Emergency Rental Assistance

Issue Summary

In response to the COVID-19 pandemic, Congress established an Emergency Rental Assistance (ERA) program: https://bit.ly/4iqhuAJ administered by the U.S. Department of the Treasury to distribute critically needed emergency rent and utility assistance to millions of households at risk of losing their homes during of the pandemic. Congress appropriated an historic $46.5 billion for the Treasury ERA program, including $25 billion through the "Consolidated Appropriations Act of 2021": https://bit.ly/4iw8RVi (ERA1) and $21.6 billion through the "American Rescue Plan Act of 2021": https://nlihc.org/sites/default/files/COVID-Relief-Budget_Reconciliation.pdf (ERA2). As of July 2024, ERA program administrators have disbursed $44.99 billion: https://bit.ly/4cX9Mgr in ERA to renter households in need through more than 11 million payments to landlords and households. Treasury's ERA program has highlighted the extreme need among low-income renters, the role of program flexibilities in ensuring these crucial resources went to households in need, potential short-term benefits to receiving assistance, and the importance of creating a sustained emergency rental assistance program for households that face a financial shock putting them at-risk of housing instability.

Enactment of the Emergency Rental Assistance Program

In mid 2020, many housing advocates were concerned that there would be an eviction tsunami if emergency rental assistance was not passed for the lowest income renters due to the number of renters experiencing COVID-19 rental hardship: https://bit.ly/4ivb17O. Because of this concern, NLIHC launched and led a national campaign for "Rent Relief Now." The campaign, comprised of over 2,300 organizations from across the country, called for a national moratorium on evictions for nonpayment of rent, and sufficient emergency rental assistance funds to assist low-income tenants and small landlords. By the end of 2020, renters had accrued an estimated $50 billion: https://urbn.is/3S4KTWt in rent and utility arrears.

In December 2020, Congress passed an initial $25 billion (ERA1) in the "Consolidated Appropriations Act of 2021" for emergency rent and utility assistance, and then an additional $21.6 billion for ERA in March 2021 through the American Rescue Plan Act, establishing ERA2. The emergency rental assistance was allocated to 50 states, localities with populations above 200,000, territories, and tribal nations and could be used for financial assistance, such as rent, rental arrears, utilities, and other expenses related to housing, housing stability services, and administrative costs. ERA administrators were tasked with getting out the funds quickly and to individuals with the highest need to prevent evictions.

After the passage of the federal Emergency Rental Assistance program, NLIHC launched a new project, End Rental Arrears to Stop Evictions (ERASE), to support state and local partners to ensure that ERA funds reached those renters most in need in time to prevent evictions. The project engaged in technical assistance, research, communications, tracking, and outreach at the federal, state, and local levels to support the efficient and equitable disbursal of ERA. From the beginning, the ERASE project worked with state partners, local jurisdictions, and ERA program administrators to ensure that local ERA programs were visible, accessible, and preventive. These three goals formed a framework for generating program improvements that would ensure that the lowest-income and most marginalized renters were able to find and access ERA in time to prevent their evictions.

Emergency Rental Assistance Implementation

Throughout the distribution of ERA, Treasury and the White House made major program improvements to respond directly to challenges identified by NLIHC and the ERASE project through our ongoing tracking and analysis of state and local emergency rental assistance programs, feedback from partners including renters and program administrators, and findings from collaborative research conducted by NLIHC, Housing Initiative at Penn, and NYU Furman Center.

In early 2021, NLIHC and ERASE urged the Biden Administration to issue guidance to help state and local grantees distribute ERA to the millions of households at risk of losing their homes. In February 2021, Treasury issued guidance: https://bit.ly/4iqhuAJ which clarified that renters may self-attest to meeting most eligibility criteria, including COVID-related hardships, income, housing stability, and the amount of back rent owed. It allowed payments to be made directly to tenants when landlords refused to participate in the program or were unresponsive; and clarified that home Internet costs and legal assistance for renters facing eviction are eligible uses of ERA.

After ERA2 was established, NLIHC and the ERASE project urged Treasury to address several of the ongoing challenges of ERA1. Treasury provided additional guidance: https://bit.ly/4iqhuAJ to encourage and or require the use of program flexibilities with the second round of ERA funding. For example, Treasury guidance required program administrators distributing ERA2 to provide assistance directly to renters if landlords refused to participate or were unresponsive and allowed ERA2 programs to offer direct-to-tenant assistance first and immediately, rather than requiring programs to conduct outreach to landlords beforehand, as was the case for ERA1. The guidance also expanded eligibility criteria to include renters who experienced a financial hardship during COVID-19, rather than "as a result of COVID-19". The improved guidance also encouraged grantees to avoid establishing burdensome documentation requirements that would reduce participation and allowed programs to verify eligibility based on readily available information, such as the average income of the neighborhood in which renters live (fact-specific proxy).

