

ARPA and Housing Stability

Background

[Multiple studies](#) have proven that housing stability is a prerequisite for economic mobility, job security, and health and well-being – each of which is a necessary outcome to fully overcome the harm caused by COVID-19 to residents, small businesses, and communities.

To stabilize and solve for housing instability, the American Rescue Plan Act funded [multiple programs](#) available to local governments and their partners . Programs include:

- [Emergency Rental Assistance](#)
- [Homeowner Assistance Fund](#)
- [Emergency Housing Vouchers](#)
- [Homelessness Assistance and Supportive Services Program](#)
- [USDA Emergency Rental Assistance](#)
- [USDA Single-Family Home Loan & Housing Repair Loans & Grants](#)
- [Fair Housing Initiative Programs](#)
- [State and Local Fiscal Recovery Funds](#)

Small Cities and Preventing Housing Instability

Small cities that are not emergency rental assistance (ERA) grantees or do not operate their own emergency rental assistance programs can prevent housing instability. [ARPA's State and Local Fiscal Recovery Funds](#) can be spent to support efforts to identify and locate residents at risk of evictions and help such residents navigate the enrollment process for county or state ERA programs.

Current Landscape of Emergency Rental Assistance

Distribution of Emergency Rental Assistance

From January through September 30, state, local, and tribal governments have made over 2 million payments to households and distributed over \$10 billion in emergency rental assistance.



#NLCDelivers

Prior to the launch of the emergency rental assistance program, both state and local governments had to develop the infrastructure to distribute emergency rental assistance (ERA) and over time, have proven their capability to successfully accelerate assistance to vulnerable renters.

A [recent report](#) from the U.S. Treasury highlighted that the processes for distributing emergency rental assistance has improved. The acceleration of aid distribution can be credited to the current administration's efforts to encourage grantees to:

- Streamline application processes;
- Provide aid directly to renters if landlords will not accept payments;
- Adopt flexibilities on self-attestation; and
- Integrate ERA into the eviction court system.

Additionally, in August 2021, the U.S. Treasury released [seven additional](#) policies to accelerate ERA spending, which clarified that [self-certification can be used to document each aspect of a household's eligibility for ERA](#). The seven policies included:

Self-attestation can be used in documenting each aspect of a household's eligibility for ERA, including with respect to: a) financial hardship, b) the risk of homelessness or housing instability, and c) income.

The Treasury has further clarified and encourage local and state grantees to simplify the application process with the use of [self-attestation](#) when other forms of documents are not immediately available.

For cities hesitant to distribute funds in cases of limited formal documentation in fear of reporting requirements and federal clawbacks, this is a significant signal of support for minimizing administrative barriers in favor of rapid disbursement of funds.

During the public health emergency, state and local ERA programs may rely on self-attestation alone to document household income eligibility when documentation is not available.

In light of the public health emergency, the Treasury has made self-attestation of income acceptable for assistance eligibility when applicants are not able to provide other forms of documentation for their income. With self-attestation of income clearly allowable, cities are empowered to provide rapid assistance to households that may have more informal employment or lease arrangements, and that may be at high-risk of eviction.

State and local grantees may advance assistance to landlords and utility providers based on estimated eligible areas.

To accelerate the distribution of emergency rental assistance, the Treasury has laid out additional guidelines on the use of bulk payments to large landlords and utility providers, with the expectation that an applicant's application and documentation requirements are fully satisfied.

State and local grantees may enter into partnership with nonprofits to deliver advance assistance to households at risk of eviction while their applications are still being processed.

#NLCDelivers

Treasury establishes guidelines for state and local grantees to engage with nonprofit organizations able and willing to take on the financial risk of advancing assistance prior to an application being fully processed to speed aid to at-risk households.

Grantees may make additional rent payments to landlords that take on tenants facing major barriers to securing a lease, including those who have been evicted or experienced homelessness in the past year.

