

BEST PRACTICES FOR STATE AND LOCAL EMERGENCY RENTAL ASSISTANCE PROGRAMS

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NATIONAL LOW INCOME
HOUSING COALITION

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INTRODUCTION

Rental assistance is crucial to ensuring low-income people remain stably housed as the economic fallout from the coronavirus pandemic continues. The “Coronavirus Aid, Relief, and Economic Security (CARES) Act,” enacted in March 2020, provided resources that many states and communities used for rental assistance programs to help renters impacted by the pandemic. From those efforts, we have learned valuable lessons for the programs that will be administering the \$25 billion in emergency rental assistance recently enacted by Congress.

The recent COVID-19 relief package passed and signed into law at the end of 2020 provides [\\$25 billion in Emergency Rental Assistance](#) through the Coronavirus Relief Fund (CRF) administered by the U.S. Treasury. These vital resources will be used by states, cities, territories, and tribal areas to provide emergency rental assistance and preserve housing stability among renters experiencing COVID-19-related financial hardships. The U.S. Treasury will [allocate](#) funds to each state, the District of Columbia, and the U.S. territories. Cities and counties with more than 200,000 residents can also request a direct allocation from the Treasury. The program as enacted provides significant flexibility for how jurisdictions can operate rental assistance programs provided they meet certain requirements.

Households are eligible for emergency rental assistance provided through the COVID-19 relief package if they meet the following criteria: (1) one or more individuals qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship directly or indirectly due to the pandemic; (2) the household can demonstrate a risk of homelessness or housing instability; and (3) household income is below 80% of their area median income (AMI). Jurisdictions must give priority to applicants with household incomes below 50% of AMI or with household members who are unemployed at the time of application. More information about the housing provisions in the bipartisan bill is available [here](#).

This document outlines key considerations and answers frequently asked questions for states and local jurisdictions as they plan to distribute the \$25 billion in emergency rental assistance. While this new infusion of emergency rental assistance is inadequate to keep all impacted renters stably housed for an extended time, it is a significant down payment on meeting tenants’ longer-term needs. Here, we provide recommendations for program administrators and advocates to ensure marginalized populations can access emergency rental assistance, those with the greatest needs are prioritized for assistance, and assistance is distributed in an equitable manner. We also make recommendations for the U.S. Treasury to provide greater clarity in its guidance to jurisdictions using these funds.

After the U.S. Treasury provides its program guidance and as we learn from our ongoing research on emergency rental assistance programs, we will update this document.

TABLE OF CONTENTS & QUESTIONS

- 1 INTRODUCTION**
- 3 DETERMINE ELIGIBILITY FOR EMERGENCY RENTAL ASSISTANCE**
 - 3 What is a demonstrated risk of housing instability?
 - 3 Does immigration status affect eligibility for emergency rental assistance?
 - 3 Are residents of federally assisted housing eligible for emergency rental assistance?
- 4 CREATE A SIMPLE AND ACCESSIBLE APPLICATION PROCESS**
 - 4 How can program administrators improve tenants' accessibility to emergency rental assistance?
 - 4 What documentation of COVID-19-related hardship should programs require?
 - 5 What other types of documentation do programs require?
 - 5 Can landlords apply for assistance on behalf of their tenants?
- 6 SELECT ELIGIBLE TENANTS FOR ASSISTANCE**
 - 6 Who should program administrators target for emergency rental assistance?
 - 6 Should programs use a lottery or a first-come first-serve method of distribution?
 - 6 Can a lottery system ensure those with the greatest needs will be served?
- 7 DETERMINE WHAT EMERGENCY RENTAL ASSISTANCE WILL COVER**
 - 7 Can programs provide assistance for less than 100% of owed rent?
- 8 DETERMINE LANDLORD REQUIREMENTS**
 - 8 What other requirements are often asked of landlords?
- 9 IDENTIFY AND PARTNER WITH KEY ORGANIZATIONS**
- 10 TRACK WHO RECEIVES ASSISTANCE**
- 10 IDENTIFY ADDITIONAL FEDERAL FUNDING SOURCES**
- 11 CONTINUE ADVOCACY FOR RESOURCES AND GUIDANCE**
- 11 CONCLUSION**

