

Emergency Rental Assistance Program (ERAP)

Safety, Housing, Education, & Homelessness Committee

August 10, 2022

Melissa Thate, Housing Stability Director

Department of Housing Stability

Agenda

- Temporary Rent & Utility Assistance (TRUA) Program Overview
- Emergency Rental Assistance Program (ERAP) Round 1 Overview
- Emergency Rental Assistance Program (ERAP) Round 2 Overview
- RR22-0931 Brothers Redevelopment, Inc. contract for ERAP Round 2

Temporary Rent & Utility Assistance (TRUA)

Temporary Rent and Utility Assistance (TRUA) Program

- TRUA was launched in late 2017 to provide short-term rent and utility assistance to Denver residents facing an unexpected financial hardship
- Eligibility criteria:
 - Denver residents must be at or below 80% of the Area Median Income (AMI)
 - Unexpected financial hardship related or unrelated to COVID (utilize Emergency Rental Assistance Program (ERAP) first if eligible due to longer term assistance; residents may utilize ERAP and TRUA)
 - Up to three months of rent assistance and one occurrence of utility assistance per utility per year
 - May include deposit/first month's rent
 - On average, completed applications are processed and paid in two weeks (urgent cases prioritized)
- 1,097 households served in 2021
- 338 households served Jan-June 2022
- 2022 TRUA contracts –funded with local Affordable Housing Fund (~740k of ~\$3.2M spent in 2022 to date – unspent funds may be utilized in future years)
 - Brothers Redevelopment, Inc - \$1,704,655
 - Northeast Denver Housing Center - \$1,508,357

Temporary Rent and Utility Assistance (TRUA) Program

- TRUA will continue to serve residents after ERAP concludes
- Monthly meetings with community organizations to get feedback, build stronger partnerships, resolve issues with pending applications, and further reduce barriers for residents with limited English proficiency and/or technology barriers
- Monthly meetings with contracted TRUA providers to discuss programmatic challenges and successes, address concerns, and provide support
- Working on building out an online application and database in addition to paper application to improve transparency and consistency for residents and landlords, data tracking and reporting, and coordination between providers

TRUA funding remains available – Call 311 and press 6 to be connected

Emergency Rental Assistance Program (ERAP) Round 1 Overview

HOST's Emergency Rental Assistance Program (ERAP1)

The City and County of Denver received \$21,884,992.10 federal Emergency Rental Assistance Program (ERAP1) from the U.S. Department of the Treasury (total amount of ERAP1 awarded)

ERAP1 Guidelines

- May provide up to **15 months of assistance**
- Funds can be used for rent arrears, current rent, and up to three months of future rent
 - May include deposit and/or first month's rent for relocation
- Up to **10%** available for housing stability services intended to help keep households stably housed (e.g. case management, mediation, housing navigation)
- Up to **10%** available for administrative costs
- Funds generally expire on **September 30, 2022**

ERAP1 Eligibility Guidelines

An “eligible household” is defined as a renter household in which at least one household member meets the following criteria:

1. Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, **or experienced a financial hardship due, directly or indirectly, to the COVID-19 outbreak;**
2. Demonstrates a risk of experiencing homelessness or housing instability; and
3. Has a household income at or below 80 percent of the area median income (AMI)

Per Treasury guidance, eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median income (AMI) are to be prioritized for assistance.

ERAP1 Executed Contracts

- Northeast Denver Housing Center - \$6,000,000
- Brothers Redevelopment, Inc. - \$5,000,000
- The Community Firm - \$4,177,531
- Jewish Family Service - \$3,502,208
- The Salvation Army - \$3,000,000

- Total amount contracted: \$21,679,739 (contracted term 7/1/21-9/30/22)

- Department of Housing Stability (HOST) 2 FTE staff salaries/fringe:
\$205,254.10

Emergency Rental Assistance Program (ERAP) Round 2 Overview

HOST's Emergency Rental Assistance Program (ERAP2)

The City and County of Denver has received \$10,909,822.48 of the allocated \$27,274,556.20 federal Emergency Rental Assistance Program (ERAP2) from the U.S. Department of the Treasury.