Distribution of Emergency Rental Assistance

According to the latest reporting data from the Department of Treasury, as of July 2024, $44.99 billion in emergency rental assistance: https://bit.ly/4cX9Mgr has been disbursed through more than 11 million payments to landlords and households. Early demographic data show that our collective efforts to ensure emergency rental assistance reached households most in need has been successful. Preliminary research on the administration of federal ERA shows that folks with higher eviction risk received greater funding: https://bit.ly/4lSNOiT than less at-risk populations.

When considering whether ERA reached populations most in need, researchers studied whether more ERA dollars went to households in communities that were more likely to need ERA assistance: https://bit.ly/4lSNOiT, including communities with higher poverty rates, and higher shares of renting households with children, households headed by single mothers, low-income households, and Black renter households, as they had the highest risk of eviction going into the pandemic: https://bit.ly/4iHtE8M. On average, renting households in census tracts with the highest levels of poverty received approximately $200 more: https://bit.ly/4lSNOiT in ERA assistance than renters in census tracts with the lowest poverty rates. Households in census tracts with greater populations of children and with more households headed by single mothers received over $300 more: https://bit.ly/4lSNOiT than households in census tracts with the smallest shares. Households in census tracts with higher populations of Black renters received about $575 more than households in areas with lower populations of Black renters.

Research on the timeline of ERA distribution has found that ERA spending increased along with the end of the federal eviction moratorium: https://bit.ly/4lSNOiT. ERA spending in June 2021 almost doubled from May 2021, increasing by about $804 million at the time of the expected end of the eviction moratorium. Nearly 25% of all ERA dollars were spent in the immediate months after the end of the moratorium, with roughly $11 billion spent between August and November of 2021.

Effective targeting and a rapid increase in spending of ERA could have been due to administrators implementing program flexibilities, as encouraged/required by Treasury, including direct to tenant assistance, self-attestation, fact specific proxy and categorical eligibility, as mentioned above. *Out of 514 Treasury ERA programs*, by the end of 2022, 62% allowed for at least one form of self-attestation, 29% used fact specific proxy or categorical eligibility and 35% allowed direct to tenant assistance.

Early research from NLIHC, the Furman Center and Housing Initiative at Penn suggests that programs with fewer and more flexible documentation and eligibility requirements were better able to get money out the door. These flexibilities reduced documentation burdens: https://bit.ly/44H2onb which was important to a program's ability to spend money. A study examining Virginia's ERA program's use of fact specific proxy found that simplifying income reduced application processing time: https://bit.ly/42Xlcw6 by two weeks. Another study on fact specific proxy found that Kentucky's ERA Program's use of the flexibility increased: https://bit.ly/4ixOx66 application approval rates by at least seven percent. Further research should be conducted on how other flexibilities improved receipt of ERA.

The rapid increase in ERA spending could have also been due to allocation deadlines: https://bit.ly/4lSNOiT created by the Treasury Department to ensure programs distributed funds quickly. ERA 1 had an expiration date of September 30, 2022 but Treasury was able to recapture funds from slower spending grantees starting September 30, 2021 and reallocate them to faster spending. Treasury also instituted spending benchmarks for ERA 2, which if missed, was grounds for reallocation. Broadly, Treasury required grantees to meet a gradually increasing expenditure ratio to avoid having funds reallocated. Grantees were also allowed to voluntarily reallocate funds to another grantee within the same state. Between 2021 and 2023, Treasury reallocated around $4.8 billion in ERA1 and ERA2 funds from state, local, and territorial grantees.

The time it took to set up programs: https://bit.ly/4lSNOiT may have been a third factor in a rapid increase and quick distribution of ERA in 2021. ERA was a new federal program of unprecedented scale. Most of the 514 programs did not exist prior to the pandemic so administrators had to build the plane: https://bit.ly/3S6wlWi as they were flying it, which meant they did not have time to build sufficient capacity and infrastructure initially, resulting in a bumpy start.

Short Term Outcomes of ERA

Early research on the short-term impacts of ERA on household housing stability, health and mental health, and child outcomes are promising. Initial research findings of ERA's impact on recipients' outcomes: https://bit.ly/4ivdkre found that surveyed tenants who received support from the ERA programs experienced more positive short-term outcomes than those who did not receive funding by several indicators including housing security, financial well-being, overall health and wellness, healthcare access, and their children's outcomes. Some households did face housing instability, however, after their assistance ended. Participants in focus groups who did not receive ERA mentioned it could have stabilized their financial situation and improved their relationship with their landlord, thwarting an eviction.