DETERMINE ELIGIBILITY FOR EMERGENCY RENTAL ASSISTANCE

Households are eligible for emergency rental assistance if they meet the following criteria: (1) one or more household members experienced a reduction in household income, incurred significant costs, or experienced other financial hardships directly or indirectly due to the pandemic; (2) the household can demonstrate risk of homelessness or housing instability; and (3) household income is below 80% of AMI. The relief package requires program administrators to give priority to households with incomes below 50% of AMI or with unemployed members as of the date of application.

WHAT IS A DEMONSTRATED RISK OF HOUSING INSTABILITY?

The COVID-19 relief package provides states and jurisdictions with flexibility in the evidence they require for applicants to prove housing instability. Unless specific guidance is provided by the U.S. Treasury, emergency rental assistance programs should use a broad definition of housing instability to avoid creating a narrow window of eligibility that can preclude renters from eligibility. A broad definition of housing instability should include self-certification (if allowed under Treasury's forthcoming guidance) of current housing-cost burden, doubling or tripling up with other households, accumulation or expectation of back rental or utility payments, and currently experiencing homelessness at the time of application. Program administrators should **not** require an eviction notice for eligibility, which is often too late to prevent negative consequences for the tenant.

DOES IMMIGRATION STATUS AFFECT ELIGIBILITY FOR EMERGENCY RENTAL ASSISTANCE?

Immigration status should not impact eligibility for emergency rental assistance. The relief package does not place restrictions on emergency rental assistance based on immigration status. You can find out how immigration status affects eligibility for other assistance programs [here](#). Programs like Washington State's [Eviction Rent Assistance Program](#) explicitly stated that U.S. citizenship is not an eligibility requirement.

ARE RESIDENTS OF FEDERALLY ASSISTED HOUSING ELIGIBLE FOR EMERGENCY RENTAL ASSISTANCE?

Administrators should encourage HUD- and USDA-assisted residents (e.g., public housing, project-based rental assistance, Housing Choice Vouchers, USDA 521 rental assistance) experiencing a decline in income to immediately request an income recertification from their landlord or housing authority. An income recertification can occur when an assisted household experiences a change in income (for example, a job loss or reduced work hours) to recalculate how much the household needs to contribute toward their rent. Assisted households experiencing a drop in income should request an income recertification as soon as possible to reduce the amount of rent owed going forward.

Renters assisted by these programs, however, may still accrue back rent while their recertification is processed. Emergency rental assistance program administrators should include flexibility for residents of federally assisted housing to access emergency rental assistance as needed. Residents of federally assisted properties whose rents are not determined directly by their household incomes (e.g., Low Income Housing Tax Credit properties) should be explicitly made eligible for emergency rental assistance.

CREATE A SIMPLE AND ACCESSIBLE APPLICATION PROCESS

A short and simple application that requests basic eligibility information like current household income, rental costs, and coronavirus-related hardship will increase accessibility and ease for tenants. Administrators can use short initial applications to determine whether an applicant meets basic eligibility requirements and then determine what additional documentation is necessary. Rather than creating an application from scratch, administrators can adapt other programs' existing applications for their own program. Applications should be kept as simple and short as possible with as few additional documentation requirements as possible. Some programs, like that in [Osceola County, Florida](#), used a short online screening application to initially determine eligibility. Washington State provided local program administrators with a simple [intake form](#) for staff to fill out in screening households.

HOW CAN PROGRAM ADMINISTRATORS IMPROVE TENANTS' ACCESSIBILITY TO EMERGENCY RENTAL ASSISTANCE?

Program administrators can do a number of things to improve tenants' awareness of and accessibility to emergency rental assistance, including:

- Write program information and applications in simple language absent of jargon and complicated language.
- Provide program information and applications in multiple languages.
- Distribute program information through a wide range of channels, including on-line, community organizations, social service agencies, and 2-1-1 referral services.
- Provide multiple ways for tenants to submit applications, including on-line and through regular mail. A paper option allows tenants with limited internet access to apply.

