



Sustaining Success in Deploying ERA Funds in Louisville

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By [Nishesh Chalise](#), [Gloria Noble](#), [Faith Weekly](#)

Our earlier *Bridges* article [discussed the Emergency Rental Assistance \(ERA\) program](#)—the federal government’s response to millions of people losing their jobs and facing evictions due to the COVID-19 pandemic. Although funding was made available, local entities throughout the country struggled to get dollars to renters in need. In this follow-up article, we describe how Louisville, Ky., was able to distribute funding to those facing evictions in a timely manner. For instance, six months after the program started, local entities across the U.S., on average, had spent 13% of their funding, while Louisville had spent almost all of it. Louisville’s approach is commendable; however, without investments in program infrastructure, especially when coupled with uncertainty in funding, sustaining assistance to renters will likely be a challenge.

Community-Based Service Providers Play a Pivotal Role in Implementing the ERA Program

In Louisville, the [Association of Community Ministries](#) (ACM) was the conduit connecting residents to the ERA program. ACM launched the [StopMyEviction.org](#) website to provide up-to-date information and offer renters a place to apply for assistance. ACM has been pivotal, because when local governments (cities, counties) started receiving ERA funding in January 2021, they did not have the infrastructure to distribute those dollars. Community-based service providers like ACM can leverage knowledge of the communities they serve and existing relationships to implement programs.

Its position within the community gave ACM a good understanding of potential issues around accessibility to rental assistance. ACM leaders listened to residents experiencing housing instability and adjusted according to their realities. To better support people in need, ACM started an in-person rental clinic to streamline a complicated and time-consuming process for obtaining assistance, which can take up to 12 weeks. “We have to think about ways in which the rent assistance gets to them, instead of them getting to the rent assistance,” noted Clare Wallace, executive director of South Louisville Community Ministries, an ACM member.

Working Together, Across Sectors

Implementing an eviction-prevention effort such as the ERA program requires buy-in, expertise and capacity from a variety of stakeholders across multiple sectors. Successful multisectoral collaborations are akin to a three-legged stool composed of organizations that provide social services (supportive services, social work and

nonlegal advocacy), legal services (landlord representation and mediation) and funding (from government agencies, lenders and funders).

Collaboration and frequent communication among community-based organizations, as well as with state and local entities, is vital to recognizing and overcoming barriers. In Louisville, both governmental and nongovernmental actors attended weekly virtual meetings to review their goals and approaches to deploying ERA funds. “It is clear that Louisville had many smart and committed people in most of the systems needed for success: advocates for court policies, exceptional local government people and exceptional [nongovernmental] organizations,” said Cathy Hinko, former executive director at the Metropolitan Housing Coalition.

Identifying Barriers and Innovating to Overcome Them

Working collaboratively across sectors also enables groups to identify and overcome barriers. In 2021, Louisville passed a city ordinance that established a renter “right-to-counsel” program, with services provided by the Legal Aid Society and the Coalition for the Homeless. The program affords tenants an advocate to help them through the legal process. It was funded with \$400,000 in federal money from the American Rescue Plan and is projected to operate for at least a year.

At the court level, altering the times that eviction hearings were held changed perspectives about those facing evictions. Before the COVID-19 pandemic, all eviction hearings occurred in the middle of the day. Many facing eviction worked during those hours and were unable to attend court hearings. During the pandemic, courts began conducting proceedings virtually following the initial lockdown. While access to technology remained a challenge for many, court attendance rose, demonstrating that people facing eviction do want to participate in the legal proceedings.

Sustaining Success

Although Louisville has done a remarkable job disbursing funds in a timely manner, sustaining this effort presents ongoing challenges:

- The volume of applications is difficult to manage even though ACM hired and trained a team of 20 people to process them. If applications are not filed correctly, it creates further delays.
- Funding was allocated based on population rather than on an estimate of the number of renters in need. Consequently, areas with higher volumes of renters seeking assistance may not have adequate funding to respond.
- Working with groups across sectors to build a program from the ground up takes time, resources and energy. Although this effort was necessary, it required constant innovation. Staff members were working 12-hour days, seven days a week—a recipe for burnout. “We didn’t have the infrastructure. I mean, it was an incredible amount of strain and wore on an already-stretched-thin team,” noted South Louisville Community Ministries’ Wallace.
- Information about evictions is not readily available from the courts. To fill that gap, a volunteer visited the courthouse every day to collect the names of renters who had appeared on eviction matters. Although innovative, it required a lot of work from an overworked team.

Federal relief efforts and the resilience of local community stakeholders have meant that more than 14,000 unique households in Louisville received almost \$75 million in rental assistance under the ERA program since January 2021. As a result, people were able to stay in their homes and keep an eviction off their records.

