

EMERGENCY ASSISTANCE FUND



The *Eviction Crisis Act* introduced by Senators Bennet (D-CO) and Portman (R-OH) provides an innovative approach to increasing housing stability by creating a new **Emergency Assistance Fund (EAF)**. Most families in poverty who rent spend at least half of their incomes on housing, leaving virtually no margin for an unexpected expense. Broken-down cars, unreimbursed medical bills, or temporary declines of income can quickly send vulnerable households down the spiral of housing instability, eviction, and even homelessness. If enacted, the Emergency Assistance Fund could provide a blueprint for helping millions of low-income households that live on the edge of what they can afford.

Limited public resources, coupled with the growing costs of housing, has led to a crisis of evictions, homelessness and other types of housing instability, particularly for people with extremely low incomes. Eviction is not just a condition, but a cause of poverty. An eviction on record makes it harder for a family to find decent housing in a safe neighborhood and it negatively impacts employment as well as physical and mental health.¹

Improving housing stability is not just about keeping people in their homes; it is also about providing them with the foundation they need for success in many other areas of life. Stable, affordable homes are linked with **better educational and health outcomes** across the lifespan. Stably housed families experience **greater food security**. Reducing homelessness **reduces costs to the taxpayer**, such as avoidable emergency department visits, jails, and shelters. People can more readily escape poverty, **climb the income ladder**, and achieve the American Dream. And our nation is more **just and equitable** when housing resources are targeted at populations most in need.

The [Opportunity Starts at Home](#) campaign **supports** the creation of an Emergency Assistance Fund, a key pillar of the campaign's [national policy agenda](#).

About the Emergency Assistance Fund

The Emergency Assistance Fund is a program designed to test, evaluate, and expand proven interventions to help low-income families facing housing instability due to an unexpected economic shock.

Competitive Grants: The Emergency Assistance Fund is a competitive grant program administered by the Department of Housing and Urban Development (HUD), with input from the Departments of Health and Human Services (HHS) and Agriculture (USDA). Eligible grantees include state and local governments that will compete for funds to help develop and test creative approaches to help reduce evictions and prevent homelessness. A sliding scale for local match of funds is included.

Temporary Financial Assistance and Stability Services: At least three-fourths of the dollars must be used to provide direct financial assistance to help households overcome a short-term crisis that directly impacts their housing stability. Up to one-fourth of funds can be used to provide wrap-around services, such as case management, rehousing services, services to connect households to other public supports, and referrals to other services for behavioral, emotional, and mental health issues.

Targeted Assistance to Those Most At-Risk: All funds will be targeted to extremely low-income households with incomes at or below the federal poverty limit or 30 percent of Area Median Income, whichever is higher. This population faces the most severe housing cost burdens and is most likely to experience homelessness in the wake of an economic shock.

Robust Evaluation, Continuous Improvement, and Future Scaling: The bill requires a rigorous evaluation of the program's effectiveness in preventing housing instability. Lessons learned from these evaluations will be incorporated into future competitions, and HUD must report back to Congress on any necessary statutory changes and a plan to expand the program to the scale necessary.

What We Know About Crisis Assistance

Few Families Currently Receive Crisis Assistance: There are federal, state, and local funds available for crisis assistance and services, but they are mostly used for other priorities. Flexible grant programs such as TANF or the Emergency Solutions Grant

¹ Eviction Lab, "Why Eviction Matter," <https://evictionlab.org/why-eviction-matters/#understanding-eviction>.

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program could be used to provide crisis assistance, but states and localities typically direct those funds to other needs. Some states and localities have crisis assistance programs, but the need for aid far exceeds its availability.

Similar Programs Have Yielded Promising Results: Although there is still much to learn about how to deliver the assistance most effectively, we know that families and individuals who have participated in similar types of programs often have permanent housing by the end of the program. For example:

- A review of a recession-era program and its short-term assistance and prevention services components found 71.6% of participants who were either imminently losing their housing or unstably housed upon entry into the program exited to stable housing.²
- A review of the Supportive Services for Veteran Families' (SSVF) prevention program, which provides short-term financial assistance and other supports to veterans at risk of literal homelessness, found 91% of participants maintained their housing or exited to permanent housing.³
- A rigorous evaluation of New York City's Homebase Community Prevention program, which includes short-term assistance and services, found that families at-risk of homelessness who participated in the program spent 22 fewer nights in the shelter system. These families were also less likely to spend at least one night in shelter in the 27-month follow-up.⁴
- Researchers examined the effectiveness of temporary financial assistance by using data from the Homelessness Prevention Call Center (HPCC) in Chicago, which processes about 75,000 calls annually. Chicago residents at-risk of becoming homeless can call 311 to request temporary financial assistance for rent, security deposits, or utility bills. The researchers compared households that call when funds are available with those who call when funds are not available. They found that those calling when funding is available are 76% less likely to enter a homeless shelter. The researchers also presented evidence that the program's cost is lower than the homelessness-related costs the program likely averted, making the program a cost-effective solution.⁵
- Residential Assistance for Families in Transition (RAFT) in Massachusetts: RAFT funds are primarily used to provide financial assistance to help low-income households maintain stable housing. Recipients are not limited in how they use the funds, so long as the funds are used to address a crisis. Most of the money, though, is used for housing-related expenses. An analysis found an estimated average savings of \$43,321 for each family that avoided homelessness through the RAFT program in terms of shelter costs alone.⁶

Other Components Within the Eviction Crisis Act

The Emergency Assistance Fund is one section of a larger bill. Other sections would authorize grants to support landlord-tenant community courts which offer mediation services to avoid the high cost of eviction and creating a national database to track formal and informal evictions to better understand the problem and craft solutions.

Please see the campaign's website at www.opportunityhome.org for more information

² Office of Special Needs Assistance Programs, Office of Community Planning and Development, "Homelessness Prevention and Rapid Re-Housing Program (HPRP): Year 3 & Final Program Summary," U.S. Department of Housing and Urban Development, June 2016, <https://www.hudexchange.info/resources/documents/HPRP-Year-3-Summary.pdf>.

³ US Department of Veteran Affairs, "Supportive Services for Veteran Families (SSVF) FY 2016 Annual Report," https://www.va.gov/HOMELESS/ssvf/docs/SSVF_FY2016_Annual_Report_508c.pdf.

⁴ Howard Rolston, Judy Geyer, and Gretchen Locke, "Evaluation of the Homebase Community Prevention Program" Abt Associates, June 6, 2013, <https://static1.squarespace.com/static/572e5b621d07c088bf6663d9/t/573bd62df85082862032f27b/1463539246596/homebase+report.pdf>.

⁵ Evans et. al., "The Impact of Homelessness Prevention Programs on Homelessness," *Science*, August 12, 2016, <https://nihc.org/sites/default/files/Impact-of-homelessness-prevention.pdf>

⁶ Regional Housing Network of Massachusetts, "A Report on the RAFT Program in FY2018," February 2019, https://regionalhousingblog.files.wordpress.com/2019/02/rhn_raft_statewide-report_fy-18-1.pdf