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Homelessness and COVID-19

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Homelessness and COVID-19

People experiencing homelessness are at increased risk of contracting and spreading Coronavirus Disease 2019 (COVID-19). Those who are unsheltered may lack ready access to sanitary facilities. For those sleeping in emergency shelters, conditions may be crowded, with short distances between beds, and there may be limited facilities for washing. Since the onset of the COVID-19 pandemic, there have also been concerns that the number of people experiencing homelessness could increase. Unemployment rates grew as some industries, including restaurants, retail, and hospitality, essentially shut down for varying periods of time. The economic effects of the COVID-19 pandemic have been greater for low-income workers, renters, and minority households.

Congress, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), provided funding meant to stabilize conditions for state and local governments, businesses, and households. Among the funding appropriated through the CARES Act was targeted assistance for programs that help people who are experiencing homelessness or who are at risk of homelessness. The majority of targeted homelessness funding, \$4 billion, was provided to the Department of Housing and Urban Development’s (HUD’s) Emergency Solutions Grants, through which grantees provide emergency shelter, short- to medium-term rental assistance, and supportive services primarily to assist people who are homeless. Additional funding was also made available for Department of Veterans Affairs (VA) programs that assist homeless veterans, with VA obligating additional funds for Supportive Services for Veteran Families, the Homeless Providers Grant and Per Diem program, and Health Care for Homeless Veterans. The CARES Act also appropriated funding for the Department of Health and Human Services’ Runaway and Homeless Youth program, and made funding available to local education agencies that could be used for the Education for Homeless Children and Youths program, administered by the Department of Education.

CARES Act Funding for Targeted Homeless Programs

The CARES Act also provided broader-purpose funding for states, tribes, territories, and local governments that grantees may choose to use for shelter or rental assistance to help families avoid eviction and loss of housing. Among the funds being used for this purpose are HUD’s Community Development Block Grant, the Federal Emergency Management Agency’s Public Assistance funding for non-congregate sheltering, and the Coronavirus Relief Fund, a category of assistance created by the CARES Act.

Department	Program	Funding (\$ in million)
Housing and Urban Development	Emergency Solutions Grants	4,000
	Supportive Services for Veteran Families	602
Veterans Affairs	Grant and Per Diem Program	88
	Health Care for Homeless Veterans	10
Health and Human Services	Runaway and Homeless Youth	25
Education	Education for Homeless Children and Youths	— ^a

Source: Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and VA press releases.

a. The CARES Act appropriated approximately \$13 billion to an elementary and secondary education emergency relief fund and \$3 billion to a governor’s emergency relief education fund. An eligible use of each fund is to assist students experiencing homelessness through the Education for Homeless Children and Youths program.

It is not yet known whether homelessness will increase as a result of the COVID-19 pandemic. Community point-in-time counts of people experiencing homelessness took place in January 2020, before the economic effects of the pandemic occurred. In addition to economic and employment conditions, much depends on measures taken in response to the pandemic. Moratoriums on eviction have been implemented at the federal, state, and local levels to prevent renters from being evicted for nonpayment of rent. However, unless rental assistance is made available, some renters may be unable to catch up on payments and avoid eviction when moratoriums end. The ability to maintain housing may also depend on availability and affordability of alternative housing options, including sharing accommodations with family and friends, which itself could exacerbate the risk of COVID-19 spread.

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Introduction

People experiencing homelessness may be particularly vulnerable during the Coronavirus Disease 2019 (COVID-19) pandemic. Those living in unsheltered conditions might not have ready access to sanitary facilities. For those living in emergency shelters, it may be difficult to keep a safe distance from other residents, and indoor conditions may more readily facilitate transmission of the virus. Increasing numbers of people may also be at risk of losing their housing as a result of declining economic conditions and rising unemployment triggered by the pandemic. Additionally, homeless services providers may struggle to assist individuals and families if needs increase and volunteers, including retirees and students, that many organizations rely on become unavailable due to the risk of COVID-19 infection.¹

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) appropriated funds specifically to assist people experiencing homelessness. In addition, funds appropriated for broader-purpose programs are being used by states and localities to assist both people who are homeless as well as those who are at risk of losing their housing due to an inability to pay rent.

This report describes funding available to assist people who are experiencing homelessness or at risk of becoming homeless during the COVID-19 pandemic. It also discusses whether homelessness could increase as employment and economic conditions leave households unable to pay their housing costs and federal, state, and court-ordered eviction moratoriums expire.

What Does It Mean to Experience Homelessness?

The definition of *homelessness* varies by federal program and determines who can receive housing assistance and/or services.² Housing assistance programs, administered by the Department of Housing and Urban Development (HUD), as well as Department of Veterans Affairs (VA) programs, apply a definition that considers someone to be homeless if they are living on the street or some other place not meant for human habitation, in emergency shelters, or transitional housing.³ People who will “imminently lose” their housing within 14 days (through eviction or because they can no longer remain with family or friends) are also considered homeless according to this definition, as are people who are fleeing domestic violence.

Some other federal programs use definitions of homelessness that are broader. These definitions may include circumstances where a person currently has a place to live but is still considered homeless because the accommodation is precarious or temporary. For example, the Department of Education (ED) definition includes children and youth who are sharing housing with other people due to loss of housing or economic hardship.⁴ The Department of Health and Human Services (HHS) Runaway and Homeless Youth program considers youth to be homeless if it is not possible

¹ See, for example, Samantha Christmann, “Shelter’s ‘journey with the homeless’ resumes post-Covid, but needs volunteers,” *Buffalo News*, September 6, 2020, online version, accessed September 22, 2020; and Jerome Dela Rosa Lara, “As Winter Approaches, Cambridge Homeless Shelters Reevaluate Their Options,” *The Harvard Crimson*, September 3, 2020, online version, accessed September 22, 2020.

