



June 1, 2020

Governor John Bel Edwards
PO Box 94004
Baton Rouge, LA 70804

Dear Governor Edwards,

On behalf of a broad coalition of those working to provide safe and stable rental housing in Louisiana, we commend your handling of the COVID-19 pandemic. Our organizations represent a diverse collection of for-profit developers, nonprofit developers, community development organizations, homeless providers, property management companies, nonprofits, financial institutions, advocates, government officials, and other entities in Louisiana who are extremely concerned about the effect long-term employment losses will have on the financial stability of renters and rental properties.

We ask that you identify funds from the Coronavirus Relief Fund for rental assistance funding through the end of the year to serve renter needs. Facing a prolonged economic downturn, rental assistance is needed so that renters can pay rent due and rental property owners can maintain their operations. Landlords cannot survive indefinitely without revenue, and renters have limited or no ability to tap into savings or pile up debt to pay rent. Ensuring the financial solvency of renters and rental property owners is not just important for keeping families safely housed, but it is also an imperative for Louisiana's economy and safety.

Right now, rental assistance is as much a health solution as a housing one. Keeping families in their homes and out of the street or from doubling or tripling-up with relatives is a preventative health measure that will keep not just the renter family safe but also help minimize the spread of the virus. Living in overcrowded housing is known to lead to a higher risk of contracting COVID-19.

Our estimate of rental need is based on an analysis of economic forecasts from the University of Louisiana at Lafayette and the unemployment assistance currently available to households (see attachment). Many unemployed renter households will be facing extreme difficulty when the \$600/week Pandemic Unemployment Assistance support ends in July. There are also workers with sharp income losses who will not be eligible for unemployment assistance because the limited income they are taking in disqualifies them from the program.

With the state eviction moratorium set to be lifted this week on June 5th, time is of the essence to provide an emergency fund for renters who are not able to access the assistance they need to stay

in their homes. According to last week's Census Pulse Survey¹, 35 percent of Louisiana adults reported that they had "no confidence" or "slight confidence" in their ability to pay next month's rent.

We offer these recommendations to meet the need for rental assistance:

- 1) **Set aside a portion of the Coronavirus Relief Fund for rental assistance.** The CRF is the only funding source large enough to meet the substantial need renter households face through the end of 2020. The Department of the Treasury issued guidance² that rental assistance is an eligible use for the Coronavirus Relief Fund. We would also ask that any CRF funding allocated to other programs that are not obligated or expended by September 20, 2020, be dedicated to creating a state-operated housing voucher program to provide rental assistance.
- 2) **Create a rental assistance program using Community Development Block Grants.** Combine Coronavirus Relief Fund dollars with the \$31 million in CDBG-CV the state has been allocated and the upcoming final CDBG-CV allocation, and use the CARES Act-granted flexibility to re-program the \$23 million FY2020 CDBG allocation and any remaining FY2019 CDBG funds to support the creation of a rental assistance program. The program would cover the gap between what renter households can afford to pay based on income and assistance received, and their rent costs up to a certain need-based set amount.
- 3) **Request the Louisiana Congressional Delegation support a federal appropriation for rental assistance and other housing needs.** The CARES Act did not provide enough funding for households to meet their housing needs. More funding is needed to meet the needs outlined above, including extended unemployment benefits and dedicated rental assistance and housing operating funding. Federal rental relief proposals have included additional funding for the HOME Program and the Emergency Solutions Grants program. We ask that you communicate with the Congressional Delegation regarding the state's dire need for rental and other housing resources.

Again, thank you for your continued leadership and your consideration of our request. We believe that Louisiana can weather this storm and come out stronger with a little help. We hope to arrange time with your staff for further discussions on this proposal.

Sincerely,

Louisiana Association of Affordable
Housing Providers

HousingLOUISIANA

Cc: Jay Dardenne, Commissioner of Administration, Louisiana Division of Administration
E. Keith Cunningham, Jr., Executive Director, Louisiana Housing Corporation

¹ U.S. Census Bureau Household Pulse Survey: May 14-19, Total Population 18 Years and Older in Renter-Occupied Housing Units. <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>

² Coronavirus Relief Fund, Frequently Asked Questions, Updated as of May 4, 2020, top of page 5, <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>