



HOW COVID-19 PANDEMIC FEDERAL HOUSING PROTECTIONS PREVENTED WORSENING HOMELESSNESS IN 2021

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HUD PD&R *Edge* Article

[Rise in homelessness averted amidst worsening housing needs in 2021. What does this tell us about how to end homelessness in the U.S.? | HUD USER](#)

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<https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-082223.html>

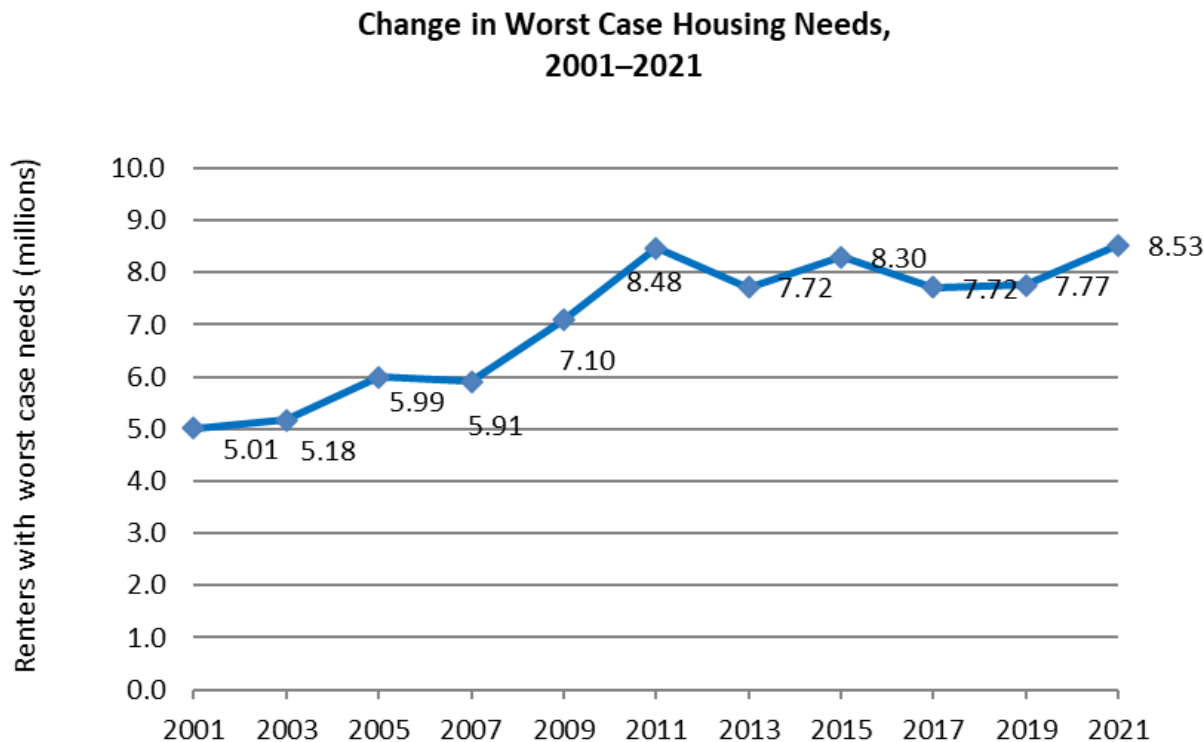
Overview

- The COVID-19 pandemic and its impact on the economy were anticipated to result in a spike in evictions and homelessness.
- To counter this, the U.S. government under the Biden Administration enacted a number of policies and programs to protect people from housing loss and homelessness, as well as provide greater income supports.
- Data reports from the Department of Housing and Urban Development (HUD) show that during 2021, housing needs among low-income renters in the U.S. were worsening.
- However, these reports also show that homelessness did not rise in 2021 even amidst these worsening housing needs, demonstrating the impact of eviction protection policies and programs and stronger safety net supports.

Two Data Reports

- **Worst Case Housing Needs (WCHN) Report** – HUD publishes a biennial report on the number of households who experience “worst case” housing needs, defined as renter households who:
 - Are low-income - Earn less than 50% of the Area Median Income
 - Do not receive housing assistance
 - Are paying more than 50% of their income towards rent or are living in severely inadequate housing conditions.
- **Annual Homelessness Assessment Report (AHAR) Part 2** – HUD publishes an annual report on the use of homeless services over the course of a year.
- The 2023 WCHN report covers the period January – December 2021 and the 2021 AHAR Part 2 report covers October 2020 – September 2021.

