

CORONAVIRUS

Millions in aid for rent goes unspent

Housing advocates say 75% can't get through application obstacles

By NIC GARCIA

Staff Writer

nic.garcia@dallasnews.com

Before the coronavirus pandemic thrashed the country, Maria Ramirez and her husband made plenty of money to afford their modest two-bedroom apartment in northeast Dallas.

Now they owe more than \$4,000 in back rent and late fees.

Ramirez and her husband, both Mexican immigrants living in the U.S. without legal permission, lost work during the shutdown and were unable to pay rent this spring. They fell further behind this summer when they began paying rent for Ramirez's parents, who were both sick in the hospital for weeks fighting COVID-19.

They applied for aid without success.

With tens of thousands of similar stories across North Texas, housing advocates are worried that money set aside by the state and local governments to help people pay for housing is not reaching the most vulnerable.

There is a patchwork of programs with inconsistent criteria and awards, advocates say, and the application process is onerous. Plus, demand greatly outpaces the money available.

What's more, advocates are worried that millions of dollars will be sent back to Washington because local and state governments will not meet the Dec. 30 congressional deadline to spend the money.

"When people can't pay their rent, there are all sorts of consequences," said Josephine Lopez Paul, the lead organizer for Dallas Area Interfaith, a nonprofit that advocates for working families. "We should feel shame that we're not able to meet the tremendous amount of need in our city. It's becoming a shell game of shifting pots of money."

The interfaith group estimates as much as \$20 million of the city's rental assistance programs, which first began in April, has not been spent.

“For four months, millions of these funds have wafted around the corridors of City Hall while each day vulnerable families are threatened with evictions,” said Jon Lee, a retired pastor of King of Glory Lutheran Church, demanding the city ease restrictions and get money to residents now.

City officials acknowledged the rollout of the programs has not been perfect but said every penny earmarked for rental and mortgage assistance will be spent. And they said the application process was an attempt to balance urgent needs and protect tax dollars.

“We’re expecting all remaining funds will be out by Dec. 10,” said David Noguera, the city’s director of housing and neighborhood revitalization.

And yet, when Lee Kleinman, who represents Far North Dallas, tried to reallocate an additional \$2 million to housing assistance programs at a November City Council meeting, the city’s chief financial officer advised against it. She said there was a sense the money could not be spent in time.

The money went to a business loan program instead.

Unmet need

Ramirez’s apartment, which costs \$885 a month, has been the family’s home for a dozen years.

She has filled the apartment with family photographs and mementos. Above the unused fireplace is a single lit candle and framed portraits of dead relatives, watched over by a wood carving of Our Lady of Guadalupe. On the coffee table is a photo of her receiving a blessing from her grandmother the night before she left Mexico for the United States. And on a nearby bookcase, there is a portrait of St. John Paul II and the rainbow bouquet of metallic flowers that Ramirez used two years ago when she and her husband renewed their wedding vows.

When her adult daughter and grandchild needed a place to stay as the economy cratered, the family purchased two more couches to serve as beds and crammed them into the living room. Six people, including Ramirez’s two other children, 13 and 8, now live under the same roof.

They got by through those first few months with the help of friends and their church. But after Ramirez’s mother and stepfather became ill with COVID-19 — her mother was so ill she was placed on a ventilator — the financial burden became too much.

Ramirez applied for assistance with Catholic Charities, which was helping multiple cities distribute aid, in June. But it took several weeks to get all the necessary paperwork, including a letter from her employer that she was out of work as a contract house cleaner.

By then, it was too late. The program Ramirez, who has paid federal taxes since 2006 using an Individual Taxpayer Identification Number, was eligible for had run out of money.

The news that there was no help for the family could not have arrived at a worse time: Ramirez contracted COVID-19 herself from trying to help her parents. She locked

herself in one bedroom while the rest of the family commingled in the other bedroom and living room.

“I would have been less sick,” Ramirez said, if the rent assistance had come through.

Four months later Ramirez is not afraid of being evicted, even as federal protections run out at the end of the year, due to her long and good relationship with her property manager.

“Our landlord has compassion,” she said, knowing many others in North Texas — including her own parents — are not as lucky.

Nine out of every 100 people in the Dallas-Fort Worth area fear they won’t be able to pay their rent or mortgage in December, according to a survey released by the Census Bureau earlier this month. That’s up from 7 out of every 100 people the month before.