² For a more detailed discussion, see “Defining Homelessness: Who Is Served” in CRS Report RL30442, *Homelessness: Targeted Federal Programs*.

³ 42 U.S.C. §11302.

⁴ 42 U.S.C. §11434a(2).

for them to live in a safe environment with a relative and if there is no other safe alternative living arrangement.⁵

HUD assistance may also be available to people who are at risk of homelessness under certain circumstances. The law defines *at risk of homelessness* to include individuals and families who have income at or below 30% of the area median, insufficient resources to attain housing stability, and conditions in their lives contributing to housing instability, such as frequent moves or living with others due to economic hardship.⁶

When this report uses the terms *homeless*, *homelessness*, or *at risk of homelessness*, it is using the HUD definitions unless otherwise specified. The report uses the terms *at risk of losing housing* or *having difficulty paying for housing* to describe individuals and families who are unable to make rent payments no matter their income or other circumstances that are required to be considered at risk of homelessness according to HUD's definition.

Funding for Homeless Assistance

The CARES Act appropriated additional FY2020 funding for multiple programs that target assistance to people experiencing homelessness. Through the act, nearly \$5 billion in targeted homeless funding was allocated to six programs. In addition, states and communities have used non-targeted CARES Act funding to assist people experiencing homelessness, or who are having difficulty paying for housing, during the COVID-19 pandemic. Funds have been used to pay for stays in hotel and motel rooms, and even to purchase hotels to convert to housing; outdoor sanitary facilities; and rental assistance.

Targeted Funding for Homeless Programs

Temporary accommodations for people experiencing homelessness are frequently provided in congregate settings where individuals may sleep, eat, and gather in relatively close quarters. Services may also be provided in settings where large numbers of people gather together in an indoor setting. These conditions can contribute to the spread of COVID-19.

At the onset of the COVID-19 pandemic, homeless services providers struggled to find safe ways to meet the housing and other needs of people experiencing homelessness. HUD and VA released guidance for shelter and transitional housing providers on sanitation and preventing spread of disease.⁷ However, ultimately the best way to avoid transmission of COVID-19 is to reduce crowding and find individual accommodations for people away from congregate shelters and outdoor encampments to reduce the risk of exposure. In response to this need, the CARES Act targeted funds for additional shelter and temporary accommodations, among other assistance for people who are experiencing homelessness.

⁵ 34 U.S.C. §11279(3).

⁶ 42 U.S.C. §11360(1).

⁷ See, for example, HUD's website, COVID-19 and Homelessness: An Action and Resource Guide, https://www.hud.gov/homelessness_resources, and VA's COVID-19 webpage, Coronavirus Disease 2019, <https://www.va.gov/homeless/coronavirus.asp>, both accessed August 26, 2020.

Emergency Solutions Grants

The majority of funding specifically to address homelessness during the pandemic, \$4 billion, was appropriated to HUD's Emergency Solutions Grants (ESG) program.⁸ ESG funds are distributed by formula to states, tribes, territories, and local governments and can be used for emergency shelter and services for people who are experiencing homelessness, as well as for short- to medium-term rental assistance to help people who are homeless or at risk of homelessness as defined by HUD. Based on regulation, ESG funds can be used to pay for hotel or motel rooms when no appropriate shelter is available.⁹

Uses of ESG Funds Specific to COVID-19

Beyond the existing ways in which ESG funds can be used (as specified in statute and regulations), the CARES Act tailored eligible uses to the conditions exacerbated by the pandemic.

- Funds can be used for temporary emergency shelter without the need to satisfy either minimum use requirements or habitability and environmental review.
- Grantees can use funds to train staff on preventing the spread of infectious disease and for hazard pay without such funds counting toward the administrative funding cap.
- The act made changes regarding eligibility for people who are at risk of homelessness. To be eligible, an individual or family can have income at or below 50% of area median, rather than 30%, but they must still otherwise meet the requirements of the definition.
- Grantees are allowed to use up to 10% of funds for administrative purposes (the limit is ordinarily 7.5%).
- The act removed the limit (approximately 60%) on the amount of funds a grantee can use for emergency shelter and related services, and waived the requirement that grantees match federal funding.

HUD made additional changes to ESG requirements for CARES Act funding via notice. For example, funds can be used to set up outdoor handwashing stations and bathroom facilities and to provide financial incentives to both landlords (to participate in rental assistance programs) and to attract volunteers.¹⁰ HUD also reduced the term of rental assistance for people who are homeless or at risk of homelessness. Ordinarily rental assistance can be provided for up to 24 months, but CARES Act funding can only be used for up to 12 months of rental assistance.¹¹

ESG Funding Distribution

ESG funds are ordinarily distributed to states and local governments using a formula that is based on the Community Development Block Grant (CDBG) program formula.¹² However, while the

⁸ For more information about ESG, see CRS Report RL33764, *The HUD Homeless Assistance Grants: Programs Authorized by the HEARTH Act*.

⁹ 24 C.F.R. §576.102(a)(3).

¹⁰ U.S. Department of Housing and Urban Development (HUD), *CPD Notice 20-08, Waivers and Alternative Requirements for the Emergency Solutions Grants (ESG) Program Under the CARES Act*, September 1, 2020, pp. 13-14, <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-08cpdn.pdf> (hereinafter, HUD, *CPD Notice 20-08*).

¹¹ HUD, *CPD Notice 20-08*, p. 14.

¹² CDBG formula factors are population, the number of persons in poverty, housing overcrowding (homes in which

CARES Act specified that up to \$2 billion be distributed using this methodology, the remainder was to be distributed using a formula developed by HUD based on factors that include risk of COVID-19 transmission, the number of people experiencing sheltered and unsheltered homelessness, and economic and housing market conditions.