Local and state grantees may make an additional payment required as a condition for entering into a lease with a “hard-to-house” household that would not otherwise qualify under a pre-existing and lawful screening or occupancy policy.

Past arrears at previous addresses may be covered.

Treasury’s guidance makes clear that state and local grantees may, at an eligible tenant’s request, provide assistance to cover remaining rental or utility arrears at a previous address in an effort to remove barriers that household may face in acquiring new housing. This offers a significant and lasting opportunity for overcoming the long-term effects of eviction that disproportionately impact communities of color.

A tenant’s costs associated with obtaining a hearing or appealing an order of eviction may be covered with ERA funds as an eligible “other expense.”

New guidance makes clear that “rent bonds” are an eligible ERA expense. Often referred to as rent bonds, many states and localities require tenant payments of rent to a court on behalf of the landlord as a condition for a tenant to have the opportunity to defend themselves in court before being evicted.

Reallocation of Excess Emergency Rental Assistance Funds

As many state and local governments have accelerated the distribution of funds, some state and local governments have not, and as required by the [Consolidated Appropriations Act, 2021 \(ERA1\)](#), the U.S. Treasury has begun to [identify and redistribute excess funds](#).

Grantees received a [letter providing details](#) of the U.S. Treasury framework to approach the reallocation process. Details in the letter include the U.S. Treasury’s goals to:

- Make additional funds available to high-performing grantees based on demonstrated need;
- Identify “excess funds” for reallocation through a fair approach based on transparent benchmarks;
- Provide ERA grantees with advance notice and fair process;
- Strive to keep reallocated funds within the same state;
- Implement reallocation gradually over a period of months;
- Collaborate with ERA grantees on voluntary reallocations;
- Consult with tribes and territories before implementing any reallocation of their ERA1 funds.

Recommendations for Distributing of ERA Funds

To continue to meet the demand of tenants and landlords in need of emergency rental assistance, cities should:

Take a Whole Government and Community Approach to Distributing Funding

The [successful deployment of emergency rental assistance](#) will require a whole government and community approach at the local level. This approach should consist of city, county and state government agencies as well as local and regional housing agencies, community-based organizations, courts, and legal services all working together to provide relief.

Working together means actively [coordinating communication, outreach](#) and [engagement strategies](#) as well as refining [program design and implementation](#) to provide needed relief to tenants and landlords—and collectively bolster funding, if needed.

Set Aside Funding to Augment City Staff and Provide Additional Support

Set aside funding to financially support efforts such as hiring staff to be [housing navigators](#) and/or [landlord-tenant coordinators](#) to help households access the ERA program. With additional staff, tenants and landlords can access the program more efficiently and awareness about the program can be augmented beyond city hall.

Cities should also ensure their program website is [easy to navigate and is available in plain language](#). Likewise, it is important to make sure alternative methods, such as paper-based applications, are available for tenants and landlords to apply to the program.

Anticipate and Eliminate Barriers for Tenants and Landlords

Accelerating the spending of emergency rental assistance also means anticipating and eliminating any barriers that make it difficult for residents to take advantage of vital services. Cities should consider the following:

- remove [language and cultural barriers](#) that prohibits participation in the ERA program
- allow a [streamlined payment option](#) for utility providers or large landlords
- cultivate a relationship with the courts and court staff
- ensure city staff, including 211 and 311, are equipped to manage and respond to the daily influx of information and questions residents will have; and
- avoid limiting eviction prevention to just emergency rental assistance and stand up an [eviction diversion program](#).

Better Serve Unbanked Tenants

Set flexible application requirements for assistance and offer alternative methods of payments for unbanked tenants.

#NLCDelivers

Unbanked tenants face unique and significant burdens in simply applying for emergency rental assistance, along with difficulty accessing financial assistance if they do receive ERA funds. This includes challenges verifying their income, rent payments or the impact of COVID-19 on their financial situation when applying for rental assistance.

