



# HOMECONNECTICUT

For Our Economy, Our Families, Our Future

a campaign of the Partnership for Strong Communities

## COVID-19's Impact on Housing and Connecticut's Response

June 1, 2020



A Safe, Affordable Home: The Foundation of Opportunity

PARTNERSHIP FOR STRONG COMMUNITIES 227 LAWRENCE STREET, HARTFORD, CT 06105 860.244.0066 PSCHOUSING.ORG

# Agenda

Welcome

Kiley Gosselin, Executive Director

CT COVID-19 Housing Response

Seila Mosquera-Bruno, Commissioner, Department of Housing

Suzanne Piacentini, Field Office Director, HUD

Nandini Natarajan, Chief Executive Officer, CHFA

HomeCT Report Sean Ghio, Policy Director

Legislative Update

Kate Robinson, Gallo & Robinson, LLC

Discussion



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# Questions to Consider

What information do you need during this housing crisis?

What should HomeConnecticut be focusing on right now?



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# Connecticut COVID-19 Housing Response Updates

Seila Mosquera-Bruno, Commissioner, Department of Housing

Nandini Natarajan, Chief Executive Office, CHFA

Suzanne Piacentini, Field Office Director, HUD



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# HomeConnecticut Report

Sean Ghio, Policy Director

- Economic Impacts
- Effects on Connecticut's rental housing and vulnerable households
- HomeConnecticut Policy Responses and Recommendations



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# Unprecedented Economic Impacts

“Among people who were working in February, almost 40 percent of those in households making less than \$40,000 a year had lost a job in March.” – Federal Reserve Board Chairman Jerome H. Powell, May 14, 2020





# Unprecedented Economic Impacts

- The Connecticut Department of Labor has provided over **\$1.8 billion in benefits** since the COVID-19 pandemic began to affect our state: \$672 million in state benefits; \$1.135 billion in Federal Pandemic Unemployment Compensation; and \$37 million in Pandemic Unemployment Assistance.
- **Over 565,000 unemployment claim applications** have been processed.





# Unprecedented Economic Impacts

- 45% of unemployment claims in Connecticut have been from employees in the service sector.
- Federal Reserve Bank of Boston forecasts unemployment claims to continue to rise. Their analysis estimates that **26%** of Connecticut renter households have **all employed persons working in high-risk occupations.**
- A recent University of Chicago analysis estimates that 42 percent of recent layoffs will result in permanent job loss.