However, evictions were a significant social issue before the pandemic and will most likely continue to be so in the future. George Eklund, director of education and advocacy at Louisville’s Coalition for the Homeless, said, “During COVID, we saw a glimpse of what a well-funded eviction support network could look like for home renters, and [we] saw some success, but without funding and a viable alternative to filing an eviction for landlords, we will start to slide back to pre-COVID levels or worse.”

Knowing that federal funding allocated for rental assistance will end soon, community stakeholders are continuing to provide rental assistance while also working toward solutions for long-term housing stability.

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Eighth District Eviction Filings Climb toward Pre-Pandemic Levels

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By [Lowell Ricketts](#), [Faith Weekly](#)

Eviction—the removal of residents from their rented homes—is a devastating form of financial distress. The pandemic ushered in a period of widespread disruption to the U.S. economy and cost many Americans significant income. As fears of an eviction crisis mounted, the federal government (and, in some cases, state and local governments) passed moratoriums to help stabilize the housing of millions of families.

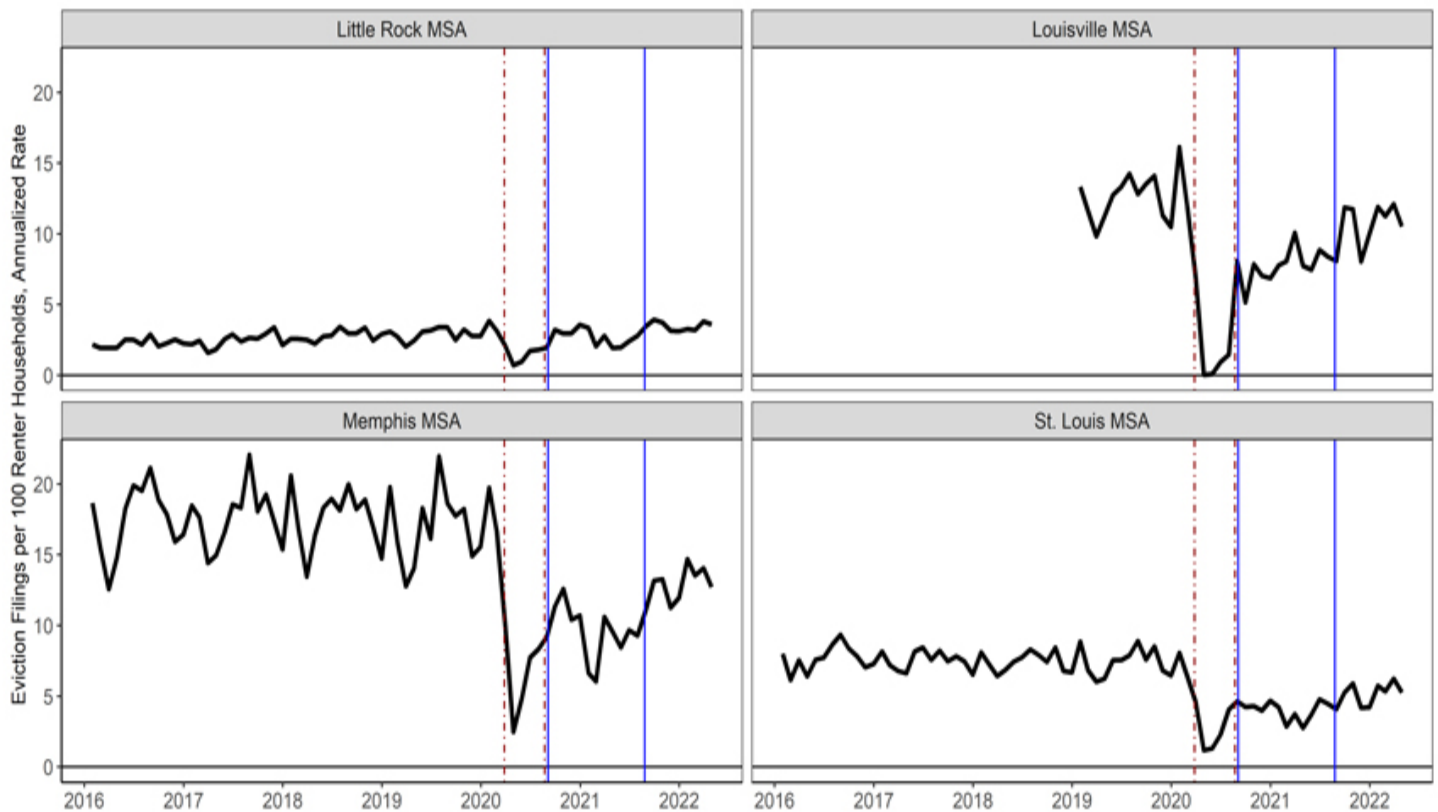
In Memphis, Tenn., Louisville, Ky., and St. Louis, moratoriums appear to have cut eviction filings to half their pre-pandemic rate.¹ However, federal moratoriums expired in late August 2021, and signs seem to suggest that eviction filings are trending back toward pre-pandemic levels. This begs the question of what can be done to prevent financial hardship and evictions beyond the emergency actions taken during the pandemic.