ERAP2 federal summary guidelines

- May provide up to 18 months of assistance (including any assistance provided from ERAP1)
- Funds can be used for rent arrears, current rent, and up to three months of future rent
 - May include deposit and/or first month's rent for relocation
- Up to 10% available for housing stability services intended to help keep households stably housed (e.g. case management, mediation, housing navigation)
- Up to 15% available for administrative costs
- Funds generally expire on September 30, 2025

ERAP2 Eligibility Guidelines

An “eligible household” is defined as a renter household in which at least one individual meets the following criteria:

1. Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, **or experienced a financial hardship during or due, directly or indirectly to the coronavirus pandemic;**
2. Demonstrates a risk of experiencing homelessness or housing instability; and
3. Has a household income at or below 80 percent of the area median

Per Treasury guidance, eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median are to be prioritized for assistance.

ERAP2 Contracts

- The Community Firm– \$9,700,000 executed contract with a contract term of 3/1/22-7/31/23
 - \$1.9M spent
- Brothers Redevelopment, Inc.- \$1,000,000 (pending City Council approval) with contract term of 6/1/22-6/30/23
- Total amount of initial tranche being contracted: \$10,700,000
- Department of Housing Stability (HOST) 2 FTE staff salaries/fringe with initial tranche: \$209,822.48
- Working to request next tranche of ERAP2 funds - \$8,182,366.86

ERAP1 and ERAP2 Differences

ERAP1	ERAP2
May provide up to 15 months of assistance	May provide up to 18 months of assistance (including any assistance provided from ERAP1)
Funds generally expire September 30, 2022	Funds generally expire September 30, 2025
Financial hardship due, directly or indirectly, to the COVID-19 outbreak	Financial hardship <u>during</u> or due, directly or indirectly, to the coronavirus pandemic
10% allowed for administrative costs	15% allowed for administrative costs
Full amount allocated (\$21,884,992.10) paid to Denver	First of three tranches (\$10,909,822.48) paid to Denver of total amount allocated (\$27,274,556.20). Must request additional tranches once 75% of previous tranche is obligated.

ERAP Progress and Successes

- More than 2,300 unduplicated households provided assistance (2,063 - ERAP1 and 337 -ERAP2)
 - Serving on average 265 households per month (including new applications and recertifications)
- Providing housing stability services (mediation, case management, and housing navigation in addition to financial assistance)
- Use of direct to tenant payments, fact-specific proxy, and categorical eligibility to reduce barriers
- \$18.8M of \$21.9M (ERAP1) expended to date
 - Met spenddown requirements to avoid any recapture of funds
- Partnership with the Colorado Division of Housing which has served an additional 9,900 Denver households with more than \$96M in assistance

ERAP Progress and Successes

- Built stronger partnerships between ERAP providers, legal assistance providers, Sheriff Department, and others to help prevent evictions and keep people in their homes
- Highlighted in Treasury's best practices for use of commitment letters
- Targeted outreach via social media to areas with the highest rates of eviction
 - Strong alignment with households served with ERAP in those areas
- Continuous use of data to evaluate equity (demographics, preferred language, location)

ERAP Challenges

- Ongoing changes and lack of or delays in communication from Treasury (program guidelines, spending requirements, reporting, etc.)
- Contractor staff hiring and retention
- Tenant and/or landlord responsiveness to complete and process applications in accordance with Treasury requirements
 - On average, completed applications are processed and paid in three weeks (Denver contractor)
 - Urgent cases are prioritized and reassigned as needed to expedite processing and payment

The Future of ERAP

- Closeout of ERAP1 (expect to fully expend prior to September 30, 2022 deadline)
- Continue processing new and recertification applications with ERAP2 funds
- Request next tranche of ERAP2 funds and begin contracting process
- Piloting bulk payment process with The Community Firm and Denver Housing Authority
- Exploring research project with National Low Income Housing Coalition and University of Pennsylvania to better understand resident experience and longer-term outcomes after receiving ERAP assistance

ERAP funding remains available – go to [Denvergov.org/RentAssistance](https://denvergov.org/RentAssistance) or call or text 1-888-480-0066 for more information and to apply

Emergency Rental Assistance Program Resolution Request

Brothers Redevelopment, Inc.

Scope of Work

Contract Term	June 1, 2022-June 30, 2023
Funding Source	Emergency Rental Assistance Program (ERAP2)
Contract Amount	\$1,000,000

- Brothers Redevelopment, Inc will provide emergency housing rental assistance and housing stability services (mediation, case management, and housing navigation) to eligible households in the City and County of Denver earning up to 80% of the area median income.
- Will serve approximately 83 households

Action Requested Today

Approval of the following Resolutions:

- **#22-0931 - Brothers Redevelopment, Inc.:** New contract for \$1,000,000 in Emergency Rental Assistance Program (ERAP2) funds with a contract term through June 30, 2023.

Questions?