



Housing Alliance
of Pennsylvania

Emergency Rental Assistance 1 & 2.0 Program Comparison Chart

The following chart compares the Emergency Rental Assistance Program (ERAP 1) created by section 501 of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020), Pennsylvania Act 1 which allocated the state portion of the ERAP 1 program, and ERAP 2.0 created by Section 3201 of the American Rescue Plan Act of 2021.

The Housing Alliance of Pennsylvania respectfully asks the General Assembly to (a) amend Act 1 by removing the 5% cap on administrative costs and (b) when allocating ERAP 2.0 mirror federal requirements and do not add additional caps or restrictions. These remedies would align the state program with federal guidance and give greater flexibility to counties as they continue to provide much needed assistance to those at risk of eviction.

The Housing Alliance provides recommendations for the legislation to allocate the state's portion of ERAP 2.0 in the last column of the chart below.

Text **underlined and in color** reflects the latest guidance and clarifications offered the U.S. Treasury issued through a **Frequently Asked Questions** and **Fact Sheet**, both released on May 7, 2021.

Contact Gale Schwartz at gale@housingalliancepa.org for more information and questions.

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
Enacted	December 27, 2020	February 5, 2021	March 11, 2021	n/a
Administrative Costs	<p>No more than 10% of each grantee's total grant amount may be used for administrative costs, both direct and indirect.</p> <p>U.S. Treasury FAQ further clarified that administrative costs must be attributed to either costs associated with financial assistance (not less than 90% of total allocation) or costs associated with housing stability services (no more than 10% of total allocation), not to exceed 10% of either category. This in essence made additional administrative funding available.</p>	No more than 5% of obligated funds	No more than 15% of award to grantees	Allow counties the flexibility to determine best use of funds for their jurisdiction by removing the cap on administrative costs which was included in Act 1
Housing Stabilization Services (HSS)	Up to 10%	Up to 9.09% (Admin fees are included in the total 9.09%)	Up to 10%	Allow counties the flexibility to determine best use of funds by removing the cap on housing stabilization services which was included in Act 1

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
Eligible Grantees	<p>Funding to be distributed to states based on population</p> <p>Localities with a population of 200,000 or more may apply to receive funding directly from Treasury. The sum total of amount of funding provided directly to localities cannot exceed 45% of the state allotment.</p>	<p>All 67 counties are to receive funding based on population. Those counties receiving direct funds from Treasury will have that amount subtracted from the state calculated allotment.</p>	<p>Follows the same distribution formula as ERAP 1.</p> <p>\$2.5 billion is reserved for “high need grantees” to be determined based on the following factors:</p> <ul style="list-style-type: none"> • Number of households at 50% AMI paying more than 50% of income on rent or living in substandard/overcrowded conditions; • Rental market costs; and • Change in employment since February 2020. 	<p>Distribute funds according to the number of renter households to ensure efficient distribution and reduce administrative burden of reallocation.</p>

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
<p>Eligible Households</p>	<p>Must meet all criteria:</p> <ol style="list-style-type: none"> 1) One or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak; 2) One or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and 3) The household has a household income at or below 80% of area median income. <p>Grantees must prioritize assistance to households with incomes of no more than 50% of AMI and to households in which one or more household members is unemployed and has been unemployed for 90 days.</p>	<p>Directs the Administering Entity to comply with programmatic and eligibility requirements under Federal law and Federal guidance and is prohibited from adding any additional requirements.</p>	<p><u>(Text in color and underlined highlights differences compared to ERAP 1.0)</u></p> <p>Must meet all criteria:</p> <ol style="list-style-type: none"> 1) one or more individuals in the household has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship <u>during or</u> due directly or indirectly to the coronavirus outbreak; 2) one or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability; and 3) The household has a household income at or below 80% of area median income. 	<p>n/a</p>

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
	<p><u>As of May 7, 2021, U.S. Treasury clarified that grantees are to report to Treasury on the methods they have established to implement this prioritization of assistance and publicly post a description of their prioritization methods, including on their program web page if one exists, by July 15, 2021.</u></p>			
Eligible Uses of Rental Assistance	Rent/rental arrears; utility/utility arrears; applicable late fees; internet; relocation cost including application fees and security deposits; mobile home lot fees; motel/hotel costs when serving as shelter; telecommunications	Same as ERAP 1 with the exception that telecommunications including phone, cable TV service and internet was not allowed as an eligible use	Same as ERAP 1 From 10/1/2022, grantees may also use funds for affordable rental housing and eviction prevention serving very low income families, as long as at least 75% of the grantee's allocation has already been obligated by the grantee	Allow for internet service to be covered to comply with federal guidelines
Limits on Assistance	Housing related costs incurred since March 13, 2020 not to exceed 12 months (plus 3 additional months to ensure stability of the household)	Same as ERAP 1	Not to exceed 18 months (combined with assistance provided from ERAP 1 if applicable)	Ensure that legislative language allows assistance to be provided for the full timeframe of 18 months in accordance with federal law

