

Emergency Rental Assistance Program (ERAP) Temporary Rent and Utility Assistance (TRUA)

Safety, Housing, Education, & Homelessness Committee

December 7, 2022

Department of Housing Stability

Agenda

- Emergency Rental Assistance Program (ERAP) Update
- ERAP Challenges & Changes
- Temporary Rent & Utility Assistance (TRUA) Program
- RR22-1608 Brothers Redevelopment, Inc. TRUA contract
- RR22-1609 Northeast Denver Housing Center TRUA contract

Emergency Rental Assistance Program (ERAP)

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)

- Funds were successfully administered prior to the expiration date of September 30, 2022
- Served 2183 Denver households with ERAP1 funds
- Awaiting Treasury's release of final ERAP1 reporting requirements - report deadline is Jan 30, 2023

HOST's Emergency Rental Assistance Program (ERAP2)

The City and County of Denver has received \$10,909,822.48 as the first tranche and recently received the second tranche in the amount of \$6,136,775.15 of 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 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

Existing ERAP2 Contracts

- The Community Firm– \$9,700,000 executed contract with a contract term of 3/1/22-7/31/23
-\$3.8M spent
- Brothers Redevelopment, Inc.- \$1,000,000 executed contract with contract term of 6/1/22-6/30/23
-\$250K spent
- 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

ERAP Progress and Successes

- More than 2,800 unduplicated households assisted (2,183 - ERAP1 and 620 -ERAP2)
- Partnership with the Colorado Division of Housing which has served an additional 10,900 Denver households with more than \$109M in assistance
- Providing housing stability services (mediation, case management, and housing navigation)
- Use of direct to tenant payments, fact-specific proxy, and categorical eligibility to reduce barriers
- 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 & Changes

ERAP Challenges

- Ongoing changes and lack of or delays in communication from Treasury (program guidelines, spending requirements, reporting, etc.)
- Despite ERAP2 funds expiring in September 2025, Treasury implemented an expedited recapturing process; Nearly \$3.7 Billion in ERAP1 and ERAP2 funds have been reallocated
- ERAP2 tranche 2 requested in August 2022 but not received until end of November 2022 despite consistent outreach to Treasury
- Nationally, more than half of ERAP programs are closed or on hold

What Changed?

- ERAP2 Recapture Guidance issued on March 31, 2022 and updated on June 28, 2022 and November 15, 2022 – new requirements for ERAP2 Q1 and Q2 spending
- No opportunity for a Program Improvement Plan to avoid recapture as was offered in ERAP1
- Q1 assessment at end of August determined \$4M in “excess funds” - voluntarily reallocated to the State to avoid recapture, leading to a reduced tranche 2 request
- Q2 assessment at end of November determined \$5.7M in “excess funds” – will be voluntarily reallocated to the State to avoid recapture
- Tranche 2 payment delayed over 3 months, limiting current capacity

What Changed?

- Significant increase in applications since State announced wind down leading to expedited obligation of funds – shared State and Denver waitlist went from consistently under 500 to now over 1,000
- State stopped accepting new applications as of November 15th
- Meeting with the State Nov. 30 to determine best approach for processing increase in submitted applications
- Determined there was a need for local jurisdictions with remaining funds to help process submitted applications on shared waitlist

ERAP is Winding Down in Denver

Implemented Limitations on November 1st:

- Only first-time applicants are eligible to receive assistance. Requests for recertification of funding beyond the initial request will no longer be accepted.
- First-time applicants can receive rent arrears, current rent, and one month of prospective rent (up to full 18 months of assistance)
- Email communications sent to all Denver ERAP applicants advising of changes
- Temporary Rent & Utility Assistance (TRUA) program currently serving those no longer eligible for ERAP

The Future of Denver ERAP

Denver ERAP Will Implement a Deadline for Accepting New Applications Based on Recent Changes

- Continue processing recertification applications submitted prior to November 1st and submitted first-time applications
- Contract second and final tranche of ERAP2 (\$6.1M)
- 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
- More information and to apply visit [Denvergov.org/RentHelp](https://denvergov.org/RentHelp) or connect with a representative by calling or texting 720-356-0174 or 1-888-480-0066, Monday through Friday 8:30 a.m. - 5:30 p.m., Saturdays 8:30 a.m. - 12:30 p.m.