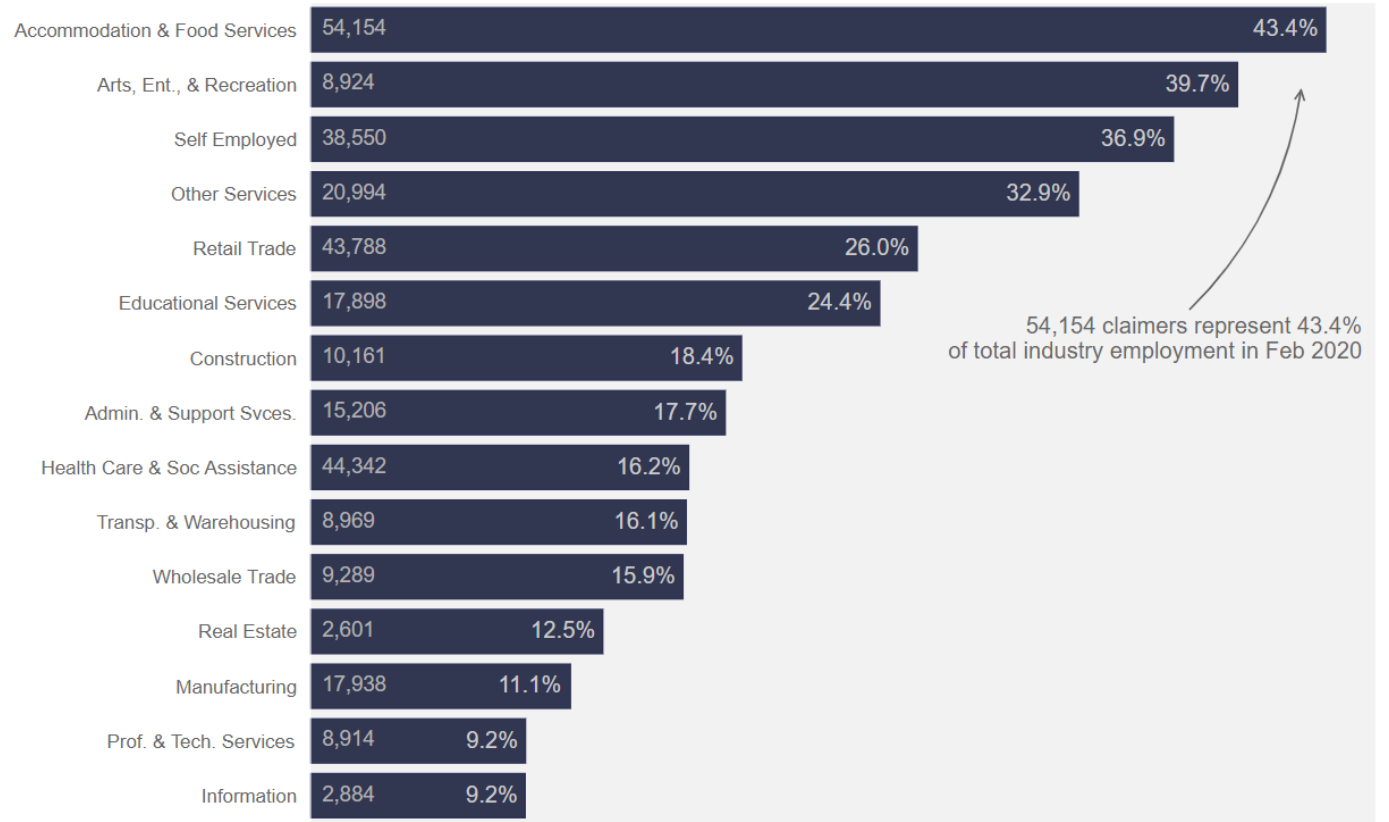
# Unprecedented Economic Impacts

Larger shares of Native American, African American, Hispanic and Asian-Pacific American Connecticut residents have become unemployed than white residents have.



## Accommodation & Food Services Industry Hit Hardest by Covid-19 Unemployment

Percentage and count of initial unemployment benefit claims during 9 weeks (03/15 to 05/10) by total employment in the industry (as of February 2020) and 2018 ACS estimate for self-employed. Construction includes Mining. Initial claims data by CT Department of Labor (preliminary after 04/12), chart by CTData Collaborative.



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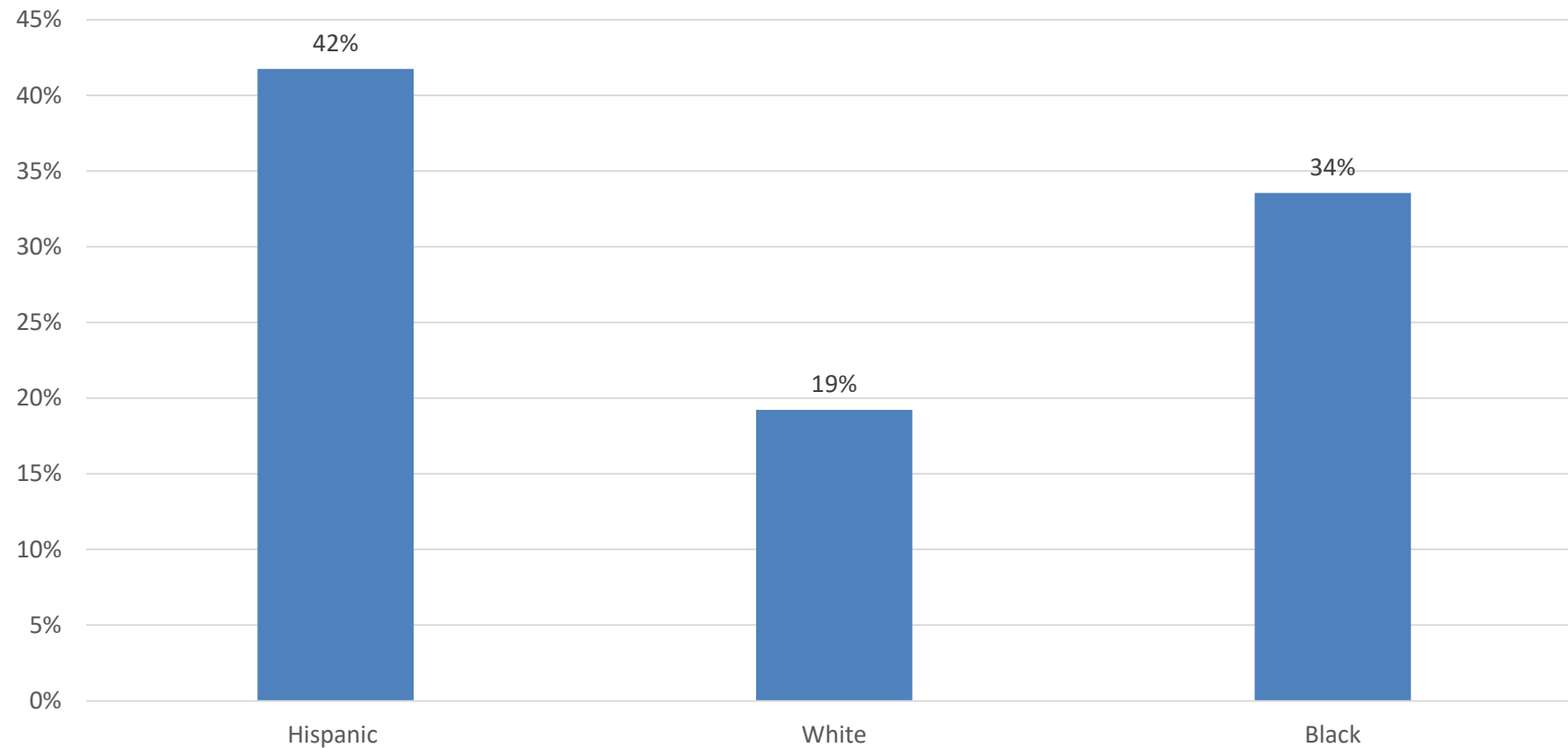
# Connecticut's Impacted Households

