

The problem of lost wages and unpaid rent created by Covid-19

Across the country government action to stem the spread of Covid-19 has led to job and income loss that has then led to housing insecurity; loss of income means inability to pay rent. The answer to this is not eviction bans but efficient rent relief to households impacted by job and income loss.

To address this growing problem,

- Congress should pass a relief package to support rent relief and recovery for residents, tenants, housing providers, and commercial property owners;
- The money would be allocated to each state for distribution to providers to offset the impacts of COVID-19 response;
- The funds would have to be used by the state to offer
 - Property tax relief;
 - Direct cash assistance for unpaid rent; and
 - An rent insurance program to provide help for future impacts to income because of COVID-19 response

To get the resources states would have to,

- Quantify the dollar amount of unpaid rent with a survey;
- Provide for a statewide program of property tax relief to offset lost rent revenue;
- Describe and establish a methodology that provides as much assistance as possible to those with the biggest losses;
- Involve real estate and housing provider interests to agree on how to achieve the above;
- Work with local lenders on a strategy for fast and efficient distribution;
- Plan for funding that would total not more than 75% of the total of unpaid rent; and
- Use the remaining 25% of those and funds in combination with local funds to establish a rent insurance program to offset any future losses of income created by COVID-19 response.

States and jurisdiction receiving funds may not

- Condition the relief on income of residents, tenants, or provider;
- Impose requirements on future leases, terms, rents, or any other legal contracts established between providers and residents or tenants;
- Continue, extend, or impose a ban on eviction or establish COVID-19 as the basis for non-payment of rent as a defense against eviction; nor
- Pass any mandate that would require the "forgiveness" of unpaid rent.