HUD distributed \$1 billion of the \$4 billion in CARES Act appropriations using the ESG formula. The first round of funding was announced April 2, 2020.¹³ HUD announced the distribution of the remaining \$3 billion in ESG funding on June 9, 2020.¹⁴ The list of communities receiving funds and amounts received is available on HUD's website.¹⁵

The second round of ESG funds was distributed via a formula that used the following weighted factors based on the criteria in the CARES Act:¹⁶

- 50%—Share of people experiencing sheltered and unsheltered homelessness as measured by HUD's annual point-in-time (PIT) count of people experiencing homelessness.¹⁷
- 10%—Share of people experiencing unsheltered homelessness as measured by the PIT count.
- 15%—Share of people at risk of homelessness as measured by very low-income (VLI) renters. (VLI renters are those with income at or below 50% of area median income.)
- 25%—Share of people at risk of unsheltered homelessness as measured by VLI renter households living in overcrowded conditions or in housing lacking kitchen or plumbing facilities.

Factors were adjusted for higher than average housing costs using fair market rents.¹⁸ HUD's notice acknowledged that transmission of COVID-19 was not an explicit factor in its formula, but because people experiencing homelessness are inherently at risk of transmitting coronavirus, HUD stated that "[b]y having this formula allocate toward homeless needs, it is also allocating toward the risk of transmission of coronavirus."¹⁹

there is more than one person per room), the age of housing (the number of housing structures built prior to 1940), and the extent of growth lag in a given community (the lack of population growth in a community compared to the growth rate it would have had if it had grown at the rate of other communities).

¹³ U.S. Department of Housing and Urban Development (HUD), "HUD Moves Quickly to Make \$3 Billion in COVID-19 Relief Funding Available to Communities Across the Nation," press release, April 2, 2020, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_049.

¹⁴ U.S. Department of Housing and Urban Development (HUD), "HUD Provides Remaining \$2.96 Billion in CARES Act Funding for Homeless Populations Amid Coronavirus Recovery," press release, June 9, 2020, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_077.

¹⁵ See HUD Office of Community Planning (CPD) Formula Allocations and CARES Act Supplemental Funding for FY2020, https://www.hud.gov/program_offices/comm_planning/budget/fy20/.

¹⁶ U.S. Department of Housing and Urban Development (HUD), *CARES Act Emergency Solutions Grant (ESG) Round 2 Funding under COVID-19 Supplemental Appropriations*, June 2020, https://www.hud.gov/sites/dfiles/CPD/documents/ESG_CARES_Act_Round_2_Allocation_Methodology_rev.pdf.

¹⁷ Point-in-time count data are available on HUD's website at <https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/>.

¹⁸ Fair market rents are developed and used by HUD to determine housing subsidy levels in communities across the country.

¹⁹ U.S. Department of Housing and Urban Development (HUD), *CARES Act Emergency Solutions Grant (ESG) Round 2 Funding under COVID-19 Supplemental Appropriations*, June 2020, p. 3, https://www.hud.gov/sites/dfiles/CPD/documents/ESG_CARES_Act_Round_2_Allocation_Methodology_rev.pdf.

Department of Veterans Affairs Homeless Programs

The CARES Act appropriated additional FY2020 funding for the VA medical services account (the account through which homeless veteran programs are funded) and made it possible for VA to obligate additional funding for programs that assist homeless veterans. VA, in turn, obligated additional funds for the Supportive Services for Veteran Families (SSVF) program, the Grant and Per Diem (GPD) program, and Health Care for Homeless Veterans (HCHV). In addition, VA has issued guidance for the organizations that serve veterans experiencing homelessness and waived usual program rules to allow providers to address conditions that may increase risk of veterans contracting COVID-19.

Supportive Services for Veteran Families

SSVF funds are administered by nonprofit organizations and community cooperatives to assist veterans and their families who are homeless or at risk of homelessness. Funds can be used for outreach; case management; assistance with rent, utility, and moving costs; and help applying for VA and other benefits.

VA obligations for the SSVF program are based on the program's authorized level, which was \$380 million in FY2020. The CARES Act waived the authorized funding level for SSVF to allow VA to provide additional funding for the program. VA announced additional funding for SSVF twice: \$202 million in May 2020 and \$400 million in July 2020.²⁰

VA has waived certain requirements around SSVF and the way that funds can be used in order to better respond to the pandemic, including the following:

- SSVF regulations allow funds to be used for emergency housing, including hotels and motels²¹; this use of funds may occur only when no other housing options, such as transitional housing through VA's GPD program, are available. In response to the pandemic, however, grantees may use funds for veterans to live in hotels and motels instead of congregate settings.²² Further, regulatory time limits around emergency housing are waived.²³
- Ordinarily SSVF grantees are limited to using 50% of their grant for temporary financial assistance (TFA), which includes rental assistance, security deposits, and payments toward utilities.²⁴ VA has waived this limit on TFA during the COVID-19 pandemic.²⁵

²⁰ U.S. Department of Veteran Affairs (VA), "VA gets boost from CARES Act to provide emergency assistance to Veterans who are homeless or at risk of homelessness during COVID-19 crisis," press release, May 6, 2020, <https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5442> (hereinafter, VA, "VA gets boost from CARES Act"); and "VA expands funding for emergency response for Veterans experiencing or at risk of homelessness during COVID-19 pandemic," press release, July 16, 2020, <https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5487>.

²¹ 38 C.F.R. §62.34(f).

²² U.S. Department of Veterans Affairs (VA), *SSVF Emergency Housing Assistance Guidance*, May 7, 2020, https://www.va.gov/HOMELESS/ssvf/docs/SSVF_EHA_Guidance_Update_05072020.pdf (hereinafter, VA, *SSVF Emergency Housing Assistance Guidance*).