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
 - Up to three months of rent assistance and one occurrence of utility assistance per utility per year
 - May include deposit/first month's rent
- 1,097 households served in 2021
- 765 households served Jan-Oct 2022
- \$1,847,442 spent of \$3,213,012 through October 2022

Temporary Rent and Utility Assistance (TRUA) Program

- Will transition back to TRUA to provide rent and utility assistance as ERAP concludes in 2023
- 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
- 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
- Denver residents can apply for TRUA by calling 311 and pressing 6

2022 Rent & Utility Assistance Spending

The temporary federal funding and programs that resulted from COVID response have been critical for many but did not create permanent funding to meet the continued need.

YTD Spending on Rental Assistance in 2022 by funding source:

- Denver ERAP Rental Assistance Spending, January-October 2022: \$8.73M
- TRUA Rental Assistance Spending, January-October 2022: \$1.27M
- State ERAP Rental Assistance Spending Denver Households, January-October 2022: \$51M

Denver and State 2022 spending year to date: ~\$60M

2023 Anticipated Denver Rent & Utility Assistance Funding

- 2023 TRUA (Affordable Housing Fund) Rental Assistance: \$2,253,912
- Anticipated 2023 ERAP Rental Assistance (from 1st and 2nd tranche): ~\$4.5M
- Proposed Restored Mill Revenue (General Fund) for TRUA: \$2,566,224
-Subject to City Council approval
- Total 2023 Proposed Denver Rental Assistance Funding: ~\$9M**

Temporary Rent and Utility Assistance (TRUA) Resolution Request

Brothers Redevelopment, Inc. RR22-1608

Contract Term	January 1, 2021 – December 31, 2023
Funding Source	Affordable Housing Property Tax Fund
Contract Amount	\$4,329,455

Scope of Work

- Brothers Redevelopment, Inc will provide temporary rent and utility assistance to eligible households in the City and County of Denver earning up to 80% of the area median income.
- Will serve approximately 400 households in 2023, 1,160 over three years
- Adding \$1,533,600 to current contract amount of \$2,795,855 for a new contract total of \$4,329,455
- Extending contract 12 months for a new contract term of 1/1/21-12/31/23

Northeast Denver Housing Center RR-1609

Contract Term	January 1, 2021 - December 31, 2023
Funding Source	Affordable Housing Property Tax Fund
Contract Amount	\$4,367,200

Scope of Work

- Northeast Denver Housing Center will provide temporary rent and utility assistance to eligible households in the City and County of Denver earning up to 80% of the area median income.
- Will serve approximately 500 households in 2023, 1,303 over three years
- Adding \$1,533,600 to current contract amount of \$2,833,600 for a new contract total of \$4,367,200
- Extending contract 12 months for a new contract term of 1/1/21-12/31/23

Action Requested Today

Approval of the following Resolutions:

- **#22-1608 - Brothers Redevelopment, Inc.:** Amended contract to add \$1,533,600 for a new contract amount of \$4,329,455 for Temporary Rent and Utility Assistance (TRUA) Program and extend 12 months for a contract term of 1/1/21-12/31/23
- **#22-1609 - Northeast Denver Housing Center:** Amended contract to add \$1,533,600 for a new contract amount of \$4,367,200 for Temporary Rent and Utility Assistance (TRUA) Program and extend 12 months for a contract term of 1/1/21-12/31/23

Questions?

Appendix

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.

