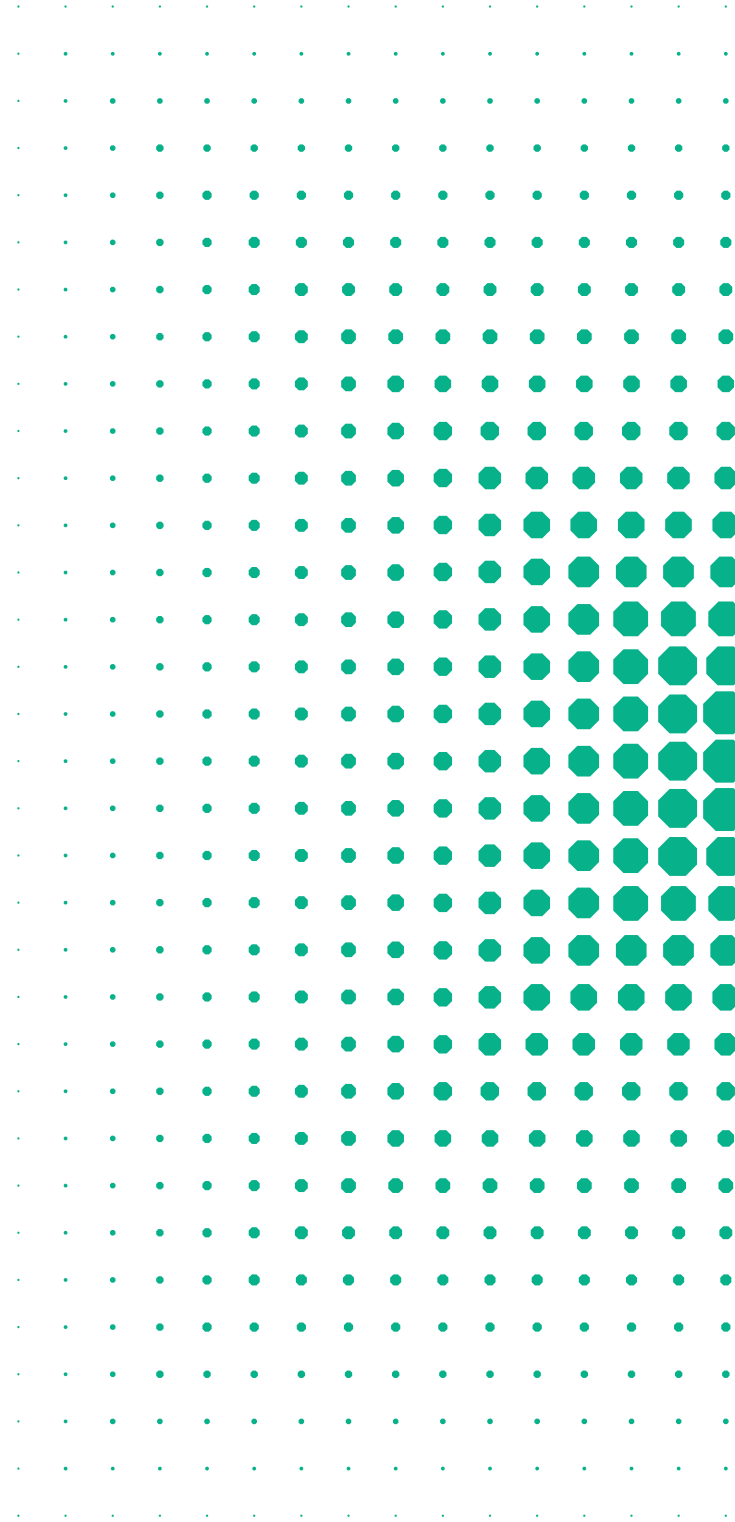




**HOUSING  
PARTNERSHIP  
NETWORK**

*The Pivotal Role  
of Nonprofits in  
Emergency Rental  
Assistance Delivery*

*MARCH 2021 - AUGUST 2022*



**Housing Partnership Network** (HPN) is an award-winning nonprofit collaborative of 100+ of the nation's leading affordable housing and community development organizations. Through practitioner-driven peer exchange, policy, and innovation, the Housing Partnership Network's mission is to leverage the individual strengths and mobilize the collective power of our member organizations. Our vision is that all people live in vibrant and inclusive communities where access to affordable homes creates opportunity and economic mobility.