²³ VA, *SSVF Emergency Housing Assistance Guidance*.

²⁴ See, for example, U.S. Department of Veterans Affairs (VA), "Funding Availability Under Supportive Services for Veteran Families Program," 84 *Federal Register* 66708, December 5, 2019.

²⁵ VA, *SSVF Emergency Housing Assistance Guidance*.

- During the pandemic, grantees may also use SSVF to help veterans who are enrolled in HUD-VASH (HUD-VASH provides Section 8 vouchers to homeless veterans, together with services through VA). SSVF funding may be used for housing search, security deposits, and to pay rental assistance in units that have not yet been inspected and approved by HUD until rental assistance through the Section 8 program becomes available.²⁶

Grant and Per Diem Program

GPD program funds are awarded to public entities and private nonprofit organizations to provide short- to medium-term housing and supportive services to homeless veterans, typically in congregate settings. The grant portion of the program makes capital grants available to develop the facilities to serve homeless veterans, while the per diem portion reimburses providers, up to a limit, for the cost of providing housing and services.

Together, grant and per diem funding is authorized at approximately \$258 million per year. The CARES Act allowed additional allocations for the GPD program in cases of public health emergencies notwithstanding the FY2020 authorization level. In July 2020, VA announced that it had allocated an additional \$88 million to the GPD program in response to the COVID-19 pandemic.²⁷

Ordinarily GPD grants are limited to 65% of the costs of acquisition, construction, expansion, or remodeling of facilities, and per diem payments are limited to the VA domiciliary care per diem rate, which was \$48.50 per day for FY2020.²⁸ The CARES Act gave the VA Secretary authority to waive limits on both these payments. VA released guidance in April 2020 addressing how providers can request increased per diem payments.²⁹

Health Care for Homeless Veterans

HCHV is a VA-administered program through which VA medical center staff conduct outreach to homeless veterans; provide care and treatment for medical, psychiatric, and substance use disorders; and engage veterans in case management, including referrals for supportive services.³⁰ The VA allocated \$10 million of CARES Act funding to the HCHV program to be used to provide shelter for veterans experiencing homelessness, including in hotel/motel rooms, and for supportive services.³¹

²⁶ U.S. Department of Veterans Affairs Memorandum, Supportive Services for Veteran Families (SSVF) Assistance for Veterans Participating in Housing and Urban Development - Veterans Affairs Supportive Housing (HUD-VASH), May 19, 2020, https://www.va.gov/HOMELESS/ssvf/docs/SSVF_Assistance_for_Veterans_Participating_in_Housing_and_Urban_Development_Veterans_Affairs_Supportive_Housing_HUDVASH.pdf.

²⁷ U.S. Department of Veterans Affairs (VA), “VA expands funding for emergency response for Veterans experiencing or at risk of homelessness during COVID-19 pandemic,” press release, July 16, 2020, <https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5487>.

²⁸ 38 U.S.C. §§2011-2012.

²⁹ VA guidance on the per diem waiver is available at <https://www.va.gov/HOMELESS/docs/GPD/providers/GPDCOVID19PerDiemRateWaiverGuidance.pdf>.

³⁰ 38 U.S.C. §§2031, 2034.

³¹ VA, “VA gets boost from CARES Act.”

Runaway and Homeless Youth

Through the Runaway and Homeless Youth (RHY) program, HHS administers grants to public entities and private nonprofit organizations to provide shelter and services for youth up to age 22 (or up to age 23 under selected circumstances) who cannot safely live with a relative or have no alternative safe living arrangements.³² The CARES Act appropriated \$25 million for the RHY program.³³ HHS guidance provided that CARES Act funds would be released proportionately to existing grantees.³⁴

CARES Act funds can be used for a range of activities to support youth and grantee staff during the pandemic, including to prevent and reduce the risk of COVID-19 transmission among youth and staff, enhance training and readiness around emergency preparedness, and implement disaster preparedness plans and protocols.³⁵ Funds may also be used to provide youth with rent and utility assistance, food, and items for those who are parenting, as well as to pay for COVID-19 testing.³⁶

Education for Homeless Children and Youths

The Education for Homeless Children and Youths (EHCY) program, administered through the Department of Education, provides funding to state education agencies (SEAs), which in turn subgrant funds to local education agencies (LEAs) to assist children and youth experiencing homelessness and ensure that they have the same access to public education as other students.

Students considered homeless under the EHCY program may be living in shelters or places not meant for human habitation, or may be sharing housing with family or friends for economic reasons.³⁷ LEAs provide transportation assistance so that students who have moved due to homelessness can continue to attend their school of origin.³⁸ Additional ways in which EHCY funds can be used include tutoring and special instruction, referrals for health services, and school supplies.³⁹

While the CARES Act did not appropriate funds directly for the EHCY program, it made available approximately \$13 billion for an elementary and secondary education emergency relief fund that may be used to assist students experiencing homelessness.⁴⁰ The emergency relief fund is available to SEAs, but at least 90% of funds must be subgranted to LEAs. In turn, LEAs may

³² 34 U.S.C. §§11201, et seq.

³³ For more information, see CRS Insight IN11302, *Support for Homeless Youth in the Context of COVID-19: A Brief Overview*.

³⁴ Department of Health and Human Services (HHS), Family and Youth Services Bureau, *FY 2020 Coronavirus Supplemental Funding Guidance: ACF Reporting Requirement for the FYSB Runaway and Homeless Youth Program*, May 11, 2020, https://www.acf.hhs.gov/sites/default/files/fysb/fy_2020_covid_19_acf_reporting_instructions_rhy_program.pdf.