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
Documentation Requirements	To the extent that a household's income is not verifiable due to the impact of COVID-19 (for example, because a place of employment has closed) grantees may accept a written attestation from the household. Grantees may rely on an attestation from a caseworker or other professional with knowledge of a household's circumstances as well	Directs the administering entity to comply with programmatic and eligibility requirements under Federal law and Federal guidance and is prohibited from adding any additional requirements	Not specified in legislation; but see note below	Prevent administering agencies and all sub-grantees from adding additional burdensome requirements above and beyond federal regulation and guidance
	<u>U.S. Treasury FAQ (released May 7, 2021, and applicable to ERAP 1 & 2.0) stating grantees should be flexible as to the particular form of documentation they require, including digital documents, attestations from others with knowledge of the household's circumstances, and utilizing fact-specific proxy, such as such as reliance on data regarding average incomes in the household's geographic area. Treasury strongly encourages grantees to avoid establishing documentation requirements that are likely to be barriers to participation for eligible households, including those with irregular incomes such as those operating small business or gig workers.</u>			

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
Payment Recipients	<p>Landlords will receive payments directly but if a landlord refuses to participate, direct-to-tenant payments are to be offered as of May 7, 2021 FAQ</p> <p>U.S. Treasury FAQ outlines the outreach process that is required prior to a tenant receiving a payment. Process was updated on May 7, 2021.</p>	Specifies that if a landlord or utility provider refuses to participate in the program, a payment received by a tenant must be forwarded to the landlord or utility provider to reduce the tenant's obligation	<p>Not specified in legislation.</p> <p>Clarified in FAQ: Grantees may offer direct-to-tenant payments first. Grantees are also required to offer direct-to-tenant assistance if the landlord does not participate.</p>	n/a
Eligible Applicants	Both tenants and landlords on behalf of a qualifying tenant are able to apply for financial assistance. There should only be one application. In case where the landlord applies, the tenant must sign-off and verify their need	Defaults to ERAP 1	Not specified in legislation- defaults to ERAP 1	n/a

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
Eligible Uses of Housing Stability Services (HSS)	To provide eligible households with case management and other services related to the COVID-19 outbreak. Such services may include housing counseling, fair housing counseling, housing related services for survivors of domestic abuse or human trafficking, attorney's fees related to eviction proceedings, and specialized services for individuals with disabilities or seniors that supports their ability to access or maintain housing.	Includes "case management and other services intended to keep households stably housed."	Same as ERAP 1 but services do not need to be related to COVID- 19 as stated in May 7, 2021 FAQ.	Ensure legislation does not limit the multiple ways that housing stability services can be used
Recapture & Reallocation of Excess Funds	No sooner than 09/30/2021, Treasury must begin recapturing 'excess funds' (as determined by Treasury) that have not been obligated. Recaptured funds must be reallocated to grantees that have obligated at least 65% of the amount originally allocated	By 07/ 31/2022, each county must certify whether it has obligated 65% of its funds and funding expected to be obligated between 08/01/2021 through 12/31/2021 Starting 08/15/2021, DHS may begin to recoup and reallocate amounts that are certified by counties as funds not expected to be obligated by 12/31/2021	Starting on 03/31/2022, Treasury must begin reallocating funds that were not yet paid out. Grantees must have obligated at least 50% of total allocated funds to be eligible to receive reallocations	Align recapture and reallocation dates with the federal deadlines

	ERAP 1	PA Act 1	ERAP 2.0	State Legislative Recommendations to Allocate ERAP 2.0
Deadline for use of funds	By 09/30/2022, unspent funds revert to Treasury. (The original deadline of 12/31/2021 was amended by the American Rescue Plan Act)	12/31/21 (the original deadline)	09/30/2025 - deadline to use funds	Change date of expenditure of funds in Act 1 for ERAP 1 to align with extended deadline
<u>Renter Protections</u>	<u>U.S. Treasury FAQ (released May 7, 2021 and applicable to ERAP 1 & 2.0) states grantees must prohibit landlords from evicting tenants for the period when payments are being made. In addition, Treasury strongly recommends grantees extend eviction protections for a period of 30 to 90 days after assistance ends.</u>			Allow ERAP programs to report directly to court payments made on behalf of tenants with active landlord-tenant complaints.