Provide intake assistance. Even with simple and jargon-free applications, tenants may still have difficulty navigating the application process and have questions. Where possible, one-on-one or group counseling through phone calls or virtual sessions can help tenants understand the application requirements and needed documentation. Group counseling sessions can reduce administrative burden.

WHAT DOCUMENTATION OF COVID-19-RELATED HARDSHIP SHOULD PROGRAMS REQUIRE?

Our observations of existing programs suggest that excessive documentation requirements can prevent tenants from completing their applications and over-burden program staff. Simple documentation requirements may increase accessibility for tenants, reduce administrative barriers, and increase the speed at which funding is distributed. The COVID-19 relief package suggests that applicants can attest to economic hardship in writing. Therefore, administrators should consider utilizing a self-declaration form in which applicants attest to an economic hardship due to the pandemic and other qualifying criteria. For example, Utah used a detailed [self-declaration form](#) for applicants to calculate and declare their annual income. Centro Legal de la Raza, a local nonprofit administrator for emergency rental assistance programs in the Bay Area, used a simpler self-certification form (in [English](#); in [Spanish](#)) for applicants to attest to income, tenancy, COVID-19 related hardship, and more.

The U.S Treasury should clarify in future guidance the ability of applicants to self-certify their eligibility for assistance to allay the fears of hesitant administrators who fear the Treasury may expect more stringent documentation.

WHAT OTHER TYPES OF DOCUMENTATION DO PROGRAMS REQUIRE?

Required documents should be easy for households to obtain, and program administrators should be as flexible as possible with their documentation requirements. Many programs, for example, require a current lease from applicants to show proof of residency, which can exclude renters who have non-traditional or month-to-month arrangements without a formal current lease. In these cases, program administrators should allow an old rent check or signed affidavit in place of a lease.

Other examples of documentation required by previous emergency rental assistance programs funded through CARES Act or other funding streams include:

- Paystubs or employer verification of decreased income.
- A notice of termination from an applicant's employer.
- Acknowledgement from a state or federal unemployment insurance program that the tenant is unemployed or furloughed.
- Self-certification of income, COVID hardship, or informal lease arrangements.

Without flexibility for self-certification, documentation requirements may be a barrier for applicants, especially those with non-traditional, gig-economy, or precarious employment prior to the pandemic.

CAN LANDLORDS APPLY FOR ASSISTANCE ON BEHALF OF THEIR TENANTS?

Landlords can assist tenants with applying for assistance. Landlords can also apply for rental assistance on behalf of their tenants, but they must provide documentation of the application to their tenants and obtain their tenants' signatures. Any assistance landlords receive must be used to cover tenants' rental payments. Some existing programs, such as one in [King County, Washington](#), created a system for landlords to apply for assistance to speed up its distribution because they could submit applications for more than one tenant at a time.

If a landlord refuses to accept a rental assistance payment directly from a state, local, or tribal grantee, the grantee can instead provide funding directly to an eligible household for the household to pay their landlord. Some existing programs, such as the third phase of [Philadelphia's CARES Act-funded program](#), delivered direct-to-tenant rental assistance. The period for determining if a landlord is refusing to accept rental assistance or is unresponsive should be kept to a minimum – e.g., seven days – to allow renters to receive direct payments as soon as possible.

SELECT ELIGIBLE TENANTS FOR ASSISTANCE

The need for rental assistance in most places surpasses the amount of funding available, restricting the number of eligible applicants who can receive aid and forcing program administrators to decide how to allocate scarce resources. Programs funded through the COVID-19 relief package are required to give preference to households with incomes below 50% of AMI or with unemployed members at the time of application. Program administrators can set other priorities, as well.

WHO SHOULD PROGRAM ADMINISTRATORS TARGET FOR EMERGENCY RENTAL ASSISTANCE?

