

Republican Motion to Instruct #6

HELP TENANTS AND LANDLORDS STAY IN THEIR HOMES AND PRESERVE AFFORDABLE HOUSING

Offered by Representative Chris Jacobs (NY-27)

Mr. Jacobs moves that the Committee on the Budget direct its Chairman to request on behalf of the Committee that the rule providing for consideration of the bill make in order an amendment to instruct the Secretary of the Treasury to provide for expedited payment of funds from the Emergency Rental Assistance Program and establish a process under the Emergency Rental Assistance Program for landlords to submit applications on behalf of a renter.

Background

- (1) Congress established the Emergency Rental Assistance Program (ERAP) to assist households that are unable to pay rent or utilities. Two separate programs have been established. ERA1 was enacted under the Consolidated Appropriations Act of 2021 and provides up to \$25 billion for assistance. ERA2 was enacted under the American Rescue Plan Act and provides up to \$21.55 billion in assistance.
- (2) The Biden Administration and many state governments have struggled to provide assistance to households in need. As of August 31, 2021, only about \$7.7 billion of the \$46 billion that Congress allocated for rental assistance has reached renters in need.
- (3) On August 3, 2021, despite a clear ruling by the U.S. Supreme Court, the Biden Administration extended an unconstitutional eviction moratorium intended to last until October 3, 2021. The U.S. Supreme Court struck down the moratorium on August 26, 2021. Many states, including New York and California, continue to maintain eviction moratoriums. In addition, eviction courts throughout the country are so backlogged that tenants still enjoy de facto moratoriums in many areas until their landlord can obtain a court date.
 - a. While eviction moratoriums remain in effect, tenants have little incentive to apply for emergency rental assistance, as they do not bear the financial burden of the moratorium.
 - b. With a record number of job openings, a depressed labor force participation rate, and widespread labor shortages, there is no reason any able-bodied adult cannot find stable employment to provide income.
 - c. These unconstitutional moratoria effectively force property owners to transfer a good without compensation. Meanwhile, these property owners must still pay mortgages, taxes and maintenance for the dwelling. These actions may very well violate the Takings Clause of the Fifth Amendment and as such it is the duty of the federal government to make landlords whole.

- (4) As a result of these unconstitutional policies and the Biden Administration and states' failure to promptly distribute assistance to those in need, we will see a wave of bankruptcies, foreclosures, and blighted properties, along with a contraction in the housing supply. This will negatively affect housing affordability for all Americans.
- (5) Before President Biden and Washington Democrats spend another \$4.3 trillion, they should at least ensure funds allocated in previous packages are being distributed to those who need it most.