July 20, 2020

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

By Electronic Mail

## **RE: Louisiana Emergency Rental Assistance Program**

Dear Governor Edwards,

We applaud your response to the COVID-19 pandemic and appreciate the landlord and renter assistance program announced on July 16. For those who can access it, it will stabilize businesses, prevent mortgage defaults, and reduce the number of families in our eviction courts and on our streets. Unfortunately, the \$24 million allocated for the program is only a fraction of what our residents require and was depleted and suspended in just three days due to the overwhelming response. The undersigned 54 organizations write to urge you to pursue all options now and in any fall special session to increase the funding available for this program to \$432.2 million, which is what is required to stabilize our rental market and guard against further economic fallout. In summary:

- Louisiana is facing a "housing apocalypse" in the coming months1
- 130,000 rent-burdened households—69,000 of them severely rent-burdened—are at risk for eviction
- Landlords and renters need \$432.2 million in assistance through the end of 2020
- Without further assistance, the housing crisis will create ripple effects that will harm renting families, property owners, local governments, and the economy as a whole

Louisiana rental property owners and the families who rent from them are approaching a cliff this fall. Throughout this pandemic, 40% or more of Louisiana renters have consistently reported that they have little to no confidence that they will make the next month's rent payment.<sup>2</sup> Federal Pandemic Unemployment will end on July  $25^{th}$ , reducing income for hundreds of thousands of renters by \$600 per week. Large employers in our tourism economy have already signaled that they will not be rehiring this year, and the full economy is not likely to recover without a COVID-19 vaccine.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Alicia Adamczyk. "A housing 'apocalypse' is coming as coronavirus protections across the country expire." *CNBC.com*. June 10, 2020. Available: <a href="https://www.cnbc.com/2020/06/10/how-to-prevent-the-coming-coronavirus-tsunami-of-evictions.html?eType=EmailBlastContent&eId=59f85fd1-b1fd-416c-8016-4e508cbc44d1">https://www.cnbc.com/2020/06/10/how-to-prevent-the-coming-coronavirus-tsunami-of-evictions.html?eType=EmailBlastContent&eId=59f85fd1-b1fd-416c-8016-4e508cbc44d1</a>.

<sup>&</sup>lt;sup>2</sup> Census Household Pulse Survey. Housing Table 2b: Confidence in Ability to Make Next Month's Payment for Renter Occupied Housing Units, by Select Characteristics. April, May, and June. Available: <a href="https://www.census.gov/programs-surveys/household-pulse-survey/data.html">www.census.gov/programs-surveys/household-pulse-survey/data.html</a>

<sup>&</sup>lt;sup>3</sup> "Coronavirus hammers Louisiana gambling industry with 4,000 layoffs: See list of casinos affected." *Nola.com*. July 5, https://www.nola.com/news/coronavirus/article2020. Available:

https://www.nola.com/news/coronavirus/article 7dfce4f2-bf11-11ea-a39e-3fbd3100a0d3.html; Anthony McAuley. "Thousands still furloughed at Marriott, Ritz-Carlton, other big New Orleans hotels amid pandemic." *Nola.com.* June 11, 2020. Available: <a href="www.nola.com/news/business/article-2bb0adb8-ab30-11ea-825c-cfee6e1af6c6.html">www.nola.com/news/business/article-2bb0adb8-ab30-11ea-825c-cfee6e1af6c6.html</a>.

Also at the end of July, the federal CARES Act protections against eviction will end, allowing property owners to send notices to vacate with evictions beginning in August. Estimates from the Center for Planning Excellence (CPEX) suggest 130,000 rent-burdened households—including 69,000 severely rent-burdened households—will be without work and unable to pay rent.<sup>4</sup> The data shows that this is not just a crisis of urban centers, as there are hot spots where 20% or more of households are at risk for eviction in more rural and suburban parishes like Lafourche, Tangipahoa, Ascension, and Claiborne.<sup>5</sup> Service providers have already noted that homelessness in Acadiana has nearly doubled since January, from 421 people to 789.<sup>6</sup> As legislators head into special session in the fall, rental property owners across the state are likely to see far lower receipts while simultaneously struggling to find a ready pool of employed and financially stable replacement tenants.

