**Recommendations for an Indiana Statewide Emergency Rental Assistance**

**program using Coronavirus Relief Funds**

June 16, 2020

Indiana has received $2.6 billion to date in Coronavirus Relief Funds (CRF) from the CARES Act. The flexibility of CRF makes it well-suited to use for housing stability, including for emergency rental assistance. With an understanding that the full CRF allocation to Indiana may not be available for rent assistance, here are suggested guidelines for how a statewide rent assistance program could prioritize Hoosiers most in need:

**Income limits:** We recommend having no income limit if possible, but instead using other means to prioritize lower income populations and hardest hit communities. Waiving income limits would allow the state to use more flexible CRF to ‘layer’ on top of other, more restrictive funds, including ESG and cities’ use of CDBG. However, if income limits are necessary, setting them higher (up to 120% Area Median Income) would allow a greater range of eligibility above the limits allowed by other programs.

**Prioritization:** Prioritize Census tracts with high pre-existing poverty rates and with current estimates (using state UI claims, areas with [high requests](https://www.prosperityindiana.org/Policy-News/9008081) for housing assistance to 211, areas with greatest COVID-19 infection rates, etc.) as a way to determine where assistance needs to be targeted. Given CRF’s flexibility, vulnerable populations and racial equity should be a top priority, including undocumented immigrant Hoosier households (see note below).

**Certification requirements:** Make certification requirements as simple as possible with 'qualifying income events' that are easy to self-certify, such as application for UI, "significantly reduced" work hours. Look to FEMA or other disaster programs for examples of least-burdensome certification best practices. Try not to add unnecessary steps for up-front verification that can be addressed later.

**Amount and length of assistance:** Recognizing that ease of distribution is a priority, setting a flat monthly amount and length of assistance would provide the greatest benefit to those most in need and allow for more households to be served. That said, a monthly assistance amount of $500 is recommended, with a length of assistance to cover three months of arrears paid back to April 1 and one month of assistance looking forward, corresponding to a max amount of $2,000 in assistance per household. Additional months or increased monthly amounts could be added as economic circumstances necessitate and resources allow. Assigning a set dollar amount for assistance per household, not as a percentage of rent, would help the greatest number of renters of most modest who are least likely to have liquid resources to supplement the assistance. And while $500 is only about 2/3 of the median [fair market rent](https://www.rentdata.org/states/indiana/2020) in the state for a 2BR apartment at $782, this amount could help facilitate landlord participation discussed below.

**Landlord participation:** Landlords should be part of the process, and by accepting the rent assistance, should enter a repayment plan with tenants for the balance of rent due that waives any late fees, and does not allow eviction during the term of the assistance. Ideally, the repayment period would extend for at least 45 days after the last month of state subsidy, but under no circumstances should landlords be allowed to evict for balance owed during months when a subsidy is paid. Indiana should also enlist the assistance of legal services programs to create supportive documents and procedures to implement the rental assistance program.

**Outreach:** Target lowest-income areas and communities of color with specialized outreach: door-to-door, radio, social media, church outreach, etc.

General principles and other comments:

* The more flexibility here, the better. Many people are experiencing hardship who have not before. We don't yet know the full extent of this crisis outside of the high unemployment. COVID-19 related housing insecurity may also be a lagging indicator with people clearing out savings, getting family help, and doing their best to meet the requirements of their lease as long as possible.
* People who typically would not have a need for help but are now struggling. On one hand, that may mean they will turn to the most widely-known source of help in their area. On the other, they may have no idea of where to turn and may need to be reached through less traditional forms of outreach.

**Note about racial equity and CRF from the National Low Income Housing Coalition[[1]](#footnote-1):**

“The flexibility of CRF funds should be used to address the urgent housing needs of

marginalized populations, including people of color, people with disabilities, people with criminal records, undocumented immigrants, and other individuals who face barriers to affordable, accessible housing and who may not be eligible for other forms of federal assistance. Many federal resources provided under the CARES Act, including unemployment insurance and direct stimulus checks, are unavailable to undocumented immigrants. The flexibility of CRF can also be used to address the urgent housing needs of these and other marginalized populations.”

**Steering Committee Organization Signatures:**

Coalition for Homelessness Intervention & Prevention (CHIP)

Family Promise of Greater Indianapolis

Indiana Coalition Against Domestic Violence

Indiana Institute for Working Families

Prosperity Indiana

1. ‘Coronavirus Relief Fund,’ National Low Income Housing Coalition <https://nlihc.org/sites/default/files/Coronavirus-Relief-Fund.pdf> [↑](#footnote-ref-1)