The Network also operates an AERIS-rated community development financial institution (CDFI) and is a HUD-approved housing counseling intermediary. Since our founding in 1992, HPN has collectively served nearly 13 million people; developed, rehabilitated, or preserved over 500,000 affordable homes; and launched over a dozen successful social enterprises. Our work has been recognized with honors, including the MacArthur Award for Creative & Effective Institutions and Wells Fargo NEXT Award for Opportunity Finance.

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Members featured in this report include:



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## Introduction

Hardship caused by the COVID-19 pandemic continues to reverberate across the United States and around the world. By December 2021, nearly two years after the first cases of COVID-19 were identified, tens of millions of Americans reported that they did not have enough food to eat and/or were behind on rent payments. Furthermore, the pandemic disproportionately affects Black, Asian, and Latino adults, who are on average 175% more likely than white adults to report that they are struggling to catch up on rent<sup>1</sup>.

To alleviate some of the rental burden faced by many Americans, Congress allocated \$46.55 billion in emergency rental assistance relief for renters and housing providers under two separate programs. Emergency Rental Assistance (ERA1) was created in December 2020 and provided up to \$25 billion under the Consolidated Appropriations Act. ERA2 was created in March 2021 and provided up to \$21.55 billion under the American Rescue Plan Act. For those eligible, funding from these programs could cover rent and utilities for a maximum of 18 months, as well as services, such as case management, designed to keep households stably housed<sup>2</sup>.

As of May 31, 2022, over \$20 billion in ERA1 and \$10 billion in ERA2 had been distributed<sup>3</sup>. While these numbers are significant, the start of the ERA programs was marked by significant challenges. As may be expected for a program designed to help millions of people quickly and that commenced during a changing administration, there were abundant details to be addressed before the program could run at maximum effectiveness. The initial obstacles noted by ERA program administrators included the overall lack of guidance and the need for greater clarity in the regulations. Both challenges slowed much needed rental support to thousands of households.

The confusion related to launching a complex national program was compounded by an even more fundamental challenge: relying on state and local public administration of this key resource within a crisis environment requiring tremendous flexibility and creativity. Many governmental agencies charged with administering emergency rental assistance were simply not up to the task.

In some instances, local and state officials turned to high-capacity nonprofits to administer ERA. Those nonprofits proved to be much more effective in deploying the resources through innovative partnerships at the local and community level. A number of the leading organizations who took on these new roles in rental assistance administration were members of the Housing Partnership Network (HPN). Through peer exchange and coordinated policy advocacy, participating nonprofits gained powerful insights from this experience. We have witnessed first-hand how nonprofits can play an impactful and scaled role in service delivery through effective programmatic and contractual relationships with government. The knowledge gained from this experience during the pandemic will be even more important going forward, if and as new federal relief programs are created.

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<sup>1</sup> Center on Budget and Policy Priorities. 2021. *Tracking the COVID-19 Economy's Effects on Food, Housing, and Employment Hardships*.

<sup>2</sup> U.S. Department of the Treasury. 2021. *Emergency Rental Assistance Program*.

<sup>3</sup> U.S. Department of the Treasury, 2021. *Emergency Rental Assistance Program Surpasses 2.5 Million Payments to Renters and Landlords*.

## Unsung Heroes of Emergency Relief

Often after trying unsuccessfully to run the program themselves, some states and localities asked their trusted nonprofit partners to lead the design and administration of emergency relief programs, including ERA1 and ERA2. In many cases, these nonprofits created highly effective and efficient programs due to their deep understanding of the needs and challenges in the regions in which they work and established, trusting relationships within communities. This often distinguished nonprofit organizations administering ERA1 and ERA2 funds from governmental agencies. Figure 1 outlines the five most commonly touted characteristics of successful ERA program administrators, as identified through research and interviews with those running ERA programs on behalf of local and state governments.