**26.6% of Connecticut adults** report missing last month's rent or mortgage payment or have slight or no confidence that their household can pay next month's rent or mortgage on time.



# Connecticut's Impacted Renter Households

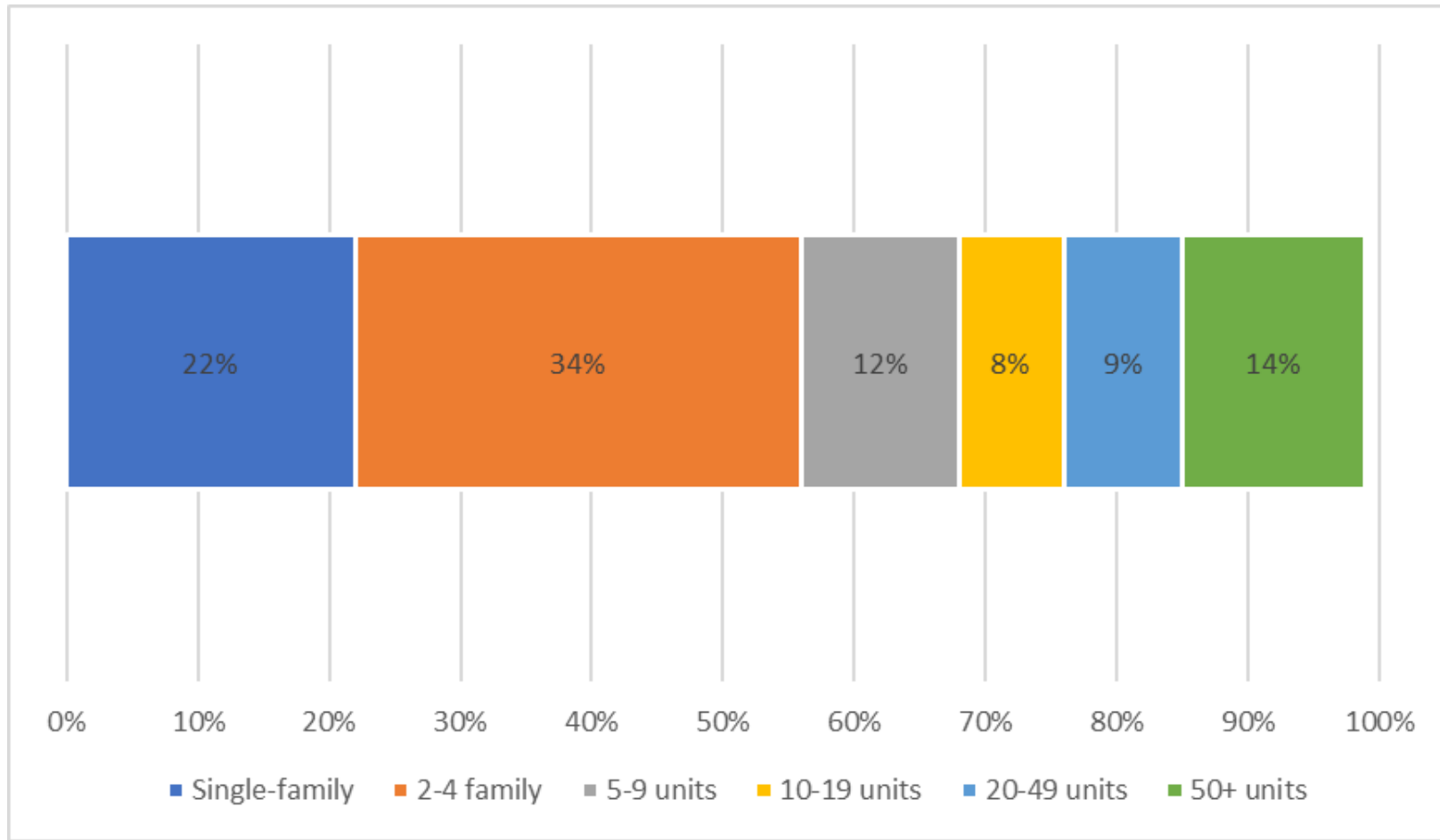
Percentage of Connecticut Renters with No or Slight Confidence to Pay Next Month's Rent