“There is a lot of need,” said Ramirez, who has not yet returned to work as she battles lingering side effects from her own fight against COVID-19 and takes care of her young grandchild. “But they are afraid to get any help.”

Multiple programs, strings

Since April, it’s been clear that the nation faced a housing crisis unlike any other time in modern history.

When the city first established its rental program with \$13.7 million, more than 25,000 attempted to apply within the first two days. The demand was so great, the city stopped taking applications.

Since then, the city has also partnered with more than 26 nonprofits to help distribute another \$20 million. Dallas County launched its own program with \$5 million to help people who live outside the city limits. And other smaller municipalities in North Texas have set up similar programs. Each government set up its own process, with different criteria and levels of help available.

Adding to the patchwork: Existing government programs that help people pay for housing were allowed to begin offering aid to struggling renters and homeowners for the first time due to the virus. These programs often came with more legal requirements, including home inspections to ensure the house was free of lead paint.

Ian Mattingly, president of the Apartment Association of Greater Dallas, said the assistance programs have had a varying degree of success.

“Many of the nonprofits have been able to be flexible in how they go out to the populations in need,” he said. But municipal, county and state governments have placed artificial constraints on how their funding gets deployed, he added.

The failure rate on applications is above 75%, he said. Put another way, only 1 in 4 of the people who said they needed help with their rent or mortgage were able to successfully complete an application.

One barrier that appeared especially troublesome was providing proof of a job loss, Mattingly said.

“If a business goes belly up, there’s no one to talk to about a letter saying you’re out of work,” he said.

“The assistance was desperately needed, and it was put out with good intention,” said David Woodyard, president and CEO of Catholic Charities of Dallas. “But it was more cumbersome and arduous for applicants to get through.”

Woodyard had 32 full-time employees and dozens of volunteers helping applicants across multiple cities apply for help. At their disposal was \$20 million among all the different local governments, including Frisco, Plano and Garland. Ultimately, Catholic Charities was able to provide only about \$8 million worth of help before cities asked for the money back to redeploy other ways before the Dec. 30 deadline.

“We were blessed that we could serve, but it was not a light undertaking,” he said, adding that it was prudent for cities to find other ways to spend the money.

If more money is made available in another round of aid from Washington, he said, cities in North Texas should work to establish a uniform set of criteria to help speed up the process.

Using data to learn

According to city documents, about \$5.7 million in rental assistance had been allocated but not spent as of Nov. 5. Noguera, the city’s director of housing and neighborhood revitalization, said checks were cut to partner organizations after that presentation.

The Dallas Housing Authority, or DHA, is a housing agency that works across seven counties in North Texas. It is receiving one of those checks. The agency was selected this summer to help distribute \$4 million after the City Council raised concerns the initial fund was not equitably distributed throughout the city.

Rather than send the money out on a first-come, first-served basis, the agency’s vice president of policy development and research, Myriam Igoufe, developed a weighted lottery based on a series of factors such as income levels, race and ethnicity, housing types and health insurance rates.

Nearly 4,800 people completed applications asking for more than \$15 million in assistance, Igoufe said, but only 1,200 will get assistance.

The average applicant will receive \$3,000 to help pay up to six months of rent.

“It’s a bittersweet success, because we’re not able to assist everyone,” Igoufe said.

The agency used technology and big data to help prescreen applicants, which Igoufe said helped expedite the process.

“There’s an operational complexity — done manually we would have failed,” she said.

And using technology helped the agency make a pitch to the City Council this fall to change the award structure. The council originally approved \$3,000 to be split between two months worth of rent. When Igoufe showed the council that residents with lower rents were applying at a higher rate, they changed the award structure to up to \$5,000 for six months.

“The government doesn’t give you a lot of direction on how to do this,” she said. “They often come back and say later you did it wrong.”

Igoufe said the agency was unable to share demographic and geographic data of applicants awarded but promised a full review after all the money is released this month. In the meantime, she hopes Congress will act quickly to send more money to keep people in their homes.

“The threat of eviction is already enough for people to leave the premises,” she said. “I really hope we get a second round. We’ve learned collectively from our first phases how to do it fast and efficiently.”

Twitter: @nicgarcia