A significant share of emergency rental assistance should be targeted to households with the lowest incomes (less than 30% of AMI). These renters typically have the fewest financial supports to fall back on and are most at risk of eviction and homelessness. According to NLIHC's report [The Gap](#), more than 7 of every 10 extremely low-income renters were spending more than half of their income on housing even before the pandemic. Those who have lost employment income during the pandemic will have far less ability to repay their back-rent when their income recovers.

Program administrators can also target emergency rental assistance to areas with high shares of housing instability, job loss, and populations disproportionately impacted economically by the pandemic, including communities of color, which have been hardest hit by the pandemic. The Urban Institute developed [a tool](#) that identifies neighborhoods with high shares of residents at high risk for homelessness, job loss, and coronavirus.

SHOULD PROGRAMS USE A LOTTERY OR A FIRST-COME FIRST-SERVE METHOD OF DISTRIBUTION?

A lottery method, in which eligible applicants are selected at random to receive assistance, rather than first-come first-serve, may be more equitable. First-come first-serve systems may allow program administrators to distribute funds more quickly by distributing funds as applicants are approved, but they may inadvertently reward applicants who face fewer barriers to applying for assistance and exclude historically marginalized populations who may not have immediate access to an application because of slower access to information about the program, limited internet access, or language barriers.

A lottery method typically requires programs to set an application deadline prior to selecting recipients. Some lottery-style programs set a single deadline to select applicants, as in [Montgomery County, Maryland](#), while others set rolling (periodic) deadlines to select applicants, as did [United Lift in Riverside County, California](#). Programs with single deadlines tend to open for brief windows of time (typically, several weeks), which may not provide adequate time for many tenants to learn about the program and apply. Rolling deadlines may give tenants facing significant barriers in applying for assistance more time to overcome them.

CAN A LOTTERY SYSTEM ENSURE THOSE WITH THE GREATEST NEEDS WILL BE SERVED?

A weighted lottery system, as in [Harris County, Texas](#), can ensure that populations with the greatest need, such as extremely low-income renters, those experiencing unemployment, or families with children, are more likely to receive assistance. A lottery system by itself, however, cannot ensure marginalized populations have access to assistance; outreach, intake assistance, and other assets must also be provided to those communities.

DETERMINE WHAT EMERGENCY RENTAL ASSISTANCE WILL COVER

Program administrators can disburse emergency rental assistance for current and future rent, rental arrears, utility and home energy costs, and utility and home energy costs in arrears. Emergency rental assistance can cover up to 12 months of rent, with an additional three months if necessary to ensure housing stability. For eligible applicants with rental arrears, program administrators can provide assistance for prospective (future) rent only if they also provide assistance to reduce rental arrears. Program administrators providing rental assistance for future months must recertify applicants' eligibility every three months. Because the need for assistance is greater than current resources, program administrators will need to decide what share of rent and how many months emergency rental assistance will cover.

CAN PROGRAMS PROVIDE ASSISTANCE FOR LESS THAN 100% OF OWED RENT?

Yes. To stretch the limited funding for emergency rental assistance, some existing program administrators ask landlords to accept a fraction of rent as payment-in-full. This concession allows the program to serve more tenants and still provides landlords with rental income.

Alternatively, program administrators can set a maximum amount of monthly emergency rental assistance that a tenant can receive. This cap likely works best if it reflects the local housing market. Some programs, for example, use [HUD's Fair Market Rents](#) to set maximum emergency rental assistance. Others require tenants to contribute a portion of their income toward rent and the assistance covers the remaining rent up to the maximum amount. In this case, some program administrators allow landlords and tenants to negotiate a repayment plan for the tenant contribution. One challenge is determining what share of rent landlords are willing to forgo for their tenants to receive rental assistance. A [survey](#) in Philadelphia indicated that a large share of landlords were unwilling to accept the city's initial level of assistance - a flat rate of up to \$750 per month - as full payment of rent, which the city later increased.

DETERMINE LANDLORD REQUIREMENTS

Program administrators can make payments directly to a tenant's landlord on behalf of tenants. In many current programs, landlords are typically required to submit a W-9 form to the jurisdiction before receiving payment.