Rent & Utility Assistance – Households Served - 2021 and 2022

	Temporary Rent & Utility Assistance Program (TRUA)	Denver’s Emergency Rental Assistance Program (ERAP1)	Denver’s Emergency Rental Assistance Program (ERAP2)	Total
2021	1,097 unduplicated households served	1,263 unduplicated households served	N/A	2,360 households served with rent and utility assistance in 2021
2022	765 unduplicated households served (Jan-Oct)	1098 additional unduplicated households served (Jan-Sept)	603 unduplicated households served (Jan-Sept)	2,466 households served with rent and utility assistance Jan-Oct 2022

- Unduplicated means if a households received assistance more than once within a program, including recertifications, they are only counted one time
- In addition to the unduplicated households served by Denver’s TRUA and ERAP programs, the Colorado Division of Housing has served more than 10,900 additional Denver households utilizing the State’s ERAP funds

Temporary Rent & Utility Assistance (TRUA) Program

Average Number of Months of Assistance <ul style="list-style-type: none">• <i>May receive up to 3 months of rental assistance per year</i>	2 months
Average Amount of Rental Assistance per Household	\$2,144.05
Average Amount of Energy Assistance per Household <ul style="list-style-type: none">• <i>May receive up to one occurrence per year</i>	\$921.97
Average Amount of Water Assistance per Household <ul style="list-style-type: none">• <i>May receive up to one occurrence per year</i>	\$541.91
Types of Assistance Provided	<ul style="list-style-type: none">• Rent Assistance Only: 51% of households• Utility Assistance Only: 40% of households• Both Rent and Utility Assistance: 5% of households

Emergency Rental Assistance Program (ERAP)

<p>Average Number of Months of Total Assistance</p> <ul style="list-style-type: none">• <i>May receive up to 18 months of total assistance</i>	<ul style="list-style-type: none">• 6.4 months• 13% of households served have received 15-18 months of assistance
<p>Average Total Amount of Assistance per Household</p>	<ul style="list-style-type: none">• \$9,178
<p>Initial Applications</p> <ul style="list-style-type: none">• <i>Excludes recertification application data</i>• <i>Current/future rent is limited to 3 months of assistance at a time</i>	<ul style="list-style-type: none">• 76% received assistance with rent arrears only• 5% received assistance with current/future rent only• 19% received assistance with both rent arrears and current/future rent• Average 5.5 months of rent arrears• Average of 2.8 months current/future rent
<p>Recertifications for Additional Assistance</p> <ul style="list-style-type: none">• <i>May include rent arrears and current/future rent up to 18 months of total assistance</i>	<ul style="list-style-type: none">• 61% of households served have received additional assistance through recertifications
<p>Overall Assistance Provided</p> <ul style="list-style-type: none">• <i>Including both initial applications and recertifications</i>	<ul style="list-style-type: none">• 82% of households served have received assistance with rent arrears• 87% of households served have received assistance with current/future rent

TRUA vs ERAP Criteria

Criteria	TRUA	ERAP
Income Level	80% AMI	80% AMI *Prioritization to 50% AMI
Income Determination	Monthly income at time of application	Total household income for previous year or monthly income at time of application
Eligibility	Unexpected financial hardship related or unrelated to COVID-19	Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to or during COVID-19; Demonstrates a risk of experiencing homelessness or housing instability *Prioritization to households unemployed for more than 90 days
Documentation of Hardship	Self-attestation	Self-attestation
Able to serve residents who are undocumented	Yes	Yes

TRUA vs ERAP Criteria - Continued

Criteria	TRUA	ERAP
Able to serve residents who receive other rental subsidies	Yes, but must not be a duplication of benefits	Yes, but must not be a duplication of benefits
Direct Payments to Tenants	Payments are made to landlord or utility provider	Yes, but must first make an effort to pay landlord/utility provider.
Assistance type and duration	Up to 3 months of rent; up to 1 occurrence of utilities.	Up to 18 months of rent; as of 11/1/22: <ul style="list-style-type: none"> • Only first-time applicants eligible to receive assistance. Requests for recertification of funding beyond the initial request will no longer be accepted. • First time applicants can receive rent arrears, current rent, and one month of prospective rent, but will no longer be able to seek prospective rent payments beyond one month.