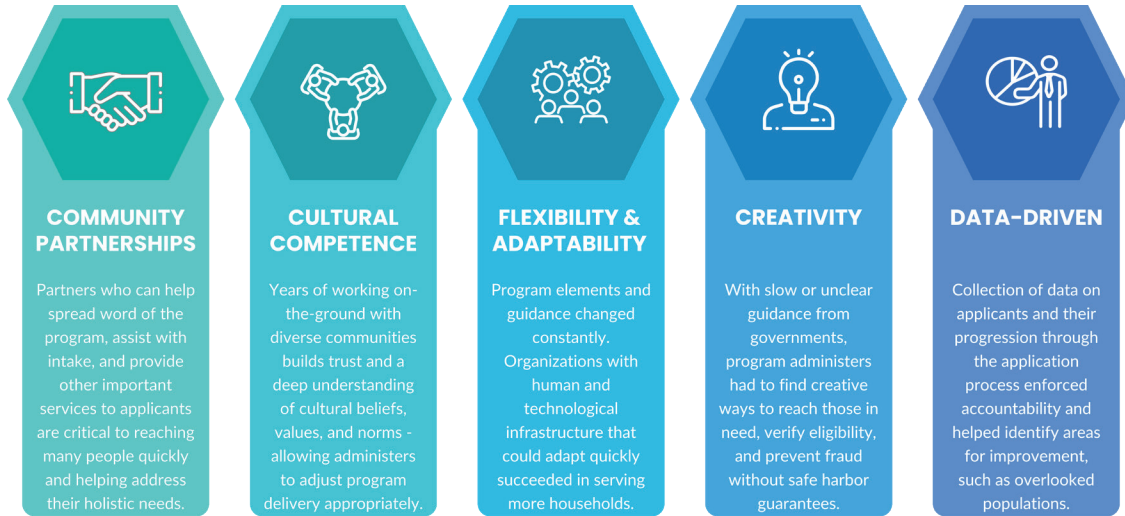
That is not to say that establishing these programs has been without challenges for nonprofit administrators. ERA programs had significant early start-up costs, which required investment in new staff, training, and new software systems. Related, between January and July of 2021, there were six major changes to the program guidelines, requiring program administrators to update software and re-train staff after each change. The nonprofits were nimble, though, and some brought helpful experience from their involvement in prior emergency relief efforts. For example, one nonprofit affordable housing provider operating in New York, Long Island Housing Partnership (LIHP), shared that they were better prepared to quickly launch an effective ERA program due to prior experience providing households immediate relief

during the aftermath of Hurricane Sandy in 2012. This suggests that an additional benefit of investing in nonprofits to shape and administer ERA programs is that these organizations are often able to utilize existing systems, skillsets, and expertise developed to facilitate the delivery of other emergency assistance.

***“Long Island Housing Partnership has found it instrumental to work with HPN and other members on ERA program implementation. Their guidance helped LIHP design an effective and flexible software platform that ultimately saved our company a considerable amount of time and energy.”***

***-Peter Elowitz, President and CEO of LIHP***

**FIGURE 1: TOP CHARACTERISTICS OF SUCCESSFUL ERA PROGRAM ADMINISTRATORS**



HPN hosted regular discussions for LIHP and seven other nonprofit members who were implementing emergency relief programs on behalf of local governments. That peer exchange served as an important forum for members to share best practices and problem solve together. These eight HPN members have played an instrumental role in their communities, responding to their regions' unique needs and providing affordable housing and social service support. As of March 2022, collectively these organizations had distributed approximately \$250 million in emergency rental relief to over 52,000 households. These HPN members also provided collective feedback to the U.S. Treasury designed to improve the program, particularly how to most efficiently and responsibly distribute the funds. By working collaboratively, they identified ways to strengthen current and future delivery systems of federal assistance and reimagine these programs to make them more equitable, efficient, and sustainable.

The following case studies provide insights from practitioners in the field that highlight some of the key challenges of ERA programs, and innovative approaches HPN members have taken to locate renters in need and offer the support required to remain stably housed.

## Case Study #1: Overcoming Documentation Barriers

Although precise documentation requirements for ERA applicants evolved over time, they were often burdensome and confusing. To ensure eligibility and reduce chances of fraud, the ERA program requires applicants to show proof of income or unemployment, renter status, and residence. Tenants must also show or state that they have experienced hardship due to COVID-19 and are at risk of homelessness. Generally, a tenant must produce one or more of the following documents within each category to apply for Emergency Rental Assistance<sup>4</sup>:

- **Income certification** (as updated by Treasury on August 2021): paystubs, W-2s (or other wage statements), bank statements showing regular income, tax filings, or attestation from an employer or, in some cases, a caseworker.
- **Evidence of residence and rental arrears owed** (as updated by Treasury on May 2021): a current signed lease, evidence of paying utility bills for the residential unit, attestation from the landlord, or bank statements showing a pattern of rental payments.
- **Proof of financial hardship** (as updated by Treasury on May 2021): qualified unemployment benefits or written attestation signed by the applicant and one or more household members.