Further analysis supports initial findings of ERA providing renter households with short term housing security and financial well-being. Analysis: https://bit.ly/3S2EbQO of the US Census Bureau's Household Pulse Survey (HPS) found that ERA recipients were less likely to be behind on rent, need to borrow money from family and friends, or rely on savings for rent expenses than ERA applicants. Research on the ERA lotteries in Chicago, Houston, Seattle, and Los Angeles determined that households who received ERA were 8% to 36%: https://bit.ly/4cQNZqI more likely to be current on rent for several months following receipt and receiving assistance reduced eviction concerns by 15%. A third study also found a correlation between ERA and rent indebtedness. Low-income families with children that received ERA were half as likely to be behind on rent: https://bit.ly/3S3cSWq than similar households waiting for a response.

In addition to positive correlations between short term financial and housing security and ERA, research by the Joint Center for Housing Studies and the National Bureau of Economic Research have found a positive correlation between receipt of ERA and recipient's improved short-term mental health and well-being. The Joint Center for Housing Studies found that ERA recipients were half as likely: https://bit.ly/3S2EbQO to report feeling depressed or anxious than ERA applicants waiting on a decision or denied benefits. The National Bureau of Economic Research found a smaller but significant decline of 7.1%: https://bit.ly/4cQNZqI in reports of anxiety or depression across ERA recipients in Harris County, King County, and Chicago. recipients of ERA in these cities were also less likely to become sick as a consequence of COVID-19.

Additional evaluation of the Household Pulse Survey data found that low-income renter households with children who received ERA were significantly less likely to report household and child food insufficiency than households who did not receive ERA or whose applications were denied. Households that received ERA were 14% less likely: https://bit.ly/3S3cSWq to experience household food insufficiency than those denied ERA, and 5% less likely: https://bit.ly/3S3cSWq than those who were waiting on an application decision. Households headed by single women and households that recently lost employment income had the strongest association between lower food insufficiency and ERA receipt, with an 8% greater reduction: https://bit.ly/3S3cSWq in food insufficiently in both groups relative to the general renter population that received ERA surveyed by the Census Bureau.

While there are positive correlations between ERA and short-term housing and financial stability, research so far has found little long-term effect of ERA: https://bit.ly/4cQNZqI on financial security, eviction and homelessness risk, and indebtedness. Both qualitative and quantitative findings show that ERA recipient households continued to face significant financial barriers to stable housing, especially after their ERA benefits were spent. Long term housing solutions are needed to reduce the short fall of affordable housing and reduce cost burdens for the lowest income renters.

Lessons Learned

ERA provided an opportunity to not only prevent evictions for millions of renter households during a public health emergency but also to learn valuable lessons on how to aid renters and landlords in need. There are several components of ERA that could use additional consideration in future iterations of the program.

Program visibility was a key issue for some renters. Researchers studying ERA applicants in New York City and a subsample of New York State found that more immigrant renter households were in zip codes with lower-than-expected ERA application submissions based on total accrued arrears than in zip codes with higher-than-expected application submissions based on total accrued arrears. Zip codes with lower-than-expected application submissions also had less HUD subsidized units, higher homeownership rates, higher shares of white and Asian households, and lower pre pandemic filing rates than zip codes with higher-than-expected application submissions. Future research could see if this trend was observed in other communities throughout the country, and what community supports existed to connect people to assistance. A nationwide study also found gaps in ERA awareness in rural communities: https://bit.ly/4ivdkre: https://bit.ly/3S6wlWi, noting low application rate to relatively high rate of arrears. This trend could point towards systematic barriers to applying for assistance.

Over the course of administering ERA, programs made adjustments: https://bit.ly/3S6wlWi to improve accessibility by introducing greater flexibility and working with community-based organizations, housing counselors and housing court to improve outreach. However, ERA programs varied across the country and researchers found that application processes ranged across programs: https://bit.ly/4ivdkre, creating an array of tenant experiences. Of the tenants surveyed for the study, more than half reported facing at least one challenge submitting their application. Challenges included not knowing who to call for help, applications that were confusing, too long, or hard to locate. The more challenges a renter faced, the less likely they were to receive assistance. Low-barrier and a flexible application process, as well as the availability of application support, were associated with applicants receiving funding.

