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Billions in Covid-19 Aid Is Slow to Reach Renters and Landlords

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Overwhelmed state and local authorities are grappling with how to allocate \$25 billion in federal rental relief, leaving many tenants and landlords waiting weeks or months for their share.

Before the pandemic, Orange County, Calif., spent less than \$1 million a year on rental assistance for tenants at risk of eviction. Now, it has to distribute more than \$60 million in federal aid to thousands of residents behind on rent because of coronavirus-related hardships.

State and local governments around the U.S. are scrambling to launch programs to handle the nation's largest-ever emergency rental-assistance effort, intended [to help an estimated 13 million people](#). Their challenges are similar to those faced in [administering Covid-19 testing and vaccine rollouts](#) with resources provided by the federal government.

Jason Austin, who is overseeing Orange County's program, said he recently found himself going back to the three nonprofits he was already working with on rental assistance and asking, "Hey, how do you feel about \$20 million each instead of \$200,000?"

Orange County opened applications to tenants Feb. 1 and cut the first checks to landlords the week of March 15. It received more than 10,000 applications, most of which are still being reviewed.



South Los Angeles residents Faye Dedmon and her daughter Tammie Mason say their tenant owes nearly \$30,000 in back rent, forcing them to dig into savings to pay the mortgage, utilities and other costs.

PHOTO: EMILY BERL FOR THE WALL STREET JOURNAL

The federal dollars were allocated in December to states, as well as cities and counties of more than 200,000 people, to cover up to 12 months of a back rent and three months of future rent for people who can show they fell behind for pandemic-related reasons. Both tenants and landlords can apply for the money, but it is typically distributed directly to property owners to help them quickly handle mortgage payments and other expenses.

Applications can take weeks to process because jurisdictions must painstakingly review information such as landlord and tenant identities to avoid fraud.

An additional \$20 billion allocated by Congress in March is expected to be sent to jurisdictions in the coming months.

Separately, the Biden administration last month extended through June a federal moratorium on evicting individuals making up to \$99,000 and couples making up to \$198,000 annually who say they can't pay because of coronavirus-related hardships. But without cash assistance before then, back rent will continue to accumulate for tenants who can't afford to pay, leaving them vulnerable to eviction later.

North Carolina's Office of Recovery and Resiliency, created in 2018 to help residents with hurricane-damaged homes, has been transformed to provide Covid-19 rental

relief. Typically staffed by 60 people, it has hired more than 200 temporary employees to help distribute its \$546 million share of the funds that Congress allocated in December.

“To have to stand up a new program within a few days or weeks, knowing that people were at risk of homelessness or eviction, or spreading the pandemic because they’re moving as a family...This is on a scale that no one’s seen,” said Laura Hogshead, the agency’s chief operating officer.

In Colorado, the housing division within the state’s Department of Local Affairs recently started disbursing its \$254 million share. More than 40,000 applications for rental assistance have come in since the beginning of the pandemic, and the state has a backlog of about 7,200 it hasn’t started to review.

“We were so overwhelmed. We’re a small agency to begin with,” spokesman Brett McPherson said.

Matthew Samaha, 32 years old, said he applied for rental assistance from the state-run program last month but has yet to hear back. He fell behind on his \$925 monthly rent early in the pandemic when his overtime hours at a manufacturing plant outside of Denver were eliminated. With his income reduced, he said he can’t pay the nearly \$4,000 he owes in back rent while also covering his car payment and living expenses.

So far his property manager and landlord have been understanding, but he worries their patience will run out.

“I’m kind of wearing myself down hoping something gives, and it isn’t my landlord that gives first,” he said.

Mr. McPherson said it is taking three to eight weeks to process applications, a pace the state is trying to speed up. “We’re not getting applications funded anywhere near as quickly as we’d like to,” he said.

Other jurisdictions have barely gotten their programs started. The city of Los Angeles opened applications on March 30.

South Los Angeles residents Tammie Mason and her mother, Faye Dedmon, who own a rental home that has been in their family for more than 50 years, applied right away for relief to cover the nearly \$30,000 Ms. Mason said their tenant owes. He hasn't paid since March of last year, she said, and they haven't been able to evict him because of the moratorium. She and her mother have burned through several thousand dollars of reserves and since December have been pooling their personal savings to pay the mortgage, utilities and other costs.

They have yet to hear back on their application.

"We're going on more than a year and we have not received any relief, so unfortunately we have no choice but to sell," Ms. Mason said.