

2021 COVID-19 Emergency Rental Assistance Program: Part I Three Actions Localities Should Take Now to Participate

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Nine months after it passed the trillion-dollar Coronavirus Aid, Relief, and Economic Security (CARES) Act, 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 temporary extension of the CDC eviction moratorium until January 31, 2021, and a new emergency rental assistance program that will provide \$25 billion to help families and individuals impacted economically by COVID-19 to pay their rent and utility bills.

The Department of Treasury will administer the program applying a similar formula to that used to distribute Coronavirus Relief Funds. One important difference is a significantly lower population threshold, from 500,000 to 200,000, for local governments to be eligible for direct fund allocation – meaning nearly triple the number of local jurisdictions will be able to participate as primary recipients. While this is a big step toward expanding COVID-19 relief to communities in need, it presents the challenge of navigating the complex federal funding process to a large number of county and city governments that may not be prepared to manage the new program's administrative, reporting and compliance requirements.

This challenge is exacerbated by yet another highly compressed funding award and federal disbursement timeframe. The first deadline is January 12, 2021, by which time localities that seek a direct funding grant must deliver a formal certification to the Department of Treasury. Drawing from our experience working with more than 70 government entities on CARES Act funding programs, Witt O'Brien's has outlined three mission-critical actions jurisdictions must take before this upcoming deadline to be able to participate in the new Rental Assistance Program.

Determine if you can or should participate

Like most federal funding programs, the Rental Assistance Program has strict eligibility guidelines, so determining if your jurisdiction will meet those requirements is a critical first step. A good rule of thumb is having a significant renter population earning less than eighty percent of the Area Median Income (AMI), as this is the primary criteria for eligibility. Having a large segment of those households earning less than fifty percent of AMI is also a consideration, as these must 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 individuals in each income-qualified recipient 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

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.

A second decision criteria is based upon your jurisdiction's internal administrative capacity and capability to stand up, maintain and manage a complex grant-making organization. Your capacity assessment should take into consideration establishing and managing partnerships with community-based organizations. Don't be deterred by material weaknesses identified in this stage, these are areas to address in your program design/development. Ahead of receipt of funds, it is a smart idea to explore options to build capacity by collaborating with overlapping jurisdictions to co-manage the program. It is also wise to consider augmenting your internal capacity with third-party COVID-19 relief experts.

Identify the entity to implement your program

The entity could be an existing affordable housing agency or a community-based organization that manages housing, homelessness or similar programs. However, the entity should have solid experience in managing grant-funded programs, especially those involving federal funding. On the operations front, your implementing agency should have in-house capacity to scale the organization based on the number of recipients served or be able to outsource operations while providing management oversight.

It is critical that the entity have clear and complete procurement rules that include provisions for emergency purchases to support shifts in program implementation. Lastly, the entity must have adequate finance systems to expedite payments, track and monitor transactions and support state and federal reporting and audit requirements.

Because many local jurisdictions previously received Coronavirus Relief Funds from the Treasury directly or their respective State, existing frameworks and partnerships may be leveraged to accelerate program design and delivery.

Submit a direct allocation certification to the U.S. Treasury.

Eligible grantees must provide Treasury payment information, along with an acceptance of award terms, signed by the Chief Executive by January 12, 2021. Both the Award Terms and Certification portal can be found here:

U.S. Treasury Emergency Rental Assistance Program

<https://home.treasury.gov/policy-issues/cares/emergency-rental-assistance-program>

Grantee Award Terms

<https://home.treasury.gov/system/files/136/Emergency-rental-assistance-terms-FINAL.pdf>

Certification Submission

<https://forms.treasury.gov/caresact/EmergencyRentalAssistanceVFForm>

Using these three steps as guideline will help localities make the correct decision about participating as a Rental Assistance Program grantee. Our next post in this series will outline the critical steps for standing up your program implementation organization.

If you determine that you can participate more effectively in the 2021 Rental Assistance Program by enlisting 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 and counties 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.

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