Unbanked tenants may also face enormous challenges when attempting to cash direct-to-tenant rental assistance checks, such as astronomically high fees — which can be especially impactful for families who are already so vulnerable.

Review and Learn from Current Emergency Rental Assistance Best Practices

Although, the delivery of emergency rental assistance varies by locality, cities can look to the following cities for best practices: [Charlotte, NC](#), [Memphis, TN](#), [Houston, TX](#), [Philadelphia, PA](#) and [Louisville, KY](#). Additionally, since the adoption of the American Rescue Plan, cities such as [Benton Harbor, MI](#), [Lakewood, OH](#), [Newark, NJ](#), and [Seattle, WA](#) have used [the State and Local Fiscal Recovery Funds](#) to either create or bolster emergency rental assistance programs in their community.

Cities can also glean from [research](#) what it takes to successfully deploy [emergency rental assistance](#) in your communities. [Research](#) has indicated administrators of emergency rental assistance programs should:

- center equity in program design and implementation,
- provide [direct assistance to tenants](#),
- [simplify application](#) processes and [allow self-attestation](#),
- work with trusted community partners,
- engage landlords,
- prioritize households with the greatest need; and
- incorporate racial equity in performance measures

QUICK TIPS FOR ELECTED OFFICIALS	
DO's	DON'Ts
Do center racial equity in the design and implementation of ERA programs.	Don't impose unnecessary and burdensome requirements.
Do prioritize households with the greatest needs.	Don't neglect the need for targeted outreach to marginalized populations.
Do coordinate with housing agencies to make resources available to federally assisted households.	Don't restrict ERA to non-subsidized renters or bar renters living in subsidized housing from the ERA program.
Do partner with trusted community-based organizations.	Don't lose time setting up a "perfect" program.
Do engage landlords.	Don't penalize tenants if their landlords refuse to participate.
Do hold grantees accountable to racial equity performance metrics.	Don't be afraid to change aspects of program design if it is not working as intended.

Going Beyond Emergency Rental Assistance with ARPA Funding

Along with the investing, bolster and distributing of emergency rental assistance, city, county and state governments should be using American Rescue Plan funding to:

- invest in [eviction diversion programs](#);
- explore [right to counsel](#) or providing free legal assistance;
- scale-up [mediation](#), supportive services and self-help programs; and
- form and sustain long-term relationships with local courts, sheriff's offices and landlords.

The COVID-19 pandemic exacerbated evictions, it did not create it, and the [lessons learned](#) and [tools](#) implemented during this time are worth investing in long-term.

If you have general questions about the Coronavirus State and Local Fiscal Recovery Funds, please email the U.S. Department of Treasury at SLFRP@treasury.gov or call 844-529-9527.

The information contained here is not legal advice. It will be subject to change based on updates from the U.S. Department of the Treasury, and any recipients should confirm applicability to their specific situation.

Resources

[How to Establish and Improve Emergency Rental Assistance Programs: Suggestions for State, Local, Tribal, and Territorial Elected Officials](#)

[Six Do's and Don'ts for Local Emergency Rental Assistance Programs - National League of Cities \(nlc.org\)](#)

[Communications and Outreach Strategies to Bring Awareness to Residents about Eviction Prevention Programs - National League of Cities \(nlc.org\)](#)

[Strategies to Increase Participation in Eviction Prevention & Eviction Diversion Programs - National League of Cities \(nlc.org\)](#)

[What to Know About the Ending of the CDC Eviction Moratorium - National League of Cities \(nlc.org\)](#)

[Four Strategies Cities Should Consider to Accelerate the Spending of Emergency Rental Assistance - National League of Cities \(nlc.org\)](#)

[The Treasury's ERA Report: 3 Things to Know - National League of Cities \(nlc.org\)](#)

[5 Strategies to Better Serve Unbanked Tenants - National League of Cities \(nlc.org\)](#)

[U.S. Department of the Treasury Emergency Rental Assistance Under the Consolidated Appropriations Act, 2021 Reallocation Guidance](#)