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Michelle,

We at Metro United Way are grateful for Develop Louisville's dedicated and urgent efforts to design a proposal for amending the 2019 Action Plan to integrate newly allocated federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding. Your commitment and leadership are invaluable to our community as we confront crisis.

As a part of our work to lift our community by mobilizing people and maximizing resources to advance opportunity and equity for all, we recognize the profound need for greater availability of safe, affordable housing opportunities in our region. The COVID-19 pandemic has compounded this need and placed us on the precipice of widespread housing loss. Our community must fully leverage CARES Act funding to stabilize the rental and home ownership landscapes and mitigate damages to individuals and families.

With this in mind, we stand by the unique expertise and frontline-experience of our Coalition for the Homeless partners and support their recommendations for improving the administration and increasing the impact of the proposed amendment. In this unprecedented moment of crisis, we must focus on accessible, large-scale solutions that are properly resourced and limit burdens on those they are designed to support.

We urge you to incorporate this guidance into the final Action Plan amendment and continue evaluating programmatic supports through an equity lens that prioritizes those who have experienced systemic inequities that exacerbate the effects of the COVID-19 crisis. We stand at the ready to support by sharing community research and lived realities. Please let us know how we can be helpful as you move forward.

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## **Coalition for the Homeless Recommendations**

### **Eviction Prevention Program**

The Urban Institute released a study that identified the shortcomings of rental assistance programs that have already been implemented, and we believe that the city needs to take these learnings into account. The first is that this program must target the lowest income renters and landlords. We suggest that these programs need to particularly target those at or below 50% AMI because these members of our community are already financially fragile and impacted by the shuttering of the economy. The second is that the programs should be created to be flexible. We are living in an unpredictable moment, and we should design programs that are flexible and can deliver positive results while being adaptable to the moment we are in. The third is that we will need much more funding than we are currently anticipating. According to the US Department of Labor, 591,500 people in Kentucky, more than a quarter of state's workforce, have filed for unemployment insurance in Kentucky since mid-March. This

should speak to the amount of need that we will see in our community. We ask that in creating and administering these programs you strongly consider these factors.

### **Scope of work**

We see a lack of clarity in what “facing eviction” means. To some, this could mean that they have a case filed against them, while to others, it means that they are significantly late on their rent payments. Each of these situations requires a different set of intervention strategies. We ask for more clarity as to whom this program is meant to help and the anticipated outcomes.

We also seek clarity and details about how a person will establish that they have lost income due to COVID-19. From our experience, we have heard many stories of people who were self-employed and cannot prove that they have lost income other than demonstrating an empty bank account; people who are on a fixed income and were receiving other support from family members, who have now lost their jobs, to help cover bills; and people that were not working before COVID-19 due to health concerns and now are unable to find work. Additionally, would a person be disqualified from the program if they were trying to use other resources or had used other resources in the past year from the city?

We propose that the threshold for receiving service through this program should remain low. We think that the priority of the program should be to assist people as quickly as possible with the least amount of barriers and exclusions as possible.

We also advocate that this program needs to be especially geared to members of our community that are living at or below 50% AMI. These are the households that are already living with very thin margins, have a history of being locked out of assistance programs, and are the most likely to become homeless when some semblance of normalcy returns.

### **More Funding Needed**

\$1.5 million is a significant allocation but we fear that the need is going to be much greater than we can anticipate. Community Ministries and Neighborhood places are projected to spend \$1.5 million on rental assistance by the end of June. We ask that more resources are dedicated to this program to deal with the influx of requests for assistance. With these additional resources, more staff can be allocated to this program and more people can be helped to result in better outcomes.

### **Timing**

Another programmatic challenge is the start date of June 30. Eviction court has been closed for almost two months and is scheduled to reopen at the end of June. Based on our conversation with some landlord associations, there is a great amount of anxiety about getting rent payments to fulfill debt obligations. We believe that as soon as court opens there will be a rush of filings by landlords who are themselves behind on their payments. This program needs to begin before the court reopens to give landlords assurances that this program is the better, more financially viable option to eviction.

### **Speed of Payment to Landlords**

We also fear that this program is too slow for landlords. If the program is predicated on tenants making half of their late payments over the course of two months, that is an additional two months during which landlords are waiting for their rent payments and not able to fulfill their debt obligations. This may become an obstacle for landlords and make the program the less advantageous alternative to eviction. We believe that these payments to landlords should be made with urgency within 1-2 weeks.

It is paramount that Landlords are incentivized to buy into this program. Waiting for two months to be made whole is unworkable for many who have already been struggling with their debt obligations for two months. This program should prioritize quick payment to the landlord and explore ways to make some payment when the landlord and tenant enter into an agreement.

## **Caseworkers**

We also have many questions about the work that the caseworkers will take on while administering this program. The majority of participants will not need the traditional model of case management. We believe that these caseworkers will need to hold the role of mediator, trusted connector, and navigator. They should work closely with the courts and tenants before as well as during the eviction process. They should act as navigators that will help clients to communicate with their landlord, advocate during the eviction process, connect the client to funding options, and establish what option is best for the client. We strongly suggest that Louisville should emulate the best practices of a similar program operating in Cleveland, Ohio.