Whether applicants received funding or not may have also been dependent on housing status. Research of a sample of ERA programs found that applicants who were living in a rental home: https://bit.ly/4ivdkre at the time of application were more likely to receive funding than those who were experiencing homelessness, defined as someone living in a shelter, a hotel or motel, on the streets, in a car, or with friends or family. Applicants who were homeless may have faced numerous challenges in meeting application requirements. Despite ERA administrators' intentions to prevent homelessness, a nationwide survey found that this goal did not translate into practices that would fund those at most immediate risk of homelessness. For example, many programs required documents that would be hard for vulnerable populations to provide, only made applications available online, and did not allow direct to tenant payments, despite being required to by the Treasury Department.

Future iterations of ERA could improve outreach to high-risk populations by working closely with local government and community agencies: https://bit.ly/3S3cSWq for referrals, allowing for direct to tenant assistance, and integrating further services: https://bit.ly/3S3cSWq like case management into the program to reach households with complex needs. Moreover, there are lessons learned from ERA: https://bit.ly/3EEufKa suggesting that we should look to apply to other housing assistance programs to improve access and utilization of these programs. Renter households have historically faced challenges in both accessing and utilizing housing choice vouchers due to scarcity of resources, burdensome requirements, uninterested landlords, and racial discrimination. Learning from and incorporating flexibilities, such as direct to tenant assistance, self-attestation and categorical eligibility, from pandemic-era initiatives, such as ERA, could help address these challenges, improving access to and utilization of the program.

Moving Forward

Despite the continued need for emergency rental assistance, as seen by eviction filing rates exceeding pre pandemic levels: https://evictionlab.org/eviction-tracking/ and continued demand for state and locally funded emergency rental assistance programs, no new federal funding mechanisms have been created to support the continuation of the federal ERA program or sustain the newly created infrastructure. If introduced in Congress, the "Eviction Crisis Act" would establish a new, national Emergency Assistance Fund: https://bit.ly/3GoJtne to help ensure that extremely low-income renters have access to emergency assistance to cover the gap between income and housing costs in the event of a financial crisis.

In the absence of federal funding for continuing emergency rental assistance programs, some states have allocated funding for ERA through pre-pandemic or new programs. In 2024, 14 state legislatures allocated over $414 million to statewide emergency rental assistance programs. Over 60 state and local ERA programs: https://binged.it/4iCoTNF funded by State and Local Fiscal Recovery dollars or state and local funds currently exist across the county and vary in scope— all are of a smaller scale and more targeted in terms of who receives assistance. For instance, some programs provide emergency rental assistance for renters with cases in eviction court, while others serve specific populations like the elderly or people with mental health disorders. Many programs provide assistance to folks in immediate risk of homelessness, while others are broader in terms of who they serve and how much assistance they provide.

Future ERA research could look at the funding, administration, operation, and outcomes of post Treasury ERA program to inform future initiatives to create more programs throughout the country. Research of smaller scale programs could provide valuable insight into critical program features and how or if to prioritize assistance. Research could also look at programs that utilize creative funding sources, such as TANF or Medicaid, to determine replicability and program effectiveness.

Additional ERA program research could study the flexibilities implemented during the program and its effects on renters' ability to learn about and access the funds. Because multiple assistance programs came out at one time, it is difficult to determine the specific impact ERA had versus other eviction prevention measures, like the moratoria, the child tax credit, and unemployment insurance. Future research could parse out ways to measure the individual effects of each program.

ERA was an essential public health intervention during the COVID-19 pandemic, providing assistance to those most in need of housing stability. Ultimately, ERA is an important mechanism for paying off arrears and creating short term housing stability, but it is just one tool in a toolbox needed to alleviate the housing crisis. ERA can provide a cushion for low-income families, staving off immediate evictions, but does not address the underlying issues of housing cost burden facing the lowest income renters. Congress must ensure long-term affordability for the lowest-income renters through universal vouchers, preserve and increase the supply of housing affordable to renters with the lowest incomes, and enact robust and permanent tenant protections at the state, local, and federal levels.

For More Information

Treasury's ERA Program webpage: https://bit.ly/4iqhuAJ.

NLIHC ERASE Program: https://nlihc.org/state-and-local-innovation.

NLIHC ERA Dashboard: https://nlihc.org/era-dashboard.

NLIHC Coronavirus Housing and Homelessness Resources: https://nlihc.org/coronavirus-and-housing-homelessness.

NLIHC Report: Beyond Housing Stability: Understanding Tenant and Landlord Experiences and the Impact of Emergency Rental Assistance, https://bit.ly/4ivdkre.