



# EMERGENCY RENTAL ASSISTANCE PROGRAMS

Understanding ERAP I and ERAP II

April 2021

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# COVID-19 FEDERAL EMERGENCY RENTAL ASSISTANCE PROGRAM



[U.S. TREASURY GUIDANCE](#)

[U.S. TREASURY FAQ](#)

[ELIGIBLE LOCAL GOVERNMENTS](#)

[U.S. TREASURY PAYMENTS TO STATES AND ELIGIBLE UNITS OF LOCAL GOVERNMENT \(ROUND ONE\)](#)

The American Rescue Plan Act, enacted on March 11, 2021, provided \$21.6 billion for an additional round of the U.S. Treasury Department's Emergency Rental Assistance Program, which was established in the Consolidated Appropriations Act of 2021. The funding is for state, county and municipal governments with populations of over 200,000 residents to assist families struggling to make rental and utility payments. Counties with populations below 200,000 residents may receive an allocation from their state.

The Treasury Department, which is responsible for overseeing and administering the Emergency Rental Assistance Program, has distributed the entire \$25 billion provided for the first round of the program and has released FAQs on implementation of the program at the local level.

The Treasury Department is expected to release allocations for the second round of funding in the coming weeks. Please see below for a searchable table that contains projected allocations for eligible county government rental assistance payments for this **second round of funding**. According to the legislation, grantees will receive no less than 40 percent of their allocation within 60 days of enactment.

# Witt O'Brien's Guest Speakers



**Brad Gair**  
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Senior Consulting,  
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# EMERGENCY RENTAL ASSISTANCE PROGRAM UPDATE

## UNDERSTANDING SIMILARITIES AND DIFFERENCES BETWEEN ERAP I AND ERAP II

VERSION 02 | APRIL 2021

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## OUR EXPERTS



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Funded Programs



## TOPICS FOR TODAY

### **ERAP 1.0 vs 2.0**

- Key Provisions Side By Side

### **Timeline Considerations**

- 1.0 Obligation and Expenditure Timelines
- 2.0 Obligation and Expenditure Timelines
- Implementation Consideration - Example

### **Distribution Estimates**

- How much will you receive

# ERAP 1.0 VS 2.0

- SIDE BY SIDE COMPARISON



## ERAP 1.0 vs 2.0 – SIDE BY SIDE

	ERAP 1.0 (HR133 Dec 2020)	ERAP 2.0 (ARP Mar 2021)
Total Funding Amount	<ul style="list-style-type: none"> <li>• \$25 Billion</li> <li>• \$23.75 Billion State/Local Governments</li> <li>• \$0 Funding For High Needs Areas</li> <li>• \$1.2 Billion Tribes/Territories</li> </ul>	<ul style="list-style-type: none"> <li>• \$21.55 Billion</li> <li>• \$18.712 Billion State/Local Governments</li> <li>• \$2.5 Billion For High Needs Areas</li> <li>• \$305 Million for Tribes/Territories</li> </ul>
Distribution Methodology	<ul style="list-style-type: none"> <li>• State allocations based on 2019 Census Data</li> <li>• Local Gov 200k+ received 45% of population proportionality of jurisdiction % of state</li> <li>• No High Needs Allocation</li> </ul>	<ul style="list-style-type: none"> <li>• State allocations based on 2019 Census Data</li> <li>• Local Gov 200k+ received 45% of population proportionality of jurisdiction % of state</li> <li>• High Needs Allocation based on 50% AMI population, overcrowding/substandard conditions, FMR, unemployment</li> </ul>
Small State Min	<ul style="list-style-type: none"> <li>• \$200M</li> </ul>	<ul style="list-style-type: none"> <li>• \$152M</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>• Full Distribution within 30 days of enactment</li> </ul>	<ul style="list-style-type: none"> <li>• 40% of allocation within 60 days of enactment</li> <li>• Remaining distribution in tranches TBD only when grantee has obligated at least 75% of funds previously provided by Treasury (including 1.0)</li> </ul>