³⁵ U.S. Department of Health and Human Services (HHS), Family & Youth Services Bureau, *FY 2020 Coronavirus Supplemental Funding: Examples of Allowable Uses of Funds for the FYSB Runaway and Homeless Youth Program*, May 11, 2020, https://www.acf.hhs.gov/sites/default/files/fysb/fy2020_covid_19_acf_examples_uses_of_funding_for_rhy.pdf (hereinafter, HHS, *FY 2020 Coronavirus Supplemental Funding Guidance*).

³⁶ HHS, *FY 2020 Coronavirus Supplemental Funding Guidance*.

³⁷ 42 U.S.C. §11434a.

³⁸ 42 U.S.C. §11432(g)(3).

³⁹ 42 U.S.C. §11433(d).

⁴⁰ See Sections 18001 and 18003 of P.L. 116-136. For more information, also see CRS In Focus IF11509, *CARES Act Elementary and Secondary Education Provisions*.

use funding for purposes authorized by the EHCY program,⁴¹ to address the unique needs experienced by certain student populations, including homeless students, and for instruction during the summer for students experiencing homelessness, among other populations.

In addition, the CARES Act provided nearly \$3 billion for a governor's emergency relief education fund.⁴² States that receive grants can use them for a number of purposes, including support to LEAs that the SEA deems to have been most significantly affected by COVID-19 or to LEAs deemed essential for carrying out emergency educational services, including activities authorized under the EHCY program.

Table I. CARES Act Funding for Targeted Homeless Programs

Department	Program	Funding (\$ in million)
Housing and Urban Development	Emergency Solutions Grants	4,000
	Supportive Services for Veteran Families	602
Veterans Affairs	Grant and Per Diem Program	88
	Health Care for Homeless Veterans	10
Health and Human Services	Runaway and Homeless Youth	25
Education	Education for Homeless Children and Youth	— ^a

Source: Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and VA press releases.

- a. The CARES Act appropriated approximately \$13 billion to an elementary and secondary education emergency relief fund and \$3 billion to a governor's emergency relief education fund. An eligible use of each fund is to assist students experiencing homelessness through the Education for Homeless Children and Youths program.

Other Funding Available for Housing and Shelter

The CARES Act also appropriated funds for programs that, while not specifically targeted to assist people experiencing homelessness (or those who are at risk of losing their housing and perhaps becoming homeless), can be used for those purposes at a grantee's discretion.

Community Development Block Grant

The CARES Act provided an additional \$5 billion for HUD's CDBG program in response to the COVID-19 pandemic.⁴³ CDBG funds are distributed to states, local governments, and territories, and can be used for a wide range of purposes. One eligible use is for public facilities, including shelters serving people experiencing homelessness.⁴⁴

⁴¹ The CARES Act specifically mentions that funds can be used for Title VII of the McKinney-Vento Homeless Assistance Act, the law that originally authorized EHCY.

⁴² See Section 18002 of P.L. 116-136.

⁴³ For more information, see CRS Insight IN11315, *Community Development Block Grants and the CARES Act*.

⁴⁴ 42 U.S.C. §5305(a)(14), U.S. Department of Housing and Urban Development (HUD), *Basically CDBG for Entitlements, Chapter 6, Public Facilities, Special Assessments, and Publicly-owned Utilities*, September 2017, p. 2, <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-6-Public-Facilities.pdf>.

Another way in which CDBG funds can be used is for “emergency grant payments” made to a provider of food, clothing, housing, or utilities (note that payments cannot be made directly to a family).⁴⁵ Ordinarily emergency payments cannot be made to a provider for more than three consecutive months, but HUD waived this regulatory requirement to allow emergency payments, including rent and mortgage assistance, to be made for up to six consecutive months.⁴⁶ In addition, such emergency payments are considered “public services” under the CDBG statute, which are capped, generally at 15% of a grantee’s allocation.⁴⁷ The CARES Act waived this limitation.

While the number of communities using CDBG funding to assist people experiencing homelessness and for rental assistance is not known, the National Low Income Housing Coalition (NLIHC) has compiled available information on state and local rental assistance programs and funding sources, including CDBG.⁴⁸

Federal Emergency Management Agency (FEMA) Public Assistance Program

FEMA Public Assistance funds are available in the case of a presidentially declared major disaster or emergency under the Stafford Act to reimburse states, territories, tribes, localities, and eligible nonprofits for response and recovery efforts.⁴⁹ Sheltering after a disaster or emergency is one of the ways in which Public Assistance funds can be used.⁵⁰ Sheltering might ordinarily occur in large facilities where many people could be housed in close proximity, but during the COVID-19 pandemic, Public Assistance funds can be used for non-congregate sheltering, such as in hotel and motel rooms and dormitories, in order to respond to the nature of the virus.⁵¹

After a Stafford Act declaration, states, territories, tribes, local governments, and eligible nonprofits apply to FEMA for Public Assistance awards; if they are approved, FEMA is to reimburse not less than 75% of eligible costs.⁵² In the context of the COVID-19 pandemic, the President issued an emergency declaration, pursuant to the Stafford Act, for all states, territories, and the District of Columbia on March 13, 2020.⁵³ States, territories, and tribes apply for non-

⁴⁵ See 24 C.F.R. §570.207(b)(4).

⁴⁶ U.S. Department of Housing and Urban Development (HUD), “Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs,” 85 *Federal Register* 51467, August 20, 2020.

⁴⁷ 42 U.S.C. §5305(a)(8).

⁴⁸ See National Low Income Housing Coalition (NLIHC), “NLIHC COVID-19 Rental Assistance Database” <https://docs.google.com/spreadsheets/u/1/d/1hLfybfo9NydIptQu5wghUpKXecimh3gaoqT7LU1JGc8/edit#gid=79194074>, accessed September 4, 2020. See also, National Low Income Housing Coalition, *Research Note: Emergency Rental Assistance in Response to COVID-19*, October 27, 2020, <https://nlihc.org/sites/default/files/Emergency-Rental-Assistance-Programs-3.pdf> (hereinafter, *Emergency Rental Assistance in Response to COVID-19*).