If the landlord refuses to participate, the relief package authorizes program administrators to distribute assistance directly to the tenant for the purpose of paying their rent. This option eliminates the barrier that tenants faced in some existing programs when their landlords refused to participate, leaving eligible tenants unable to receive help. As stated previously, program administrators should provide only a short amount of time (e.g., up to seven calendar days) for landlords to participate and meet necessary requirements before distributing assistance directly to tenants.

WHAT OTHER REQUIREMENTS ARE OFTEN ASKED OF LANDLORDS?

Approximately one in four emergency rental assistance programs in [NLIHC's database](#) ask landlords for additional requirements or concessions beyond accepting payment from the program. These requirements can include:

- Additional unit inspections;
- Accepting a fraction (ex: 80%) of rent as payment-in-full;
- Forgiving back rent not covered by the program;
- Waiving late fees; and/or
- Promising not to move forward with an eviction for a specified length of time.

These concessions can stretch the limited supply of emergency rental assistance to cover more tenants and secure additional tenant protections. Overly stringent concessions, however, can reduce landlords' willingness to participate

IDENTIFY AND PARTNER WITH KEY ORGANIZATIONS

Jurisdictions can partner with a variety of key organizations to implement their emergency rental assistance programs, as well as provide outreach to marginalized populations who may be difficult to reach. Some of these organizations include:

Organizations with experience in providing aid and support to people in need. Organizations connected to and serving low-income communities can spread awareness of emergency rental assistance programs through established networks, as well as use existing infrastructure and capacity to help shoulder program administration.

- Numerous statewide programs relied on their network of Community Action Agencies, including those in [Wisconsin](#) and [Oregon](#). Their experience administering a variety of federal grants and rental assistance and their connections with low-income communities uniquely suit them to support emergency rental assistance programs.
- Many local programs worked with their United Way and 2-1-1 referral services in some capacity, including administration and connecting renters to emergency rental assistance programs in their area. It is essential that 2-1-1 operators are aware of all rental assistance programs so they can quickly and appropriately connect callers to the assistance they need.

Organizations embedded in communities most impacted by housing instability and COVID-19. Working with community organizations within the hardest-hit communities may help address issues of equity as they often have close ties to and are trusted by the communities they serve, making it easier to reach people who may not otherwise be aware of the resources available or who may be hesitant to reach out for help. They can identify potential barriers posed by the application process and are better equipped to help tenants in need of culturally-specific assistance. For example, the State of Oregon partnered with [Oregon Human Development Corporation](#) to ensure rental assistance would reach agricultural farmworkers. The State of Washington required local jurisdictions to partner with [organizations operated by and for the marginalized communities they assist and serve](#). Pierce County, Washington's program administrators worked with organizations led by people of color and members of the LGBTQ community to perform outreach to historically marginalized people.

Landlords and housing owners/operators. Landlords and housing owners/operators are vital to emergency rental assistance programs. Outreach to landlords to educate them about the availability of emergency rental assistance and landlord-tenant mediation resources available in your area may increase landlord participation. Direct communication with landlords can also ensure both landlords and tenants are aware of additional requirements or concessions the landlord and tenant should be following. The [State of Colorado worked closely with its state apartment association](#) to ensure that the Property Owner Preservation, one of their two rental assistance programs, had the association's support.

State and local elected officials. State and local elected officials are also powerful allies when establishing emergency rental assistance programs. The Coalition on Homelessness and Housing in Ohio ([COHHIO](#)) sent sign-on letters and performed persistent outreach to state and local leaders to build support and generate buy-in for establishing a statewide program. In Indiana, state affordable housing advocates at [Prosperity Indiana](#) partnered with the Indiana United Way to establish a Housing Stability Roundtable. The Roundtable brought together resident representatives, for-profit and non-profit housing providers, anti-homelessness advocates, tenants' rights unions, state agencies, and representatives from the court and legal systems to build a broad coalition of people dedicated to ensuring the state provides adequate rental assistance and protections for people at risk of housing instability.