To prevent this catastrophe, CPEX and urban planning software company Urban Footprint estimate Louisiana needs \$432.2 million in landlord and renter assistance, \$230 million of which would support landlords renting to our most vulnerable families. They used available data to hone in on families paying more than 30% of their income toward rent (rent-burdened) as well as the subset of those paying more than 50% of their income toward rent (severely rent-burdened). This group was then narrowed by focusing on families that had also sustained a COVID-19 related job loss. Estimates from Enterprise Community Partners, based on economic forecasts from the University of Louisiana at Lafayette, came to similar conclusions, suggesting \$500 million in landlord and renter assistance would be needed through the end of this year. Without the extension of federal unemployment assistance and a massive allocation of assistance for landlords and renters by Congress, the responsibility will fall to your office and the state legislature to meet this need.

At all levels, this assistance should be offered in tandem with basic accountability measures like anti-retaliation protections and a 14-day right to cure lease breaches. These best practices from the Revised Uniform Residential Landlord Tenant Act (RURLTA) will secure the state's investment in each unit of housing by ensuring stability and long-term tenancy for the property owner and renter.<sup>9</sup>

In the face of this crisis, the results of inaction would be devastating for our communities. Property owners, especially smaller landlords who make up the majority of landlords in the state, could default on mortgages and lose their businesses. Property owners also utilize rental income to cover payroll, building maintenance, and property taxes. Without income, property owners will lay off

<sup>&</sup>lt;sup>4</sup> Joe DiStefano. "Is the U.S. Headed Toward an Eviction Crisis?" Medium.com. June 23, 2020. Available: <a href="https://medium.com/urbanfootprint/is-the-u-s-headed-toward-an-eviction-crisis-c9f8622ed64">https://medium.com/urbanfootprint/is-the-u-s-headed-toward-an-eviction-crisis-c9f8622ed64</a>.

<sup>&</sup>lt;sup>5</sup> DiStefano. "Is the U.S. Headed Toward an Eviction Crisis?"

<sup>&</sup>lt;sup>6</sup> Adam Daigle. "Thousands of Louisianans could be homeless when moratorium is lifted; Acadiana numbers already swelled." The Acadiana Advocate. June 29, 2020. Available: <a href="https://www.theadvocate.com/acadiana/news/business/article\_46ff2162-ba49-11ea-9ed9-effe9939e416.html">www.theadvocate.com/acadiana/news/business/article\_46ff2162-ba49-11ea-9ed9-effe9939e416.html</a>.

<sup>&</sup>lt;sup>7</sup> DiStefano. "Is the U.S. Headed Toward an Eviction Crisis?"

 $<sup>^8</sup>$  "An Estimated \$250 - \$500 Million Needed to Keep Renters in Their Homes Through the End of the Year." Greater New Orleans Housing Alliance. June 2, 2020. Available:  $\frac{https://puthousingfirst.wordpress.com/2020/06/02/250-500-million-needed-to-keep-renters-in-their-homes/?fbclid=IwAR34SIhtd6FuzjkTHkjFNy9zXCj7vXGIN6t0kEJb-nZZsRcc6Wid4p9Sr0o.$ 

<sup>&</sup>lt;sup>9</sup> Revised Uniform Residential Landlord Tenant Act (RURLTA), National Conference of Commissioners on Uniform State Laws, 2015, available:

 $<sup>\</sup>underline{www.uniformlaws.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=2c1bcbbb-ea0e-f63c-2ed9-3eabec3611ae\&forceDialog=0.}$ 

staff, defer maintenance that could lead to blight and health and safety violations, and local governments could see a drop in property tax collections.

This crisis would undoubtedly be most harmful to renter families who stayed home to keep us all safe, lost their jobs, and would now lose the place they call home. Research shows eviction is a traumatic event that often involves families losing their possessions and can lead to higher rates of depression in adults and worse educational and health outcomes for children. The tremendous number of eviction cases may also overwhelm our city and justice of the peace courts, especially in rural areas unprepared for this volume. Early reports since courts began processing evictions again suggest that even courts in the largest jurisdictions in the state have not been prepared to handle cases safely. In addition to packed courts being possible sites of COVID-19 transmission, families who lose their homes are likely to end up doubled-up in overcrowded homes with relatives or in homeless shelters. Either outcome would likely pour fuel on the fire of our current outbreak.