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# Percentage of Connecticut's Rental Housing by Building Size





# What is the Need for Rental Assistance?

- Estimates of the need for rental assistance in Connecticut over the next several months range from \$400 million to \$1 billion.
- National Low Income Housing Coalition estimates \$100 billion will be needed nationally.
- Urban Institute estimates the national need at \$48 billion for three months and \$96 billion over six months.





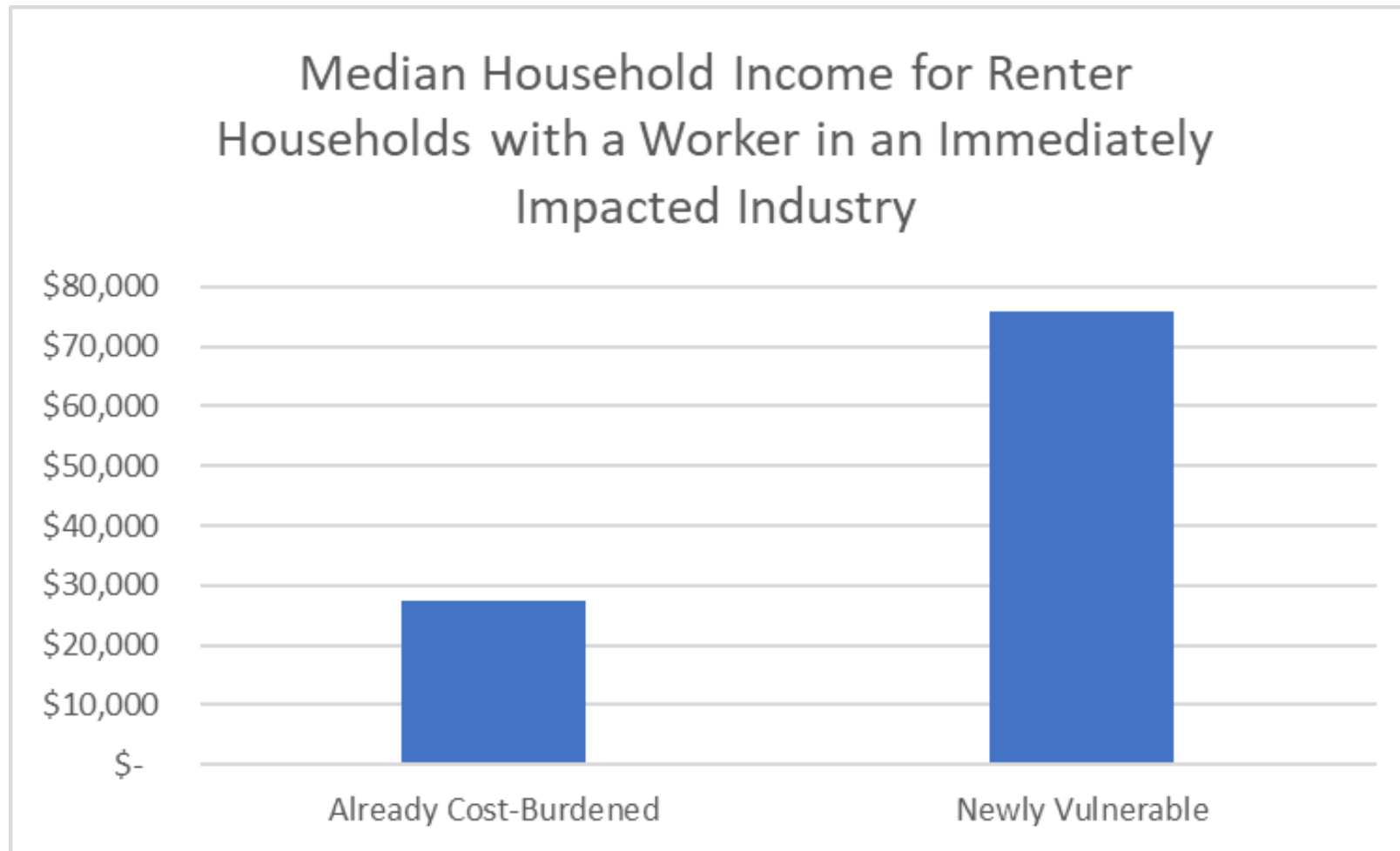
# What is the Need for Renter Assistance?