⁴⁹ For more information about FEMA Public Assistance and sheltering, see CRS Insight IN11440, *Potential FEMA Emergency Sheltering Options During the COVID-19 Pandemic*.

⁵⁰ FEMA considers this type of Public Assistance to be Emergency Protective Measures, or Category B, assistance.

⁵¹ Federal Emergency Management Agency (FEMA), *FEMA’s Interim Policy Emergency Non-Congregate Sheltering during the COVID-19 Public Health Emergency (104-009-18)*, https://www.fema.gov/sites/default/files/2020-07/fema_public-assistance-non-covid-19-ncs_policy.pdf. “In some circumstances, such as when congregate shelters are not available, sufficient, or could present a threat to public health and safety, FEMA may reimburse costs related to emergency sheltering in non-congregate environments.”

⁵² 42 U.S.C. §5170b(b).

⁵³ For more information, see CRS Insight IN11264, *Presidential Declarations of Emergency for COVID-19: NEA and Stafford Act*.

congregate sheltering assistance for populations who have contracted or are at risk of contracting COVID-19 and in need of a safe place to stay.⁵⁴ While some states have explicitly included people experiencing homelessness in their plans, others have included broader populations for whom non-congregate sheltering might be needed, which could include people who are homeless.⁵⁵

Coronavirus Relief Fund

The CARES Act created a Coronavirus Relief Fund (CRF) to provide funds to states, tribes, territories, and local governments to be used for necessary expenditures related to the COVID-19 pandemic that were not accounted for in a grantee's budget prior to enactment. The funds can be used to cover costs incurred from March 1, 2020, until December 30, 2020.⁵⁶

Among the eligible ways in which funds can be used is assisting people who are homeless or behind on their rent. The Treasury Department has issued guidance specifically providing that eligible expenses include “care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.”⁵⁷ In addition, FAQs released by the Treasury Department state that assistance can include “a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure.”⁵⁸

While the number of communities using the CRF to assist people experiencing homelessness and for rental assistance is not yet known, the NLIHC has compiled available information on state and local rental assistance programs and funding sources, including CRF.⁵⁹

Will the Number of People Experiencing Homelessness Increase?

The COVID-19 pandemic has created conditions that could lead individuals and families to lose their housing. Some people have lost their jobs entirely, while others face reduced hours. Federal government assistance, through economic impact payments and unemployment benefits, can help cover rent and other necessities, but for some people these funding sources may have been exhausted months ago, and some may never have received them. While economic distress does

⁵⁴ For examples of states that have applied for assistance, see National Low Income Housing Coalition, *Getting to Yes: Working with FEMA to Fund Non-Congregate Sheltering During COVID-19*, May 28, 2020, <https://bit.ly/2YKcnpW>.

⁵⁵ For example, the Delaware specifically included people experiencing homelessness in their plan to FEMA, <https://dema.delaware.gov/recoveryAssistance/index.shtml?dc=noncongregateSheltering>. Massachusetts did not specifically include people who are homeless, but included people who need to quarantine, but “cannot do so safely in their current living situation without causing undue risk to themselves or others” (<https://www.mass.gov/info-details/eligible-costs-for-covid-19-federal-disaster-declaration#non-congregate-medical-sheltering:->).

⁵⁶ For more information about the Coronavirus Relief Fund, see CRS Report R46298, *The Coronavirus Relief Fund (CARES Act, Title V): Background and State and Local Data*.

⁵⁷ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, updated September 2, 2020, p. 4, <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

⁵⁸ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, updated September 2, 2020, p. 5, <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>.

⁵⁹ See National Low Income Housing Coalition (NLIHC), “NLIHC COVID-19 Rental Assistance Database,” <https://docs.google.com/spreadsheets/u/1/d/1hLfbyfo9Nyd1ptQu5wghUpKXecimh3gaoqT7LU1JGc8/edit#gid=79194074>, accessed September 4, 2020. See also *Emergency Rental Assistance in Response to COVID-19*.

not inevitably result in homelessness, it is often a necessary precondition for homelessness to occur, and the number of people experiencing economic difficulties has increased.

COVID-19 Pandemic's Effects on Housing Stability

Renters may find that their housing arrangements have become precarious because of the pandemic. Renter households, particularly those with lower incomes, are less stable and more likely to experience homelessness than homeowners.⁶⁰ During the pandemic, renters have been more likely to lose employment income than homeowners, particularly Black and Hispanic renters.⁶¹ As a result, the number of cost burdened and severely cost burdened renters (those paying more than 30% or 50% of their income toward rent, respectively) is expected to increase.⁶²

Six months into the pandemic, according to Census survey data from September 2020, 17% of renters reported not being caught up on rent payments, and more than 26% reported no confidence to slight confidence in their ability to pay the next month's rent.⁶³ As renters fall behind, they may face eviction and, depending on economic factors and individual resources, could fall into homelessness.

Factors That Could Affect Homelessness

A number of continually evolving factors could have implications for whether people are able to maintain housing, or find alternative housing, if they are evicted. These include the trajectory of COVID-19 itself and its effect on economic and employment conditions, as well as the actions of and resources provided by governments, as detailed below.

