



WESTERN CENTER
ON LAW & POVERTY



SAN DIEGO
HOUSING
FEDERATION



April 27, 2020

Dear California Congressional Delegation,

The COVID-19 pandemic reveals how critical safe, stable, and affordable homes are to our communities' ability to get and stay healthy. While every Californian has had their life upended by COVID-19, the state's 3.4 million lower-income renter households are bearing the brunt of the growing economic impacts of this crisis.

As California's leading affordable housing organizations, we thank you for the critical support provided in the March 25th CARES Act, but far more resources are necessary to meet the dire and urgent needs of people who are experiencing homelessness and individuals on the brink of homelessness. We support the [detailed recommendations](#) of the National Low Income Housing Coalition and of the [ACTION Coalition](#) and particularly urge you to:

1. **Institute sweeping rental/debt relief for all households which are no longer able to pay their rents or mortgages as a result of COVID-19**
2. **Include affordable housing as essential infrastructure in any future Infrastructure Stimulus package**

The COVID-19 crisis has exacerbated our state's existing housing crisis, even while revealing how critical safe, stable housing is for our communities' health. **People have lost their jobs at a scale rarely seen in American history that is threatening our nation's fundamental ability to keep people housed.** At the same time, it is abundantly clear that housing is one of the most critical tools we have to protect our communities from COVID-19, and the necessary foundation to recovery ahead. To shelter in place, Americans must have shelter. We must take emergency actions to get and keep people in homes to shelter in place during the pandemic.

Institute sweeping rental/debt relief for all households impacted by COVID

We strongly urge you to provide additional swift and sweeping rental/debt relief for **all** households which are no longer able to pay rent or mortgages as a result of COVID, and emergency housing investments for those who are currently homeless.

- Support the inclusion of \$100 billion in rental assistance funds in a vehicle that can meet the scale of rent relief needed to provide rent relief to millions of Californians and households nationally who can no longer pay their rents as a result of COVID. It is critical that this relief be made available to all households regardless of immigration status; every person's health depends on everyone else's, and we must ensure all of us can access the care we need.

- Provide \$10 billion to support existing affordable housing developments with “break-even” rental assistance, so that affordable housing providers can keep their doors open and their tenants stably housed. [New research by the California Housing Partnership](#) finds that California's affordable rental housing developments could face a \$1.7 billion loss in rental income over the next year from the current economic downturn brought on by the COVID-19 pandemic, assuming a 50% reduction in tenant-paid rents. At this level of rent loss, 80% or 3,450 developments would face foreclosure, which wipes out deed restrictions that would otherwise last up to 55 more years. The research further shows that the aggregate financial need to keep these developments out of insolvency/default over the twelve-month period of April 2020 to March 2021 is approximately \$1 billion in California alone. Affordable housing providers are already reporting 15%-20% loss in rental income for rent that was due on April 1st with even steeper declines expected in May.
- Establish a \$75 billion homeowner assistance fund for low-income homeowners who can no longer afford to pay their mortgages. We also urge you to provide mortgage and other debt and regulatory relief specifically to non-profit affordable housing owners to support them throughout the crisis. We can ill afford to allow our already insufficient affordable housing stock to be lost due to economic strain.
- Provide \$11.5 billion for Emergency Solutions Grants (ESG), and \$3 billion for emergency section 8 vouchers for people experiencing homelessness.
- Implement a national, uniform moratorium on evictions and foreclosures that assures renters will not lose their homes during a pandemic where our collective health depends on each of us staying home. This moratorium should be coupled with the rental assistance to the tenant or debt relief to the property owner mentioned above to ensure that developments remain financially solvent and tenants and homeowners stay housed.

Designate affordable housing as essential infrastructure in any future Infrastructure Stimulus bill and invest \$500 billion to ensure that everyone has a stable and affordable place to call home

We urge you to support a \$500 billion federal Infrastructure Stimulus package that invests in communities, jobs, and housing that can restart our economic engine, get people back to work, and lead to a strong and sustainable recovery. These investments should:

- Expand the Low-Income Housing Tax Credits, project-based section 8 vouchers, and the HOME and CDBG programs, as well as new programs that can also be used for the acquisition of homes off of the speculative market so that we can build and preserve the affordable homes Californians and households throughout the country desperately need now and into the future.
- Make existing federal resources dedicated to affordable housing go further by reducing the current tax-exempt bond “50% test” to 25% permanently, this will ensure that states like California can build twice as many affordable homes while using existing resources our state already has available.
- Reconstitute the [Tax Credit Exchange Program created by ARRA in 2009](#) to allow state agencies to approve the conversion of Low-Income Housing Tax Credit allocations to soft loans during 2020-21. This is an essential guaranty of tax credit value at a time of financial market uncertainty and investor pullback.

- Set the floor for the Low-Income Housing Tax Credit 4% rate at 4% now before the rate drops any further than it already has to shore up the financial feasibility of tens of thousands of affordable homes in the pipeline.

Lawmakers must act with the urgency and resources that will ensure that all of our neighbors, no matter their income, race, immigration status, have a place to get and stay healthy in this time of pandemic, and ensure a stable recovery. This health and economic crisis underscores how foundational housing is to the health, equity, and economic success of all Americans and our nation, and exposes the need for Congressional action immediately and ahead. We can no longer tolerate systems and the status quo that perpetuates the “haves” and the “have nots,” the housed and unhoused. Our goal should not be to put things back to the way things were, but to build the just and sustainable communities we always deserved.

Let us permanently address our vulnerability to COVID and future emergencies with urgent action to end homeless and to address the lack of affordable housing in California and our country. Every person deserves a stable place to live, be safe, and thrive in health and well-being. We invite you to join us and help make it happen.

We thank you for your leadership, commitment and continuing hard work on behalf of all Californians.

Sincerely,

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