## ERAP 1.0 vs 2.0 – SIDE BY SIDE

	ERAP 1.0 (HR133 Dec 2020)	ERAP 2.0 (ARP Mar 2021)
Eligible Recipients	<ul style="list-style-type: none"> <li>• Less Than 80% AMI</li> <li>• Household incurred financial hardship/unemployment due to COVID-19 outbreak</li> <li>• Risk of experiencing homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Less Than 80% AMI</li> <li>• Household incurred financial hardship/unemployment <b>during or*</b> due to COVID-19 outbreak</li> <li>• Risk of experiencing homelessness</li> </ul>
Prioritization	<ul style="list-style-type: none"> <li>• &lt;50% AMI</li> <li>• Unemployed last 90 days</li> </ul>	<ul style="list-style-type: none"> <li>• &lt;50% AMI</li> <li>• Unemployed last 90 days</li> </ul>
Use of Funds	<ul style="list-style-type: none"> <li>• 90% of Funds for               <ul style="list-style-type: none"> <li>• Rent</li> <li>• Utilities</li> <li>• Other Housing Expenses, including internet service</li> </ul> </li> <li>• 10% of Funds for housing stability services and/or Admin</li> </ul>	<ul style="list-style-type: none"> <li>• At least 75% For               <ul style="list-style-type: none"> <li>• Rent</li> <li>• Utilities</li> <li>• Other Housing Expenses</li> </ul> </li> <li>• 10% of Funds for housing stability services</li> <li>• 15% for Admin Costs</li> </ul>
Max Assistance	<ul style="list-style-type: none"> <li>• 12 Months + additional 3 months if necessary, to ensure housing stability</li> </ul>	<ul style="list-style-type: none"> <li>• May not exceed 18 months, inclusive of funds received from ERAP 1.0</li> </ul>

# TIMELINE CONSIDERATIONS

- 1.0 Obligation and Expenditure Timelines
- 2.0 Obligation and Expenditure Timelines
- Implementation Consideration - Example

## OBLIGATION & EXPENDITURE TIMELINES

### CAA 2021 ERAP 1.0

*While the ARP bill text extends expenditure of funds, no such relief was outlined for obligation and re-allocation. As of March 31, 2021 CRS is contemplating re-allocation of funds. However, Treasury may choose to relieve this obligation – if allowable under statutes.*

<https://crsreports.congress.gov/product/pdf/R/R46688>

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PL116-260 made first round funds available to grantees through December 31, 2021

PL117-2 extended deadline for ERAP 1.0 funds to September 30, 2022

No sooner than September 30, 2021, the Treasury Secretary is directed to recapture any excess unobligated funds (discretion of Secretary) and re-allocate to grantees with >65% obligated

Grantees receiving reallocated funds may request up to a 90-day extension of availability deadline

## OBLIGATION & EXPENDITURE TIMELINES

### ARP 2021 ERAP 2.0

*ARP includes recapture and re-allocation provisions similar to 1.0 but lowers the threshold for redistribution to 50% obligated of funds received.*

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Funding provided through PL 117-2 is available until September 30, 2025.

Beginning March 31, 2022, the Treasury Secretary is directed to recapture any excess unobligated funds (discretion of Secretary) and re-allocate to grantees who obligated 50% or more of their total allocated funds.

Grantees that have obligated at least 75% of their funds as of October 1, 2022 may use remaining funds for other affordable rental housing and eviction prevention purposes for very low-income families

## IMPLEMENTATION CONSIDERATION - EXAMPLE

It's Not Too Late  
To Change  
Your Approach

While it is important to segregate funds from each program to track obligations and reporting metrics distinctly, there is also opportunity to reformat your existing program to leverage 2.0 funds for more streamlined delivery

One such example is to carve out utility assistance for 2.0 funds use ONLY and use 1.0 exclusively for rental assistance program

**Rent** – 1 landlord, more streamlined, aligns with 10% admin

**Utilities** – more complex, multiple vendors, more effort; aligns with 15% admin

# DISTRIBUTION ESTIMATES

- How much will you receive?