TRACK WHO RECEIVES ASSISTANCE

The COVID-19 relief package requires jurisdictions to document and make available the number of eligible households that receive assistance, the acceptance rate of applicants for assistance, the types of assistance provided, and the average amount of funding provided per eligible household receiving assistance. Program administrators are required to provide information for household income levels below 30% of AMI, between 30% and less than 50% of AMI, and between 50% and less than 80% of AMI. They are also required to break down these data by the gender, race, and ethnicity of the primary applicant for assistance.

IDENTIFY ADDITIONAL FEDERAL FUNDING SOURCES

The CARES Act, enacted in March 2020, provided three funding streams available for states and localities to provide emergency rental assistance: Coronavirus Relief Funds (CRF), Community Development Block Grants for Coronavirus (CDBG-CV), and Emergency Solutions Grants for Coronavirus (ESG-CV). ESG-CV should be used primarily to [address the needs of people experiencing homelessness](#), but it can also be used for eviction prevention. The CARES Act allocated funds directly to states or qualified local jurisdictions. Each of these three funding streams have different requirements.

- **CRF:** Grantee jurisdictions can use these flexible funds to cover a broad number of expenses, including rental assistance, so long as the expense is a necessary expenditure due to the public health emergency and was not accounted for in the state or local government's most recent budget. Initially, jurisdictions had until December 30, 2020 to expend CRF funds, but the end-of-year COVID-19 relief package extended the deadline to the end of 2021. Of the three funding streams, CRF is the most flexible in regard to whom the funds can serve and how. Learn more about CRF [here](#), and see how your state is allocating CRF funds [here](#).
- **CDBG-CV:** Jurisdictions may spend CDBG-CV funds on rental, utility, and mortgage assistance for up to six months. While CDBG typically may only be used to cover up to three months of rental assistance, HUD's Office of Community Planning and Development (CPD) extended the limit to six months for CDBG-CV. However, extending the assistance past 100 days may subject covered units to a lead-based paint hazard inspection. Learn more about CDBG-CV [here](#), and see how much CDBG-CV was allocated to your community [here](#).
- **ESG-CV:** Jurisdictions can use funding from ESG-CV to address the needs of people experiencing or at risk of homelessness, defined in the CARES Act as people at or below 50% AMI. See how much ESG-CV was allocated to your community [here](#). The [Framework for an Equitable COVID-19 Homelessness Response](#) provides best practices for using CARES Act funding to address the needs of people experiencing homelessness.

CONTINUE ADVOCACY FOR RESOURCES AND GUIDANCE

The \$25 billion for emergency rental assistance in the COVID-19 relief package is an important down payment to help renters through this public health and economic crisis. It is, however, not enough to meet the unprecedented need. In May 2020, NLIHC estimated that ensuring housing stability for up to a year for low-income workers struggling to pay their rent would cost [\\$100 billion](#). Advocates will need to push Congress for additional rental assistance in the coming months.

Guidance from federal agencies plays a significant role in how jurisdictions will design their federally-funded programs. Program administrators and advocates should encourage the U.S. Treasury to quickly provide much-needed guidance that enables state and local governments to effectively and efficiently distribute aid to renters most in need of assistance. The guidance should:

Affirm state and local flexibility in eligibility, documentation, and distribution.

Encourage programs to prioritize households with the greatest needs.

Discourage burdensome documentation requirements by affirming that applicants can self-certify their financial hardship due, directly or indirectly, to COVID-19.

- Affirm broad and less restrictive evidence of housing instability, including self-certification of income below 30% of AMI, severe housing cost-burdens, overcrowding, or accumulation (or expected accumulation) of rental arrears.
- Encourage timely, direct payments to tenants.
- For a complete list of recommendations for Treasury's forthcoming guidance on the \$25 billion in emergency rental assistance, see a letter from NLIHC and the NLIHC-led Disaster Housing Recovery Coalition to U.S. Treasury Secretary Steven Mnuchin [here](#).

CONCLUSION

Emergency rental assistance programs are vital to ensuring people experiencing economic hardship can remain safely and stably housed throughout the duration of the pandemic. It is crucial that state and local governments distribute funding in a manner that is accessible, equitable, and reaches those most at risk of housing instability and homelessness.

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