Eviction Moratoriums: As stay-at-home orders became common at the onset of the COVID-19 pandemic, states, local jurisdictions, and court systems across the country imposed eviction moratoriums to prevent renters from losing their housing.⁶⁴ In addition, the CARES Act provided protection for renters in federally subsidized units (such as Public Housing and Section 8) and in

⁶⁰ For example, in considering a new formula for the Continuum of Care Homeless Assistance Grant program, HUD found that renter-occupied units (as a percentage of all housing units) and the number of rent-burdened extremely low-income households are correlated to rates of homelessness as calculated by the point-in-time count. U.S. Department of Housing and Urban Development (HUD), "Continuum of Care Program: Solicitation of Comment on Continuum of Care Formula," 81 *Federal Register* 48366, July 25, 2016, <https://www.federalregister.gov/documents/2016/07/25/2016-17567/continuum-of-care-program-solicitation-of-comment-on-continuum-of-care-formula>.

⁶¹ Alexander Hermann and Sharon Cornelissen, *Using the Census Bureau's Household Pulse Survey to Assess the Economic Impacts of COVID-19 on America's Households*, Harvard Joint Center for Housing Studies, July 2, 2020, <https://www.jchs.harvard.edu/blog/using-the-census-bureaus-household-pulse-survey-to-assess-the-economic-impacts-of-covid-19-on-americas-households/>. See also, Whitney Airgood-Obrycki, "The Impact of COVID-19 on Renters and Rental Markets," Joint Center on Housing Studies virtual event, September 4, 2020, <https://www.jchs.harvard.edu/calendar/impact-covid-19-renters-and-rental-markets>.

⁶² Whitney Airgood-Obrycki, "The Impact of COVID-19 on Renters and Rental Markets," Joint Center on Housing Studies virtual event, September 4, 2020, <https://www.jchs.harvard.edu/calendar/impact-covid-19-renters-and-rental-markets>.

⁶³ CRS calculations based on Census Pulse data from September 2, 2020, through September 14, 2020, available at <https://www.census.gov/data/tables/2020/demo/hhp/hhp14.html>, accessed on October 2, 2020.

⁶⁴ For more information on state and local eviction moratoria, see Emily A. Benfer, Wake Forest University School of Law Visiting Professor of Law and Director of the Health Justice Clinic, "COVID-19 Eviction Moratoria: Federal (CDC), State, Commonwealth, and Territory," <https://docs.google.com/spreadsheets/d/e/2PACX-1vTH8dUIbfnt3X52TrY3dEHQCAm60e5nq0Rn1rNcf15dPGexxM9QN9UdxUfEjxwvFTKzbCbZxJMdR7X/pubhtml>, accessed September 10, 2020.

properties with a mortgage purchased by Fannie Mae and Freddie Mac.⁶⁵ The CARES Act moratorium expired on July 24, 2020, and while state and local moratoriums extend for different time periods, some began to expire over the course of the summer.⁶⁶

As other moratoriums were ending, the Centers for Disease Control and Prevention (CDC) announced a federal eviction moratorium from September 4, 2020, to December 31, 2020.⁶⁷ The CDC moratorium cited the risk of homelessness or overcrowded housing that could occur if evictions go forward, leading to increased risk of disease spread.⁶⁸ The CDC moratorium has broader reach than the CARES Act moratorium and could conceivably apply to any renter unable to pay rent as long as income and other conditions are satisfied. However, renters must be aware of the moratorium in order to certify that it applies to them. In addition, the moratorium allows late fees and other charges to accrue, and renters will owe these and back rent when it expires.

Prior to imposition of the CDC eviction moratorium, researchers predicted that between 29 million and 40 million people could be evicted by the end of 2020.⁶⁹ Estimates of back rent owed during the same time period range from \$25 billion to \$70 billion, depending on the source.⁷⁰ The ability of renters to enter into repayment plans to make up arrearages may be limited, particularly if their income has decreased.

Unemployment and Economic Conditions: After the onset of the COVID-19 pandemic, the unemployment rate increased from 3.5% in February 2020 to 14.7% in April 2020.⁷¹ The unemployment rate decreased in subsequent months, and was 7.9% for September 2020. Job losses appear to have occurred disproportionately among low-wage workers.⁷² Continued decreases in unemployment and improvement in economic conditions are tied, at least in part, to the trajectory of the COVID-19 pandemic, which is uncertain. Even if conditions improve, and people who lost their jobs are able to regain employment, accrued rental debt may still make it difficult to retain housing.

⁶⁵ For more information, see CRS Insight IN11320, *CARES Act Eviction Moratorium*.

⁶⁶ See footnote 64.

⁶⁷ For more information, see CRS Insight IN11516, *Federal Eviction Moratoriums in Response to the COVID-19 Pandemic*.

⁶⁸ Centers for Disease Control and Prevention, “Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19,” 85 *Federal Register* 55295, September 4, 2020, <https://www.federalregister.gov/documents/2020/09/04/2020-19654/temporary-halt-in-residential-evictions-to-prevent-the-further-spread-of-covid-19>.

⁶⁹ The Aspen Institute, in updated analysis based on the Census Pulse Survey, estimated that 29 million people could be at risk of eviction by the end of 2020. The same report included an estimate from management consulting firm Stout, Risius Ross that as many as 40 million people in 17 million households could be at risk of eviction by the end of 2020. Emily Benfer, David Bloom Robinson, and Stacy Butler et al., *The COVID-19 Eviction Crisis: an Estimated 30-40 Million People in America Are at Risk*, Aspen Institute, August 7, 2020, <https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/>.

⁷⁰ Stout, Risius Ross LLC, *Analysis of Current and Expected Rental Shortfall and Potential Eviction Filings in the U.S.*, National Council of State Housing Finance Agencies, September 25, 2020, https://www.ncsha.org/wp-content/uploads/Analysis-of-Current-and-Expected-Rental-Shortfall-and-Potential-Evictions-in-the-US_Stout_FINAL.pdf; and John Lonski, *Weekly Market Outlook: Markets Avoid Great Recession’s Calamities*, Moody’s Analytics, August 13, 2020, p. 9, <https://www.moodyanalytics.com/-/media/article/2020/weekly-market-outlook-markets-avoid-great-recessions-calamities.pdf>.

