



# HomeStart

Eviction Prevention Strategies: Scalable and Sustainable  
Solutions to Post-Pandemic Housing Crisis

July 2020

## HomeStart's Simple Model for Preventing Non-Payment Eviction

**1**

### **BLUEPRINT**

We **identify the driver(s) of the crisis** & co-create a **financial blueprint** to sustain tenancy

**2**

### **COURT**

We provide **court intervention** and landlord negotiation & **pay a portion of back rent**

**3**

### **SUSTAIN**

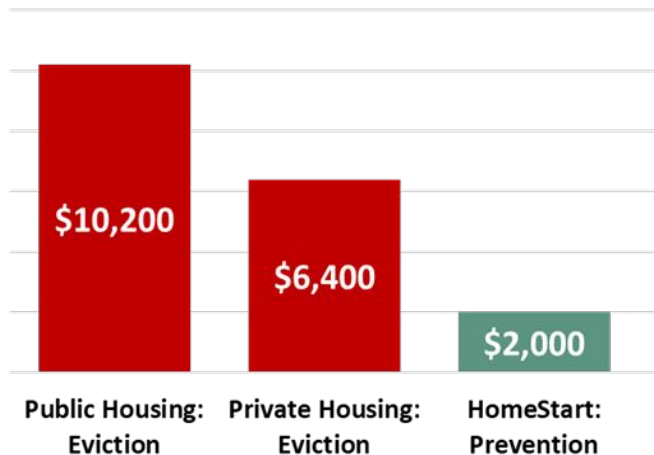
We provide **12 months of tenancy stabilization services** & support **full debt repayment**

**97%** housing retention rate after 12 months

**95%** no-eviction rate after 36 months

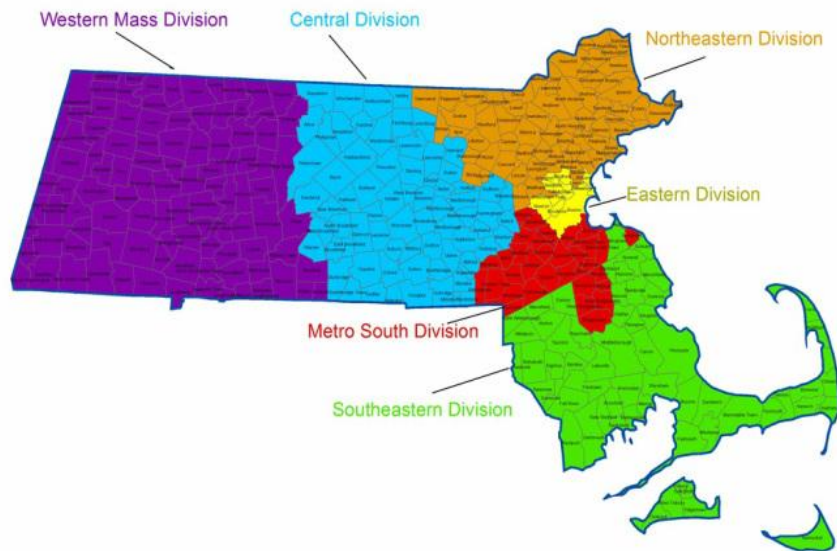
# HomeStart created the first landlord-funded eviction prevention model

An opportunity for disruption: the cost of executing a non-payment eviction versus preserving a tenancy



- Partnering property owners pay a per-intervention reimbursement rate to HomeStart
- Paying for tenancy preservation now is less expensive than paying to execute an eviction later
- Easy-to-replicate program model and market-driven reimbursement rate make the program scalable and sustainable

# Scaling HomeStart's solution in order to respond to the COVID-19 pandemic



- Increase number of households served in Eastern Division (Boston) from 500 -- 800 per year
- Sustain ongoing pilot project to replicate model in Metro South Division
- Partner with state Department of Housing & Community Development to launch a replication project in the Northeastern Division
- Currently fundraising to reach all six regions in the next 24 months

# A successful eviction prevention strategy identifies and leverages community-based factors

LOCAL FACTORS	HOMESTART'S EXAMPLE
What type of evictions are driving the crisis in your community?	Boston Housing Court: 75% non-payment evictions, 67% of all cases filed against tenants in subsidized affordable housing.
Can existing services and financial assistance resources be leveraged?	RAFT: \$21M state budget line item for housing-related emergency financial assistance.  Greater Boston Legal Services: Partnership to handle most complex cases.
How can landlord participation be incentivized?	HomeStart cost-benefit analysis: prevention is five times less expensive than eviction.  Massachusetts eviction law: tenant-friendly process is long and expensive.
What other policy levers can support your work?	City of Boston: Requiring property developers to report on current eviction rates in new funding applications.