## **Financial Literacy Classes/Match Requirement/One Size Fits All Program**

We find that the requirement for participants to attend budgeting classes or speak with a financial advisor is a waste of resources and represents an undue burden for the participants and the case workers. We are in a dynamic environment because of the Covid-19 pandemic. Many things are out of our control. Losing one's job or getting one's hours cut to maintain social distancing and stay healthy is not in our control. Requiring someone to attend a class on how to budget is based on the idea that if they made better decisions, then they would not be asking for assistance. This pending eviction crisis is not a result of bad decisions but the attempt to stunt the growth of an incredibly infectious virus.

We also question the use of financial literacy classes and budgeting classes as a requirement for any services and assistance. After working for years with a local eviction prevention committee to review best practices nationwide and speaking with local experts in the field, we believe that any program with a one size fits all format, is not a best practice and instead perpetuates the belief that poverty is the result of flaws in one's character and that if one shows more restraint and self-control then they would not be asking for help. The very nature of poverty means that the poor are often the savviest budgeters of us all. This is borne out of necessity. When one has limited income, the daily tradeoffs one faces prompt them to watch their finances more closely because there is little margin for error. Meanwhile, this same program provides a direct benefit to landlords who are also struggling during this time to make mortgage payments, but there is no similar requirement for them to attend budgeting classes or an assessment to determine if budgeting classes are needed. We find this discriminatory and suggest either everyone is required to attend these classes (including landlords) or an assessment is used to determine when it is an appropriate referral.

Through our research, we instead identified the Cleveland model of eviction prevention as the best practice and best fit for Louisville. It incorporates the HUD model of employing progressive engagement. This means working with the participants early in the eviction process to establish what their needs are and adapting the program to fit. The caseworker connects them with other services that are available to them in other departments of the city and social services sector which could include budget counseling when appropriate.

This same approach should be used in designing the amount of assistance. Some higher-income families that have acquired unemployment and/or returned to work may be able to pay 50% of their past due

rent while others can never achieve that. This program would force those hardest hit to go to other limited resources like Neighborhood Place, Community Ministries, or churches to beg for other limited funds to maintain their housing and once again delay payments to landlords.

### **An alternative approach**

We propose an alternative approach, in conjunction with the suggestions above, to the administration of this program. We propose that the program should begin with a conference between the landlord, the tenant, and the city caseworker. During this conference, all parties work together to figure out a solution that will be workable to all involved. During this conference, the parties involved can negotiate what could be paid that day and what is owed at a future date, determine what the city can pay, waive late fees, and develop a plan of how the rent will be paid. From there, the tenant would be connected to a wide range of services and supports and the city could cut a check directly to the landlord.

This would offer expediency and flexibility for the city to adjust the program to meet the needs of both people that have been able to return to work and those that are still waiting for employment or unemployment checks. This would offer a more expedited timeline that is a more advantageous option for landlords compared to the eviction process.

### **Housing Stabilization Program**

We support the Housing Stabilization Program to house and support individuals and families experiencing homelessness. We think this should be a priority of the city's work. We suggest that there is case management for these participants.

Moving from the waitlist to a housing unit is an opportunity to reset one's life and as you noted in the plan to "gain stability and focus on more than the basic need of shelter." We believe that in order to fully realize the potential of this program, there needs to be an element of progressive engagement case management for the participants to ensure that when their rent subsidy ends, they are able to maintain housing. We believe that the progressive engagement model, A HUD best practice, offers maximum flexibility and utility for the clients and the case workers. A Way Home, a program already managed by the city offers a template that this program could copy in employing case management.

### **Community Land Trusts**

We believe that Community Land Trusts are a viable option to secure affordable housing and that this is a tactic that should be put into practice here in Louisville. We do not, however, believe that this is the best use of funds targeted to address COVID-19. We are in a pandemic that is multiplying the need that already existed in Louisville and has placed an unprecedented strain on the thin safety net that we have. We believe that \$2 million spent on eviction prevention and diversion through the Neighborhood Places and Community Ministries would be a better return on investment than on a Community Land Trust that may produce 16 units of housing in two years. From the start of the pandemic to the end of June, the Community Ministries and Neighborhood Places are projected to spend \$1.5 million on rental assistance alone. The moment that we are collectively experiencing requires the surging of resources to meet the needs of those that have been disproportionately impacted by the health and economic fallout from this crisis. Directing this additional \$2 million toward direct assistance is a necessity at this moment.

When Louisville does put a Community Land Trust into practice, we recommend that Louisville implements best practices to ensure that the trust serves low-income individuals and families, that the Land Trust is led by the residents, and is supported with a nonprofit that is connected to and has a

positive relationship with the community. We also believe that when a land trust is implemented here in Louisville special, care needs to be taken to ensure that those units created can house families of all sizes and that there is funding for initial and ongoing training for residents as to how a land trust works, and other needs identified by those residents.

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Sincerely,

**Mandy Simpson** (she/her/hers)  
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**We fight for the education, health and financial stability of every person in Bullitt, Jefferson, Oldham and Shelby counties in Kentucky and Clark, Floyd and Harrison counties in Indiana.**