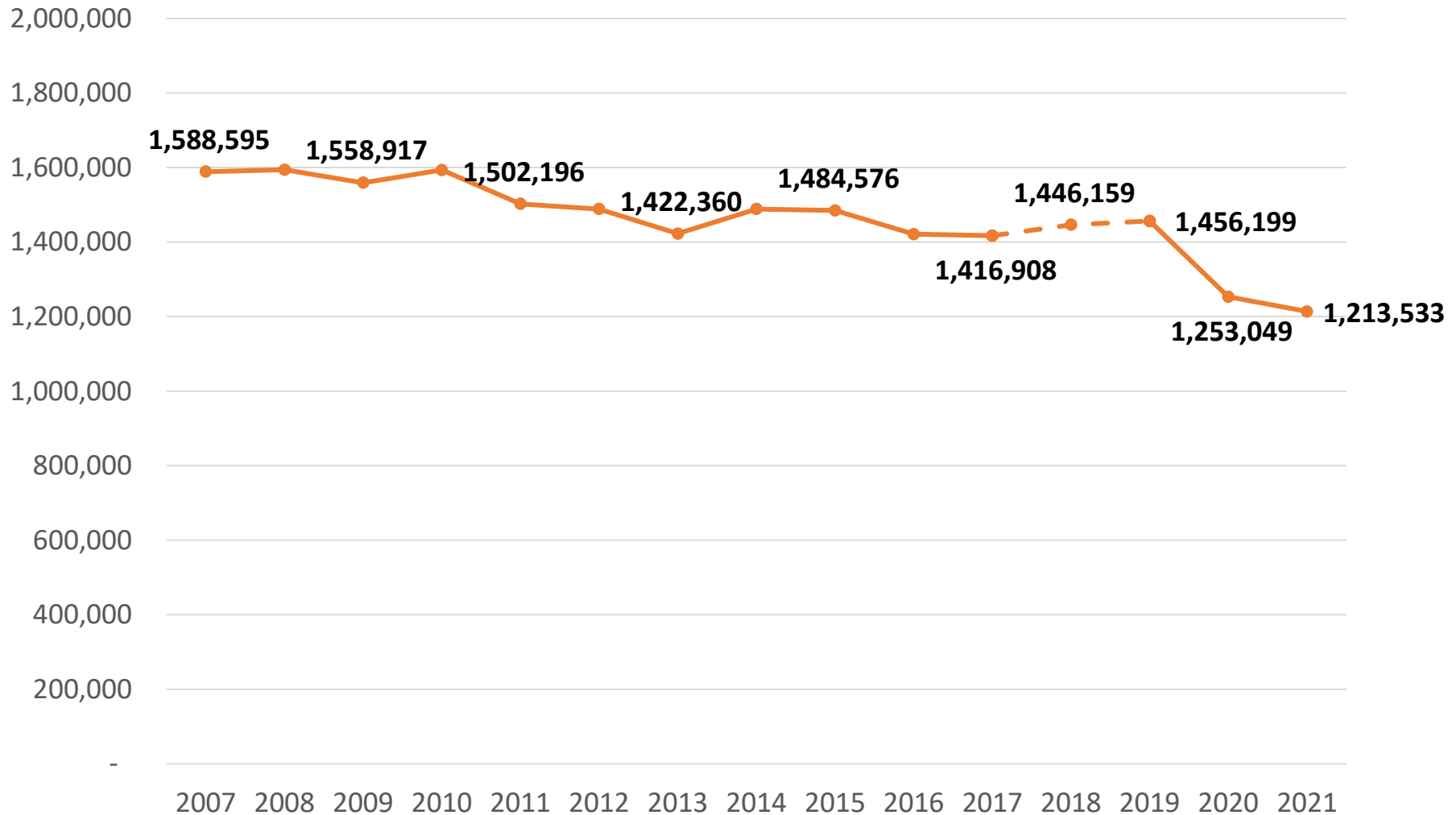
Worst Case Housing Needs in 2021



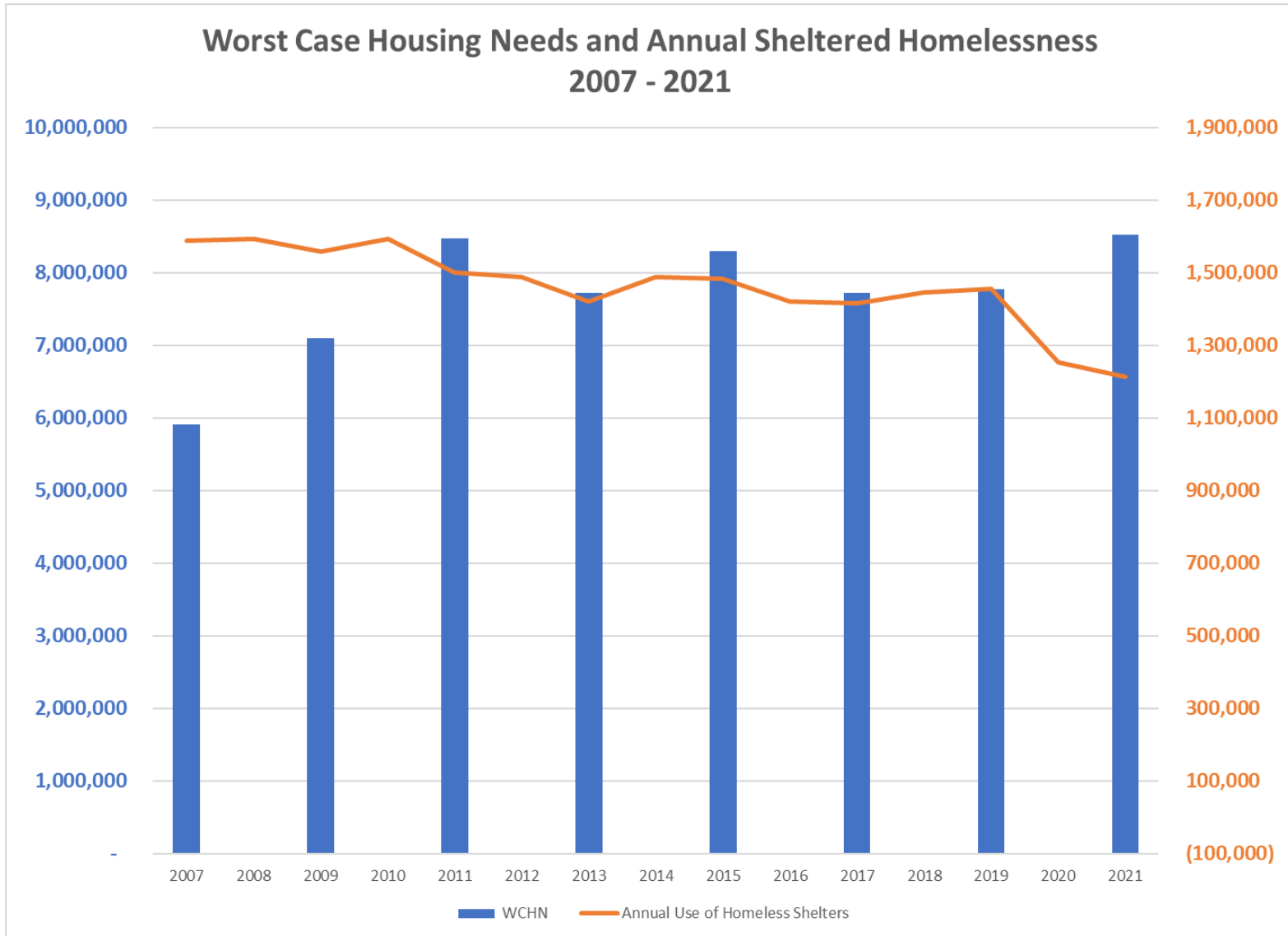
Source: HUD-PD&R tabulations of American Housing Survey data

During 2021, the number of households experiencing worst case housing needs rose to the highest ever number of 8.53 million households.

Annual Sheltered Homelessness 2007-2021



Juxtaposing WCHN and AHAR Part 2 Data



Pandemic Related Financial Assistance in 2021

- Two economic impact payments totaling \$2,000 per eligible adult and qualifying dependent for many households.
- The enhanced Child Tax Credit, which provided over \$3,000 per child, 50 percent of which was through advance payments during 2021.
- Expanded unemployment benefits.
- Emergency Rental Assistance (ERA), which provided 10.8 million rental assistance payments to households to prevent their housing loss.
- A national eviction moratorium was also in place in most communities until August 26, 2021. Many states and jurisdictions had additional state or local eviction moratoria that continued into early 2022.

Since 2021

There are several economic forces at work in 2022 and into 2023 that are affecting housing needs and homelessness. First, the good news —

- The economy has remained strong with income growth and low unemployment for those able to work.
- Rents in 2023 seem to be stabilizing as household formation is likely slowing, and the backlogged multifamily rental completions are finally entering the market.

Now, the bad news —

- Many of the pandemic income supports and protections that reduced the inflow into homelessness during 2021 have expired or been expended.
- The cost of housing and other basic needs has risen significantly due to inflation, and those who have not benefited from the nation's economic growth are at even greater risk of homelessness than they were pre-pandemic.

Current Data

- Eviction filings have returned to pre-pandemic levels in many places.
- 5.52 million renter households are behind on their rent payment, with 1.87 million fearing imminent eviction (August 2023)
- 12.7 percent of renters reporting monthly rent jumps in the last year of \$250 or [more](#). (August 2023 data on past year experience)

Recipe for Solving Homelessness

- Combining legal and financial support can prevent evictions
- Landlords are an important part of the solution
- Increasing the supply of rental housing with affordable rents is the foundation for reducing and preventing homelessness.
- The Housing First approach that helps people who have already become homeless to quickly re-obtain housing without treatment or sobriety preconditions is effective.
- Rental Assistance is essential