To expedite the distribution of emergency rental assistance, and in response to comments from HPN members and other organizations, Treasury released updated program guidelines on August 25, 2021 that gave explicit permission for applicants to rely on self-attestation for each aspect of the household's eligibility for ERA. This increased the efficiency of the program, which had previously required formal written proof of income and hardship or a waiver as to why those documents could not be produced. Even so, many ERA program administrators noted that people continued to drop out of the application process during the

documentation-gathering stage for a variety of reasons. These included difficulty proving sources of income for people with volatile earnings, such as artists and musicians, or restaurant workers whose place of work had shut down; 'unofficial' leasing situations where the landlord and tenant do not have a lease or current contract; or uncertainty around how to prove COVID-related hardship (e.g., how can one prove that they had to leave work to care for children at home after school and day care closures).

In addition to reducing the burden of document collection and verification by accepting self-certification, other changes were also enacted (again, in part, due to feedback from HPN members and others in the sector.) These changes included increasing the types of documents allowed for verification (e.g., accepting text messages as proof of cancelled jobs) and establishing document-sharing partnerships with other nonprofit or government organizations. These measures helped administrators increase the number of households served and/or shortened the time required to process applications. DreamKey Partners (DreamKey) is an affordable housing provider and financial institution operating out of Charlotte, North Carolina. With a focus on transforming lives and communities, DreamKey has built over 3000 homes, lent over \$24 million to homebuyers, and provided homebuyer education to over 34,000 customers. In March of 2020, United Way of Central Carolinas approached DreamKey and asked them to administer \$500,000 in locally raised COVID-19 relief funds in Charlotte, North Carolina. DreamKey leveraged this experience and its partnerships with civic leaders, investors, government officials, and other nonprofits to build and administer a robust Emergency Rental Assistance program. By August 20, 2021, DreamKey had brought in a team of more than 45 temporary staff to distribute \$50 million in emergency rental relief funding to more than 10,500 households<sup>5</sup>.

<sup>4</sup> Emergency Rental Assistance Program. 2021. FAQs by Category.

<sup>5</sup> COVID-19 Rent and Mortgage Relief. 2021. *Together we can.*

Through this effort, DreamKey was also able to identify other areas of need, including childcare and workforce skill training, and refer people to partners like Goodwill and the workforce development organization, Charlotte Works. In addition to referrals, DreamKey used its community partnerships to reduce the burden of the application process. For example, DreamKey partnered with the local utility company to collect information on bill payments to establish evidence of residence for applicants, allowing DreamKey to provide support to households more quickly.

ACTION-Housing Inc. (ACTION) is another HPN member organization that got creative with collecting documentation for ERA program applicants. ACTION is an affordable housing provider and social services organization operating out of Pittsburgh, Pennsylvania. With a mission to empower people to build more secure and self-sufficient lives, ACTION has developed or assisted in the development of over 4500 homes. In addition, over its last fiscal year, the organization invested over \$17 million into programs and services for the region's most vulnerable populations, assisted 140 youth facing homelessness access housing and life skills training, and provided mortgage assistance to 540 households facing mortgage delinquency.

As the administrator for the Allegheny County Emergency Rental Assistance Program, as of July 2022, ACTION has distributed nearly \$130 million in emergency rental assistance to over 19,000 households.

A portion of ACTION's success is due to the robust data-sharing partnerships that the organization has built to verify tenant eligibility for emergency rental assistance. For example, ACTION has partnered with the local hospital system, the University of Pittsburgh Medical Center, to obtain approval letters to satisfy income-eligibility requirements for applicants who are enrolled in Medicaid. Similarly, ACTION is working with the state Department of Human Services to obtain information on enrollment in several programs that qualify for categorical eligibility in the program, including Supplemental Nutrition Assistance Program (SNAP). ACTION also shares information on applicant status with the Allegheny County court system so that when a person must attend eviction court, ACTION and court staff can work together to help that person obtain emergency assistance rather than being evicted from their home.

These nonprofits' willingness and ability to implement new and untested methods of collecting documentation to expedite the eligibility confirmation process is especially impressive because they did not have the resources of state governments or the benefit of safe harbor protection from liability or penalty. This means that their methods to distribute emergency rental assistance funds were not pre-approved by the government and put the organizations at risk of having to repay the funds should the government later decide they did not fit within the bounds of the program. Several ERA program administrators interviewed for these case studies set aside funds from their own operating budgets to use in the event a state or the federal government determined that funding provided to households was inappropriately advanced due to the method of approving the applicant or potential fraud concerns, and then demanded the money be returned. Without the traditional protections afforded to government agencies, these nonprofit administrators put their reputations and financial solvency on the line to serve their communities.



