safely shelter and quarantine the nation's population for one year, or until March 2021.
- c. Economy:** Many officials in the homelessness system are worried about the pace of the economic recovery in their areas. A slower recovery makes it more difficult for people at the bottom end of the economic ladder to find jobs and stay housed. For providers, a slower recovery means higher demands for services—from shelter spaces to outreach to rent subsidies, which drive up their expenses, and makes it more difficult to keep people experiencing homelessness safe without additional federal assistance.

Examples: **Fort Worth, TX**, reported its clients were having difficulty securing employment before the pandemic when the unemployment rate was extremely low, and a lot of the jobs they might have secured may come back slowly if at all. The **West Virginia** Balance of State CoC is very apprehensive about Winter, the pace of the state's economic recovery, and the future in general: "We expect to be maxed to the gills, require more creative problem-solving than ever before, and will need more of everything than we've ever needed," including additional federal funding. **Miami, FL**, reports that the area's tourism-based economy has been severely impacted by the COVID-19 pandemic and resulting emergency orders and Safer at Home protocols, and the demands on the CoC are expected to far outstrip resources. "It is expected that the long-term economic consequences of the pandemic will be severe for this area. Consequently, additional ESG would be very useful for additional shelter and a lot of permanent housing, which could employ longer and deeper subsidies in the case of a slow area economic recovery."

4. Additional ESG is needed to re-house people experiencing homelessness during this pandemic, which both promotes their health and ends their homelessness

What's the best way to protect the health of a family or individual experiencing homelessness from a highly infectious virus? What's the best way to end the homelessness of that family or individual? It just so happens that both questions have the same answer: get that family or individual into permanent housing. And ask yourself this: does it make any sense during this pandemic to get so many homeless families and individuals into shelters and motels, including the most vulnerable (the aged, the disabled, and the ill), just to put them back into shelters and on the streets when the CARES Act ESG expires? Of course not. That's why communities are using CARES Act ESG, and in anticipation of additional ESG, to pay for rapid re-housing (RRH) to get them into permanent housing.

RRH provides short-term rental assistance and light services, and it works particularly well with people who are relatively self-sufficient as well as those who are new to homelessness. The goals are to help people obtain housing quickly, increase self-sufficiency, and stay housed. It is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the needs of the person. The core components of RRH are housing identification, rent and move-in assistance, and case management and services. RRH is widely considered to be a successful program, and it is largely credited with the significant reduction in family homelessness since 2013. Under the progressive engagement approach, clients enrolled in RRH are consistently assessed by case managers to determine which persons have higher needs and would benefit from Housing Choice Vouchers (for economic reasons) or Permanent Supportive Housing spaces (PSH, for health reasons). ESG may not be used to pay for either option, but it may be used to pay for RRH, which can serve as a bridge until funding for those other options become available.

Examples: The combined CARES Act ESG as well as the additional ESG being considered by Congress would allow **Austin, TX**, to find RRH spaces for all clients, while still allowing for some people with higher needs to also be permanently housed. **San Antonio, TX**, reports that an increase in unsheltered homelessness has spurred considerable interest in RRH. **Los Angeles, CA**, is plowing all of its ESG into an ambitious plan to RRH, over three years, 15,000 of the area's most vulnerable people experiencing homelessness, i.e., who are 65 or older or who have an underlying health condition making them highly susceptible to hospitalization or death should they contract COVID-19. "This is about saving lives." **Jacksonville, FL**, is using its CARES Act ESG to rapidly re-house 60% of the people who have been placed in motels during the pandemic, particularly single adults, victims of domestic violence, and youths. Rather than push families out of its RRH program into a bad economy, thus increasing the risk of them falling back into homelessness, the **District of Columbia** is carrying an additional 700 families when normally their subsidies and services would be phased out.

Hennepin County, MN, would use additional ESG to pay for substantial RRH. Goals would be to increase the subsidies for people generally but also to build in off-ramps to direct people with higher needs into more appropriate housing. For example, it was recently made possible in the state for Medicaid proceeds to be used to pay for PSH; moreover, the Minneapolis Housing Authority could also issue vouchers for clients who need deeper subsidies. **Harris County and city of Houston, TX**, are plowing all of their ESG into a multi-pronged approach: 1. RRH, short-term (up to 12 months) rental assistance and light services for approximately 1,700 newly homeless people; 2. bridge to PSH, housing for approximately 1,000 people currently experiencing chronic homelessness—including those living unsheltered and/or in encampments—while they await a PSH space; and 3. diversion, a program to help approximately 2,000 people maintain or regain housing so that they do not have to enter emergency shelter. Assistance may be financial (i.e., up to three months' rent) or may include family mediation or creative problem-solving. **Las Vegas, NV**, is considering using ESG to operate pre-fabricated units and therapeutic villages for clients with higher needs.