## DISTRIBUTION ESTIMATES ERAP 2.0

- Take your 1.0 allocation and divide it by your State's 1.0 allocation listed in the table
- Multiply this number by your State's 2.0 allocation listed in the table

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State	ERAP 1.0	ERAP 2.0	State	ERAP 1.0	ERAP 2.0
Alabama	\$ 326,358,801	\$ 257,562,115	Montana	\$ 200,000,000	\$ 152,000,000
Alaska	\$ 200,000,000	\$ 152,000,000	Nebraska	\$ 200,000,000	\$ 152,000,000
Arizona	\$ 492,131,217	\$ 388,936,080	Nevada	\$ 208,105,615	\$ 164,217,456
Arkansas	\$ 200,961,312	\$ 159,031,642	New Hampshire	\$ 200,000,000	\$ 152,000,000
California	\$ 2,610,593,356	\$ 2,065,682,735	New Jersey	\$ 589,011,704	\$ 466,723,296
Colorado	\$ 385,124,025	\$ 304,234,445	New Mexico	\$ 200,000,000	\$ 152,000,000
Connecticut	\$ 235,873,751	\$ 186,689,318	New York	\$ 1,282,268,821	\$ 1,014,691,017
Delaware	\$ 200,000,000	\$ 152,000,000	North Carolina	\$ 702,966,452	\$ 556,610,745
Florida	\$ 1,441,188,973	\$ 1,140,879,168	North Dakota	\$ 200,000,000	\$ 152,000,000
Georgia	\$ 710,207,372	\$ 561,796,560	Ohio	\$ 775,405,764	\$ 613,654,704
Hawaii	\$ 200,000,000	\$ 152,000,000	Oklahoma	\$ 263,975,439	\$ 209,161,181
Idaho	\$ 200,000,000	\$ 152,000,000	Oregon	\$ 281,264,683	\$ 222,990,019
Illinois	\$ 834,709,843	\$ 660,327,033	Pennsylvania	\$ 847,688,779	\$ 670,698,662
Indiana	\$ 447,937,423	\$ 354,363,984	Rhode Island	\$ 200,000,000	\$ 152,000,000
Iowa	\$ 209,783,453	\$ 165,946,061	South Carolina	\$ 346,020,971	\$ 273,119,558
Kansas	\$ 200,000,000	\$ 152,117,222	South Dakota	\$ 200,000,000	\$ 152,000,000
Kentucky	\$ 296,897,444	\$ 235,090,253	Tennessee	\$ 456,682,775	\$ 361,278,403
Louisiana	\$ 308,042,377	\$ 243,733,277	Texas	\$ 1,946,983,604	\$ 1,540,186,876
Maine	\$ 200,000,000	\$ 152,000,000	Utah	\$ 215,507,410	\$ 171,131,875
Maryland	\$ 401,575,014	\$ 318,063,283	Vermont	\$ 200,000,000	\$ 152,000,000
Massachusetts	\$ 457,129,720	\$ 361,278,403	Virginia	\$ 569,661,204	\$ 451,165,853
Michigan	\$ 660,906,592	\$ 522,038,649	Washington	\$ 510,182,193	\$ 404,493,523
Minnesota	\$ 375,152,159	\$ 297,320,025	West Virginia	\$ 200,000,000	\$ 152,000,000
Mississippi	\$ 200,000,000	\$ 155,574,432	Wisconsin	\$ 386,777,592	\$ 305,963,049
Missouri	\$ 407,924,165	\$ 323,249,097	Wyoming	\$ 200,000,000	\$ 152,000,000

## DISTRIBUTION ESTIMATES ERAP 2.0

### EXAMPLE

#### KNOX COUNTY, TN

ERAP 1.0 Allocation - \$14,152,916

TN Total 1.0 Allocation – \$456,682,775

3.10%

$$\begin{array}{rclcl} 0.0310 & \times & \$361,278,403 & = & \$11,196,268 \\ (\% \text{ of TN}) & & (\text{TN2.0 Allocation}) & & (\text{County 2.0}) \end{array}$$

$\$11,196,268 \times 0.4 = \$4,478,507$  (ERAP 2.0 First Payment)

# QUESTIONS?

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