## Case Study #2: Reaching the Most Vulnerable Residents

With tens of millions of Americans unemployed, largely due to the COVID-19 pandemic, and the expiration of many federal support programs, serious concerns were raised over the possibility of mass evictions and an unprecedented level of displacement. High numbers of evictions would not only put residents in crisis but also put significant pressure on already strained affordable housing, healthcare, and homelessness support systems, making it even more difficult for those recently evicted to secure other shelter options. In the event of an eviction, those with the lowest incomes and fewest housing alternatives are at the greatest risk for other negative implications on their long-term health and well-being including higher rates of anxiety, depression, chronic illness, job loss, substance abuse, and suicide<sup>6</sup>. Unfortunately, in many cases, those at high risk for eviction who might benefit substantially from rental assistance did not apply to the ERA programs. This is due to a variety of reasons including lack of knowledge about the program, confusion over program eligibility and coverage, difficulty assembling the required documentation and completing the application process, and poor relationships with landlords.

An August 2021 study revealed that, although awareness about the ERA programs had been increasing, 56% of tenants and 50% of landlords did not understand what the programs covered. Furthermore, 63% of tenants and 57% of landlords did not understand whether they were eligible to apply for funds<sup>7</sup>. According to ERA program administrators, people who live in non-traditional rental situations, including undocumented residents and those in unlawful rentals, were especially confused about their eligibility and at times refrained from applying because they feared implications of alerting government officials to their situations. Language barriers and the media's portrayal of the programs also caused widespread confusion in some regions.

To combat these challenges, program administrators often found creative ways to clarify eligibility requirements and locate residents who would benefit most from emergency rental relief.

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<sup>6</sup> Cohen, J., 2021. *What Happens if 23 Million Renters Are Evicted?*. Shelterforce.

<sup>7</sup> Choi, J., Goodman, L. and Pang, D., 2021. *As Renter Protections End, Emergency Rental Assistance Is Critical. Why Haven't More Landlords and Tenants Applied for It?*. Urban Institute.

One example is the experience of come dream. come build (cdcb), a multifaceted affordable housing organization operating out of Brownsville, Texas. Through a collaborative partnership approach, cdcb is focused on creating sustainable communities across the Rio Grande Valley through quality education, model financing, efficient home design, and superior construction. Since 2009, cdcb has provided nearly 1900 families with affordable homes, 10,000 families with financial and housing counselling, and 225 students with job training.

As the administrator for the Cameron County Emergency Rental Assistance Program, cdcb distributed nearly \$7 million in emergency rental relief to over 1500 households as of December 2021. The number of households that cdcb has assisted through the ERA programs is especially impressive given the challenges to serving many rural communities. Sharing information and connecting with households that are spread across a large region can be difficult. However, cdcb implemented successful methods for reaching populations at risk of housing instability by advertising the program in multiple languages on Facebook, distributing fliers at community events, and making announcements at national night out events put on by the local police department. In addition, as evidence of its commitment to eliminating barriers to residents' ability to complete and submit applications, cdcb staff members drove out to rural communities to market the program and collect physical applications, while a dedicated "pending document team" called applicants repeatedly to track down and assist with missing documentation.

The Long Island Housing Partnership (LIHP) is another ERA program administrator that has found success locating those who may benefit from emergency rental relief. LIHP is an affordable housing developer and financial institution operating out of Long Island, New York. Drawing on its experience issuing emergency funding to households during the aftermath of Hurricane Sandy in 2012, LIHP administered the Emergency Rental Assistance program for the Townships of Hempstead and Oyster Bay, through which it has distributed over \$19 million in emergency rental

relief funding to 1103 households as of July 31, 2022. LIHP stressed the importance of doing outreach at the street level, sending staff to food banks, religious organizations, libraries, and barber shops to reach people in need. To reduce confusion around ERA program eligibility, LIHP ensures all program staff are trained to understand the entire program and associated systems. In addition, LIHP uploaded instructional videos in more than seven languages to YouTube, hired a call center to answer queries, and partnered with two community groups to provide language assistance and access to computers to help people complete applications.