# A successful eviction prevention strategy matches program services and target population

TARGET POPULATION	HOW WE CAN HELP
Non-Payment Cases	Can usually be resolved with financial assistance and court-based advocacy, does not require legal services involvement
Sustainable Tenancies	One-time back rent payment = tenant must be able to afford their rent going forward
Preventable Evictions	Court-based eviction = intervening when risk of eviction increases but existing tenancy can still be preserved



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT

Partners for Better Communities



DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.





# Virginia Rent and Mortgage Relief Program (RMRP)

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- The RMRP is designed to support and ensure housing stability across the Commonwealth during COVID 19. In addition to stabilizing housing, efforts to help individuals and families maintain their housing is in the interest of public health.
- Through the RMRP, financial assistance will be provided on behalf of households who are experiencing housing instability due to the pandemic.

# Eligibility Requirements

The RMRP will provide financial assistance on behalf of renters and mortgage holders who meet the following criteria:

1. Have a valid lease or mortgage statement in their name or other documentation confirming the landlord-tenant relationship; and
2. Have experienced a loss of income due to the Coronavirus pandemic.
3. Have a rent or mortgage amount that is at or below 150 percent Fair Market Rent (FMR).
4. Have a gross household income at or below 80 percent Area Median Income based on current month's income

# Eligibility Requirements (cont.)

- From June 29, 2020- July 20, 2020 grantees must prioritize households with a current gross household income at or below 50 percent AMI
- The determination of income includes any unemployment insurance received by a member of the household but does not include one-time payments such as a stimulus check.

# Funding

- DHCD is currently authorized to spend \$50 million to support the RMRP activities beginning April 1, 2020 until December 30, 2020.
- Grantees have received an upfront payment of at least \$100,000 to assist with the launch of the RMRP.

# Rent Relief

- Tenants may receive financial assistance for rent payments past due beginning April 1, 2020 and onward.
- Financial assistance is a one-time payment with opportunity for renewal based on availability of funding and the household's need and eligibility for additional assistance.

# Rent Relief (cont.)

- Many initial applicants will have the upcoming rent payment & past due rent payments from previous eligible months.
- Tenants and landlords may negotiate one of two options for the landlord to receive eligible past due rent payments:
  - Option 1: Provision of RMRP financial assistance for one month of current rent and up to three months of past due rent with landlord forgiving an equal number of months of past due bills (rent and all associated fees).
  - Option 2: Provision of RMRP financial assistance for one month of current rent and up to one month past due rent with landlord implementing repayment plan for any remaining unpaid past due bills (rent and all associated fees).



# Mortgage Relief

- Homeowners may receive financial assistance for mortgage payments past due beginning April 1, 2020 and onward.
- Financial assistance is a one-time payment with opportunity for renewal based on availability of funding and the household's need for additional assistance.
- If the household returns for additional assistance, current income must be verified.

# Prioritizing Rent and Mortgage Assistance

## **Housing is health care!**

- We must keep people housed during a pandemic. Housing gives us a place to protect ourselves, work from home, attend school virtually, and access medical services online.
- While we've identified rent and mortgage relief as a priority, we are also planning to use CARES Act on community development activities.

# Grantees and Partners

- Working through the CoC network, we have contracted with community organizations to administer RMRP funding, including:
  - Community Action Agencies
  - Non-profit organizations
  - Units of local government
  - Regional planning district commissions
- Other partners and stakeholders include:
  - 2-1-1 VIRGINIA
  - Tenant advocates
  - Landlords

# Sustaining and Growing our Funding

- Governor Northam has requested through Virginia's congressional leaders additional funds (\$2.4 billion) for rent relief.
- Virginia's General Assembly will reconvene for a special session in August. We hope legislators will consider an allocation of state funds for rent relief.

# Challenges

- Speed
- Volume
- Restrictions
- Serving most in need vs. those with greatest access
- Sustaining the program to meet scope of need

# Questions?

# RMRP Contact Information

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