

National Community Development Association Emergency Rental Assistance Overview

Congress included \$25 billion in emergency rental assistance in the Consolidated Appropriations Act of 2021. The President signed the measure into law on December 27, 2020. The legislation includes an extension of the federal eviction moratorium through January 31, 2021. The legislation also extends the disbursement deadline for the CARES Act Coronavirus Relief Fund from December 31, 2020 to December 31, 2021.

Federal Administration

The Treasury Department will administer the program.

Distribution Formula

Tribal communities, U.S. territories, states (including the District of Columbia), and local governments with populations over 200,000 are eligible to receive funding. Approximately \$400 million will be allocated to U.S. territories and \$800 million to tribal communities. Approximately \$23.7 billion will be available for allocation to states and local governments.

The funding will be distributed to states based on the state's population according to the 2019 Census data. Each state will receive no less than \$200 million. Forty-five percent of a state's allocation will be made available to local governments with populations over 200,000 (based on the 2019 Census data). To receive funding, eligible local governments must submit a certification signed by the chief executive of the locality to the Treasury Department by January 12, 2021. Treasury has not released the certification form yet.

NCDA encourages those localities that are not eligible for a direct allocation to reach out to their state or county (if they are located within an urban county) to seek funding.

Duplication of Benefits

No duplication of benefits. Renters receiving rental assistance through this program cannot also receive rental assistance under another federal program.

Use of Funds

Grantees can use up to 10% of their allocation for administrative expenses. The remaining 90% must be used for rent, rental arrears, utilities, utility arrears, and other housing expenses resulting from the pandemic for households meeting the criteria below; up to 10% can be used for case management or other services. The assistance can last up to 12 months plus an additional three months, if necessary, to ensure housing stability.

Timeframe for Obligating Funds

The Treasury Department will recapture any funds not *obligated* by September 30, 2021. Unobligated funds will be recaptured and reallocated to those grantees who have obligated at least 65 percent of their grant by September 30, 2021. The amount of the reallocation will be based on demonstrated need, to be determined by the Treasury Department.

Eligible Households

Renters with incomes up to 80% of area median income (AMI) who meet the following criteria are eligible to receive assistance.

- One or more individuals in the household has qualified for unemployment benefits or can attest in writing that they have experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to the coronavirus pandemic; **and**
- One or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability which may include a past due utility or rent notice or an eviction notice; or unsafe or unhealthy living conditions; or any other evidence of such risk as determined by the grantee.

Grantees must prioritize funding assistance to renter households at or below 50 percent of AMI and to households in which one or more household member is unemployed and has been unemployed for 90 days.

Income Determination

Household income must be recertified every three months if the household is receiving rental assistance. Eligibility for funds after each three-month period is subject to the availability of remaining funds.

Payment Process

Eligible households will apply for assistance through the grantee or grantee-designated agency. Grantees will make payments directly to landlords and/or utility providers on behalf of eligible households.

Landlords can also apply for assistance directly or apply on behalf of their tenants but are required to notify the tenant that assistance is being provided (provide them with a copy of the application) on their behalf and obtain the tenant's consent (landlords must obtain the signature of the tenant which may be electronic). If a landlord or utility provider is unwilling to participate, the grantee may provide funding directly to eligible households.

Reporting Requirements

The Treasury Department must provide quarterly public reports on the following information (which means that grantees will need to collect this information) aggregated by gender, race, and ethnicity of the primary applicant.

- The number of eligible households that receive assistance
- The acceptance rate of applicants for assistance
- The types of assistance provided to each household
- The average amount of funding provided per household
- The income levels of the households assisted (30 percent or less of AMI; between 30 and 50 percent of AMI; between 50 and 80 percent of AMI)
- The average number of monthly rental or utility payments that each household received

Grantees will need to establish data privacy and security requirements. The Treasury will provide more information on these requirements.