More than a hundred thousand families facing homelessness would also seriously damage our still-recovering economy. Households would deeply cut spending on groceries and other expenses, hurting businesses across the state. And families struggling to keep their belongings off the street and find a new home will find it very difficult to return to the jobs that may be available.

We're grateful for your continued leadership through this crisis and for your efforts to support Louisiana families and businesses, especially through the Louisiana Emergency Rental Assistance Program. As we approach this cliff together, we urge you to make every effort to dramatically increase the funding dedicated to this program in order to ensure the solvency of our rental market, keep tens of thousands of families in their homes, and ultimately stabilize our economy.

Sincerely,

232-HELP/211, Lafayette 504HealthNet Acadiana Housing Alliance Acadiana Regional Coalition on Homelessness and Housing (ARCH) **ACLU** of Louisiana Agenda for Children Broad Community Connections, New Orleans Center for Planning Excellence CHANGE Coalition (Coalition of HIV & AIDS Nonprofits & Governmental Entities) Covenant House, New Orleans CrescentCare Crescent City Community Land Trust, New Orleans D.A.R.T (Domestic Abuse Resistance Team), Ruston Disability Rights Louisiana Enterprise Community Partners, Inc. Foundation for Louisiana

<sup>10</sup> Matthew Desmond. *Evicted: Poverty and Profit in the American City*. New York: Crown Publishers. March 2016.

<sup>&</sup>lt;sup>11</sup> Matt Sledge. Landlords breathe sigh of relief, advocates warn of unsafe conditions, as eviction courts reopen. *Nola.com*. July 3, 2020. Available: <a href="https://www.nola.com/news/coronavirus/article\_87334bd2-bd64-11ea-96bc-0b803bdce421.html">www.nola.com/news/coronavirus/article\_87334bd2-bd64-11ea-96bc-0b803bdce421.html</a>; Jarvis DeBerry. "Judges forcing in-court appearances are violating the law, disability-rights activists say." *Louisiana Illuminator*. July 7, 2020. Available: <a href="https://lailluminator.com/2020/07/07/judges-forcing-in-court-appearances-are-violating-the-law-disability-rights-activists-say/">https://lailluminator.com/2020/07/07/judges-forcing-in-court-appearances-are-violating-the-law-disability-rights-activists-say/</a>.

Home by Hand, New Orleans

HOME Coalition, Monroe

**HOPE Connections of Northwest Louisiana** 

Housing First Alliance of the Capital Area

Institute of Women & Ethnic Studies, New Orleans

Jane Place Neighborhood Sustainability Initiative, New Orleans

Justice and Accountability Center of Louisiana

Lafayette Habitat for Humanity

Lift Louisiana

Louisiana Budget Project

Louisiana Center for Children's Rights

Louisiana Coalition Against Domestic Violence

Louisiana Coalition for Criminalization & Health

Louisiana Fair Housing Action Center

Louisiana Partnership for Children and Families

Louisiana Public Health Institute

Loyola University New Orleans College of Law - Law Clinic

Metro Centers for Community Advocacy

Mid City Redevelopment Alliance, Baton Rouge

Music and Culture Coalition of New Orleans

New Orleans Family Justice Center

Northlake Homeless Coalition

Operation Restoration

Ozanam Inn, New Orleans

Power Coalition for Equity and Justice

Providence House, Shreveport

Ride New Orleans

Safe Harbor, Mandeville

Step Up Louisiana

Total Community Action, Inc., New Orleans

UNITE HERE! Local 23

United Way of Southeast Louisiana

**UNITY of Greater New Orleans** 

Vera Institute of Justice

Voice of the Experienced

Volunteers of America Southeast Louisiana

Voters Organized to Educate

Women With A Vision, New Orleans

cc:

The Louisiana Legislature