

## 2021 COVID-19 Rental Assistance Program: Part II Standing Up and Implementing Your Program

*Matt Erchull, Managing Director, Witt O'Brien's*

Congress has agreed on a second \$900 billion COVID-19 relief package, through the Consolidated Appropriations Act of 2021. A key provision of the package is a new emergency rental assistance program administered by the Department of the Treasury that will provide \$25 billion to help families and individuals economically impacted by COVID-19 to pay their rent and utility bills.

The first program deadline was January 12, 2021, when localities seeking a direct funding grant had to deliver a formal certification to the Department of Treasury. With the September 30, 2021 deadline to spend the funds, grantees must immediately begin to organize, stand up, and implement their programs.

Drawing from our experience in working with more than 70 government entities on CARES Act funding programs, Witt O'Brien's has developed a strategy and implementation playbook to help Emergency Rental Assistance Program grantees navigate the operational and strategic aspects of program development and deployment. Below are four steps from the playbook that grantees can follow now to maximize the positive impact of their programs.

### **Step one: Develop program policies and procedures.**

This critical step incorporates all programmatic requirements from Treasury, including eligible participants and activities. At least 90 percent of funds must be used for the following needs:

- Rent
- Rental arrears
- Utilities and home energy costs
- Utilities and home energy arrears
- Other expenses related to housing incurred directly or indirectly due to the pandemic

The remaining 10 percent of funds may be used for housing stability services, including case management or other services related to the COVID-19 pandemic, and the administration of the program.

Ensure that your policies and procedures align with the Emergency Rental Assistance Program eligibility requirements. The income threshold for renter populations is limited to those earning less than eighty percent of the Area Median Income (AMI). Renter households earning less than fifty percent of AMI will be given priority assistance. Grantees must only consider household income for 2020 or confirmation of the monthly income that the household is receiving at the time of their rental assistance application.

Grantees must ascertain that a majority of the households are unable to pay rent and utilities as a result of COVID-19 economic impact. One or more individual in each income-qualified household must meet the following criteria:

- Has qualified for unemployment benefits, or experienced a reduction in household income, or has incurred significant costs, or experienced other financial hardship due directly or indirectly to the COVID-19 pandemic;
- Can demonstrate a risk of experiencing homelessness or housing instability which may include:
  - A past due utility/rent notice or an eviction notice
  - Unsafe or unhealthy living conditions
  - Any other evidence of such risk as determined by the grantee; and
- Total household income is at or below 80 percent of AMI.

Priority will be given to households where one (1) or more persons has been unemployed for the 90 days prior to application or is a household at or below 50 percent of AMI.

Grantees must also ensure that households receiving rental assistance provided under this program do not receive funding under any other federally funded rental assistance program.

At this stage, you should select a software system for application and grant management, devise your grant application, determine your documentation requirements, and establish payment processing procedures. When structuring your disbursement system, keep in mind that payments must be made directly to a landlord or utility/home energy provider on behalf of the eligible household unless the landlord or utility/home energy provider does not agree to accept the payment, in which case the grantee may make payments directly to the eligible household. In addition to receiving payments, landlords and owners may apply on behalf of tenants meeting the eligibility requirements.

You will also need to develop processes for recertification, complaints or appeals, establish QA/QC processes, duplication of benefits checks, devise fraud, waste and abuse prevention strategies, and formalize reporting, monitoring and audit preparation requirements.

This is also a good time to develop specific assistance priorities for your community and create a broad-based community outreach program that explains the program purpose and eligibility and describes the application and payment processes. Your plan should include a clear, concise strategy for communications and information sharing across your program partner and stakeholder community.

***Step Two: Receive funds from the U.S. Treasury.***

Rental Assistance Funds are being delivered electronically. Your funding allocation will be determined by a formula based upon 2019 Census data in which every state receives a minimum of \$200M, with local governments with populations greater than 200,000 having access to their portion of the 45 percent share of the state's allocation.

***Step Three: Stand up the program organization.***

Even before your funding is received, it is time to build your program's organizational structure. Start by developing an implementation plan and timeline that includes a concept of operations and detailed process flow. You should also begin identifying program partners and stakeholders and get the necessary agreements in place to authorize other community organizations to act as grantees.

It is advisable to establish an internal project management office (PMO) that will manage startup operations, including identifying staffing needs and hiring staff and/or contractors, securing the necessary workspace and telework infrastructure, and procuring equipment, materials, supplies, and technology. The PMO will also manage day-to-day program implementation, administration, data collection and reporting. Keep in mind that administration costs, as well as case management and housing services cannot exceed 10 percent of your program.

It is wise to be realistic about your capacity and capability of standing up and managing an Emergency Rental Assistance Program. Given the urgency to get financial assistance to households and landlords and the need for a strategic and sustainable approach to managing the program over its term, grantees should consider augmenting their internal PMO team with third-party COVID-19 relief experts.

***Step Four: Receive process applications and disburse funds.***

Once the program organization is in place, it is time to officially announce the opening of the application period and begin processing applications and payments. At this stage it is important to have ongoing communications with partners and stakeholders to elicit feedback on the application submission, intake and review procedures. This will allow you to dynamically address problems, make process changes and ensure quality control. Every entity involved in the application and disbursement effort must have a clear understanding of the application and payment processes, including procedures that allow for and address appeals or complaints.

If you are participating in the 2021 Emergency Rental Assistance Program and want to enlist third-party expert help, Witt O'Brien's is fully prepared to help your organization with assessment, program design, organizational capacity development, system and process development and optimization and can serve as a force multiplier to successfully deploy your program. We deliver program management expertise with field-tested strategies, tools and templates that allow you to quickly conceptualize, customize and launch your program, while keeping the administrative load manageable. Our experts give cities, counties and states across the nation greater insight into federal rules and standards, so they can navigate COVID-19 funding opportunities as new programs come out.



**About Matt Erchull**

Matt knows all too well the struggles communities may face when disaster or emergencies strike and brings a wealth of expertise to developing strategies for effective long-term community redevelopment and revitalization. He is a nationally recognized subject matter expert in HUD funded CDBG, HOME, NSP, and CDBG-DR programs; has critical experience working with FEMA's Public Assistance and Mitigation programs and knows how to deliver multi-jointed funding strategies to assist impacted communities.

Since the onset of the pandemic, Matt has been a national thought leader in the development of streamlined, impactful programs utilizing congressionally appropriated assistance. He currently leads a practice assisting dozens of state, local and territorial governments across the country, advising on compliant use of nearly \$5 billion of COVID-19 federal assistance.

Matt joined Witt O'Brien's after a distinguished tenure in New York serving as the Director of Research & Strategic Analysis for the state's Superstorm Sandy recovery. He has previously supported large scale community redevelopment efforts in Texas, Louisiana, Mississippi, Massachusetts, Oklahoma, North Dakota, Colorado, Puerto Rico and the U.S. Virgin Islands.

**[CONTACT MATT](#)**