Partnerships have been essential to reach diverse community members. As the administrator for the Allegheny County Emergency Rental Assistance Program, ACTION has engaged with 27 nonprofit organizations, 17 of which work with minority and/or low-income community members and focus their efforts to support specific populations including LGBTQ+, senior, and immigrant communities. In some cases, these nonprofit partners had to add staff capacity to assist in communicating with residents about the ERA program. To help predictably cover these added costs, ACTION paid its partners a monthly stipend regardless of how many people they served. In addition, when ACTION noted that the data they were collecting showed the application rate for seniors was very low, they started a targeted billboard and bus shelter advertisement campaign to inform older tenants and senior community operators that older adults were eligible to apply for ERA assistance. Lastly, as referenced above, the program partnered with the local court system so that when an eviction was filed, a partner immediately sent a letter to the tenant explaining the emergency rental assistance programs and application process.

These examples illustrate the unique advantages of nonprofit, community-based practitioners becoming part of the federal emergency relief delivery system. These organizations have front line staff, deep relationships with residents, countless community partners, and a commitment to locate people in need through unusual and creative means. This model of nonprofit practitioner administrators can differ greatly from the methods employed by state and county agencies or others without grass-roots ties to the community and an understanding of the intricacies of both federal policy and affordable housing operations.

## Housing Partnership Network members have a history of stepping up to deliver emergency aid in times of crisis.

Long Island Housing Partnership (LIHP) has been an HPN member since 1992. For over 30 years, LIHP's mission has been to provide affordable housing opportunities to those who, through the ordinary, unaided operation of the marketplace, would be unable to secure, or remain in, a decent and safe home. Over the years, LIHP has administered programs assisting households with natural disaster relief, down payment assistance, new home construction, home improvements, and mortgage counseling. LIHP also runs an employer-assisted housing program designed to help businesses recruit and retain employees in high-cost areas.

According to President and CEO, Peter Elkowitz, the learnings and experience that LIHP gained from implementing the Hurricane Sandy Recovery and Relief program were instrumental to LIHP's success in administering the ERA programs.

Under its prior disaster assistance programs, LIHP secured over \$465,000 in funds from companies and foundations such as Bank of America, Robin Hood Foundation, and JPMorgan Chase to provide 78 families with permanent replacements to their heat and hot water systems and was awarded \$789,000 from New York State to provide community outreach and assistance to thousands of households impacted by Hurricane Sandy. LIHP effectively adapted the processes developed for these programs, and applied them to serve families affected by COVID-19 hardship.

## Conclusions

Leaders from these nonprofit organizations came together at the December 2021 HPN member meeting to debrief and discuss what has been learned from their individual and collective experiences in administering emergency rental assistance. A key takeaway was that the programs benefited greatly from the increased flexibility and delegation of authority and decision making that the government allowed in this program, as compared to standard contracting relationships in the past. They described being treated as partners who were consulted and authorized to make key programmatic decisions. The nonprofits recognize that this change was due, in part, to the urgency of deploying these resources and the pressure on governments to do that quickly and well.

It is clear that rent stabilization and other interventions will be a long-term critical need facing our members' communities and residents. The federal government should look to address this problem through flexible partnerships with state and local government and community-based organizations. To make future program delivery efficient and effective, we recommend that nonprofit practitioners – mission-based organizations that deal directly with residents, property operation, and service delivery – are engaged in early program design to help identify obstacles, avoid confusion, and ensure successful implementation.

Nonprofit ERA program administrators have gone great lengths to identify people who are at risk of becoming unhoused without access to emergency rental assistance. As they have done through other emergency relief programs following natural disasters, and early on in this pandemic, these high-performing organizations played a critical and powerful role in the delivery system for rental assistance, helping thousands of people remain stably housed. Federal, state, and local governments should leverage partnerships with these organizations and learn from their experiences when administering future programs.

The ERA program is constantly changing to include updated guidance from the Department of Treasury, even as recently as July 2022. At the time these case studies were initially developed, ERA funds were primarily deployed to assist with rent but are now able to be used for broader housing stability supports. Members involved in the administration of ERA have shown their ability to continually adapt their programs and approach as the guidance evolves.

For additional insights on effective administration of emergency rental assistance, we invite you to view a webinar cohosted by Housing Partnership Network and National Housing Conference on August 9, 2022: <https://youtu.be/bwDqs5Yubmc>.

For more information on these HPN member case studies, please contact [info@housingpartnership.net](mailto:info@housingpartnership.net).