UC-Berkeley's Turner Center estimates that total monthly rent of likely impacted Connecticut renter households is **\$206 million**.

- 77,900 households were already rent-burdened before the crisis.
- 84,000 households are newly vulnerable.



# Connecticut's Impacted Households



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# April 15th HomeConnecticut Letter to Gov. Lamont

1. Extend a **60-day grace period for June rent**.
2. Fund **900 new, permanent state affordable housing vouchers** to move those with little to no income or access to unemployment compensation into permanent housing during and after the crisis.

*As of June 1: DOH has funding for 165 mainstream vouchers through the CARES Act.*

3. Create a substantial **rental stabilization fund** to provide rent relief to COVID-19 impacted households and stabilize the private rental market.







# April 15th HomeConnecticut Letter to Gov. Lamont

4. Provide **deferrals on any state-backed mortgages** for 120 days following the conclusion of the state public health emergency declaration.
5. Add at least **\$25 million to the Emergency Mortgage Assistance Program** (E-MAP) to protect against a future wave of foreclosures.
6. **Expand funding for legal services** for residents facing eviction and foreclosure in the aftermath of the COVID-19 crisis.





# Rent Relief Funds

New Jersey's General Assembly passed the \$100 million New Jersey Rental Assistance Program. The governor has not signed the bill yet.

Arizona, Illinois, Maine, Massachusetts, and Delaware, among others, have funded rental assistance programs in response to COVID-19.



# Additional Information and Resources

COVID-19 Housing Resources:

<https://www.pschousing.org/resources-advocates-and-providers-during-covid-19>

PSC Hosting Calls with DOH and CHFA

- Developers
- Property Managers



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# Federal and State Response

## CARES Act Funding State Housing Action Plan

- Small Cities CDBG \$8.1 million
- Emergency Solutions Grants (ESG) \$8.2 million

## State Housing Response

- [Executive Order 7X](#) – moratorium on eviction actions ends July 1<sup>st</sup>
- Emergency Support Function (ESF) 14 – Disaster Recovery
- [DOH FAQ, Notice to Tenants, and Additional Resources on DOH website](#)
- CHFA Multifamily Loan Forgiveness Program





# Potential Federal Rental Assistance

- Heroes Act passed by House of Representatives on May 15<sup>th</sup> includes a \$100 billion emergency rental assistance proposal known as the “Emergency Rental Assistance Act and Rental Market Stabilization Act.”
- Funding could be used for rental assistance and rent-related costs, including utility payments, rent and utility arrears, arrear fees, and security and utility deposits.



# State Budget and Legislative Update

Kate Robinson, Gallo & Robinson, LLC



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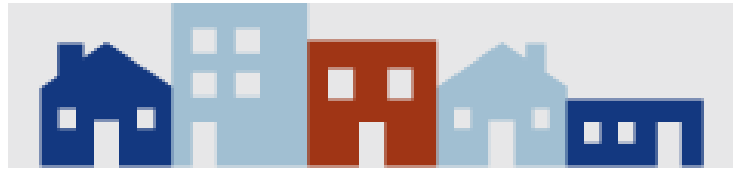
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# Questions & Answers



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