⁷¹ See the U.S. Department of Labor (DOL), Bureau of Labor Statistics, Monthly Situation news releases and COVID-19 impact summaries, available at <https://www.bls.gov/covid19/effects-of-covid-19-pandemic-and-response-on-the-employment-situation-news-release.htm>.

⁷² See CRS Insight IN11475, *Economic Activity and the Expiration of COVID-19 Relief Provisions*.

Funding for Rental Assistance: In the early months of the COVID-19 pandemic, federal funding may have helped some renters withstand job loss and maintain their housing payments. In addition to the CARES Act funding sources discussed in this report, individuals and families may have received economic impact payments and increased unemployment benefits. Renters may also have used savings or borrowed funds to meet rent obligations. States and localities have been able to draw on federal funds, as well as their own resources, to assist people who are homeless or at risk of losing their housing. However, as time goes on, these resources may be depleted, particularly as households and governments struggle with their budgets.⁷³ In addition to concerns about people becoming newly homeless, it is possible that those experiencing homelessness prior to the pandemic who obtained housing through short-term rental assistance or in hotel-type settings may become homeless again.

Additional funding for rental assistance for people already experiencing homelessness and those potentially at risk of losing their housing has been proposed in legislation passed by the House in the 116th Congress. The housing provisions of the Heroes Act (H.R. 6800), also included in the Emergency Housing Protections and Relief Act (H.R. 7301), would provide \$11.5 billion for people experiencing homelessness and \$100 billion for short- and medium-term rental assistance for eligible individuals and families.⁷⁴ A subsequent version of the Heroes Act (H.R. 925), passed by the House on October 1, 2020, would provide \$5 billion and \$50 billion, respectively, for these purposes. If rental assistance funding were to be appropriated, fewer people might lose housing and those currently experiencing homelessness may be able to move into housing units.

Ability to Find New Accommodations after Loss of Housing: Evictions and loss of housing do not necessarily result in homelessness as defined by HUD (living on the street or in other places not meant for human habitation, in shelters, or in transitional housing). There are no comprehensive data available that show what happens to families after an eviction occurs. Families may be able to move in with other family members or friends, or perhaps find lower-cost housing, though this may still leave them at risk of homelessness in the future. An analysis of tenants evicted in New York City over a period from 2007-2016 found that in the years subsequent to eviction, evicted individuals had increased probability of both applying to homeless shelters and spending days in shelter.⁷⁵ Further, due to the COVID-19 pandemic, there may be less willingness to double up with family and friends because of fears of transmission.

Supply and Demand for Rental Housing: The economic and health conditions of the COVID-19 pandemic make comparisons to other time periods difficult. The availability and cost of housing, as well as landlord requirements, may change if a significant percentage of renters have evictions and arrearages on their records. For these reasons, some landlords may be willing to work with tenants on payment plans to make up arrearages, particularly if tenants paid reliably

⁷³ For example, see Diana Farrell, Peter Ganong, and Fiona Greig et al., *The unemployment benefit boost: Trends in spending and saving when the \$600 supplement ended*, JP Morgan Chase & Co. Institute, October 2020, https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/institute/pdf/Institute-UI-Benefits-Boost-Policy-Brief_ADA.pdf.

⁷⁴ For more information, see CRS Report R46434, *HEROES Act, Division K—COVID-19 Housing, Economic Relief, and Oversight Act*.

⁷⁵ Robert Collinson and Davin Reed, *The Effects of Evictions on Low-Income Households*, December 2018, https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf.

prior to the pandemic.⁷⁶ Both demand for and supply of rental housing could be affected if more people move in with family and friends, whether to save money or out of necessity. Conditions may not become clear until well after the pandemic is over.

Available Data

National homelessness data do not yet show the effects of the COVID-19 pandemic. Data on the numbers of people who are experiencing homelessness are not easily or quickly updated. HUD releases two national estimates of people who are homeless, both of which are updated annually.⁷⁷ One is a point-in-time (PIT) count of the number of people experiencing homelessness on one day during the month of January. The second is an annual estimate of people experiencing sheltered homelessness over the course of a fiscal year (i.e., the estimate includes people living in shelter or transitional housing, but not those living on the street or other places not meant for human habitation). The PIT count was most recently released for 2019, and the most recent full-year estimate of sheltered homelessness is from FY2018.⁷⁸

The circumstances of these methodologies mean that the magnitude of increases in homelessness that could result from the COVID-19 pandemic nationally may not be readily quantifiable. In addition, federal, state, and local eviction moratoriums, and federal funding through the CARES Act, may have helped families and individuals who would otherwise have lost housing maintain it in recent months, so the full scale of people unable to pay for housing may not become apparent until moratoriums end.

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⁷⁶ Some groups, as well as HUD, have released suggestions for landlords about payment agreements and avoiding evictions. See National Association of Realtors, “Coronavirus: Housing Providers FAQs,” <https://www.nar.realtor/political-advocacy/coronavirus-housing-providers-faqs>; National Multifamily Housing Council, “Tools for Communicating with Residents,” <https://www.nmhc.org/research-insight/analysis-and-guidance/emergency-preparedness/communicating-with-residents-rent/>; and U.S. Department of Housing and Urban Development, “Tools for Landlords with Tenants Impacted by COVID-19,” <https://files.hudexchange.info/resources/documents/COVID-19-Tools-for-Landlords-Tenants-Impacted-by-COVID-19.pdf>.

⁷⁷ For more information, see CRS In Focus IF10312, *How Many People Experience Homelessness?*

⁷⁸ Reports that include both estimates are available on HUD’s website at <https://www.hudexchange.info/homelessness-assistance/ahar/>.

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