



**Housing Alliance
of Pennsylvania**

Summary of Act 1

Act 1 signed into law February 5, 2021, repeals the authority of Pennsylvania Housing Finance Agency in administering the former CARES Act funds and establishes a new Rental and Utility Assistance program. The legislation names the Department of Human Services (DHS) as the administering agency giving authority to implement and oversee the program in accordance with federal law. Specifically:

- DHS is responsible for allocating and disbursing funds to counties
- DHS is responsible for developing an application for counties to apply
- DHS will monitor, recapture, and reallocate funding as need
- DHS will disperse funds 30 days after enacted [March 7, 2021]
- DHS will ensure all reporting is completed
- 1% of funds can be used by DHS to administer the program
- Funding cannot be reallocated to other programs within the Commonwealth
- DHS cannot add requirements not mandated by the federal act

All 67 Counties will receive funds. The final allocation to Commonwealth's counties depends on how much municipalities received from the federal government.

Allocation Formula

- Each county will get an allocation proportional to their population
- Those counties that received direct allocation from the Treasury Department will receive the amount proportional to their population minus that amount received in direct allocation from the treasury

County Responsibilities

- 90% can be used for Rent, rent arrears, utilities, other expenses related to housing incurred directly or indirectly due to COVID 19
 - Telecommunications is not part of utilities
- 9.09% of funds is allocated for administrative and housing stabilization costs with no more than 5% to be spent on direct admin costs
- Payments are provided directly to the landlord or the utility provider.
 - In the event the landlord refuses to participate in the program, the tenant can receive payment that must be forwarded to the landlord or utility provider
 - Landlords do not have to waive fees (“outstanding obligations”)
- Counties are required to submit monthly reports to DHS that identify insufficient or excess funding

Process for reallocating of funds

- Counties are to certify by July 31, 2021 about status of spending the money
- If there are excess funds that will remain by December 31, 2021, then DHS will recoup the money by August 15, 2021 to give to other needier counties
- If there is more money from the Treasury Department then counties using 65% of the funds will be eligible to receive that additional funding

DHS is required to publish a report on the program by March 31, 2022.