Tracking Eviction Filings within the Eighth Federal Reserve District's Largest Metro Areas

To track eviction filings, we analyzed county-level monthly eviction filing data from [Legal Services Corporation](#) (LSC) relative to the total number of renter households in the county according to the Census Bureau's American Community Survey.

Looking back to 2016, we found that monthly filings occurred at a roughly steady rate in Little Rock, Ark., Memphis and St. Louis; however, as the following figure shows, there are notable differences across metropolitan areas. The average rate of eviction filings before the pandemic ranged from a low in Little Rock of around three eviction filings for every 100 renter households each year to a high in Memphis of around 17 eviction filings for every 100 renter households each year. This analysis does not capture informal evictions that occur outside the legal system, which might be a meaningful source of hardship in some areas more so than in others.

Eviction Filings Declined to Historic Lows Due to Moratoriums but Are Rebounding



SOURCES: Daniel Bernstein, Madeline Youngren, Sarah Abdelhadi and Ranya Ahmed. Civil Court Data Initiative. Legal Services Corporation, 2021. Census Bureau.

NOTES: Metropolitan Statistical Areas (MSAs) consist of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core. The figure shows the annualized rate of eviction filings as a share of metro-area renter households at a monthly frequency. The pair of red, dashed lines mark the federal CARES Act eviction moratorium, which began on March 27, 2020, and expired on July 24, 2020. The CARES Act protections were extended for 30 days after the moratorium expired and ended on Aug. 23, 2020. The pair of blue, solid lines mark the federal CDC eviction moratorium, which began on Sept. 4, 2020, and ended by Supreme Court ruling on Aug. 26, 2021.

Eviction Filings Are Rising following the Expiration of Moratoriums

Pandemic relief legislation passed in March 2020—the CARES Act—included a federal eviction moratorium that appears to have driven eviction filings to their lowest recorded levels. In Louisville, eviction filings dropped to near zero for two months. After the CARES Act moratorium expired, eviction filings increased until the Centers for Disease Control and Prevention (CDC) put in place a new moratorium. Afterward, evictions roughly leveled off, except for in Louisville, where they continued to rise. After a Supreme Court ruling ended the CDC moratorium in August 2021, evictions have trended upward in Memphis, St. Louis and Louisville.

As of April 2022, the last month in our sample, eviction filings were generally climbing toward pre-pandemic

levels. They had already reached comparable levels in Little Rock. At the national level, [households' cash balances rose](#) during the pandemic, thanks in part to generous pandemic relief, especially for low-income individuals. As those cash balances continue to draw down in 2022, families may be at greater risk of falling behind on their rent and facing potential eviction.

Reducing Evictions beyond the Pandemic

The pandemic brought historic hardship, yet federal pandemic relief helped to stave off a scenario in which closing broad swaths of the economy led to a wave of evictions. In contrast, eviction filings reached the lowest level recorded in the available data during the early part of the pandemic, when disruptions were most severe. The contrast also highlights the steady rate of eviction filings when economic growth and the labor market were strong prior to the pandemic.

One silver lining of the pandemic is the heightened awareness at the state and local levels of the pivotal role that tenant protections play in preventing evictions for at-risk households. A National Low Income Housing Coalition study found that, in 2021, states and localities implemented more than 130 new laws and policies [designed to protect tenants from eviction \(PDF\)](#) so they could remain stably housed.

We are entering an important phase of the recovery during which short-term eviction mitigation strategies, such as moratoriums, have already expired and emergency rental assistance is running out. Near-term headwinds (e.g., inflation, disruptive COVID-19 variants) may warrant consideration of a new moratorium on evictions, perhaps one more targeted to those most vulnerable to housing instability. To address evictions in the long term, greater investments could be made in rent cost-burden interventions, such as expanding rental assistance and affordable housing policies like the Section 8 Housing Choice Voucher program. Additionally, communities might consider other preventative eviction policies and tenant protections, such as right-to-counsel programs, source-of-income discrimination laws and sealed eviction legislation. Collectively, these efforts might bolster the housing stability of [asset-limited and income-constrained but employed households](#) within the community, and thus make it more resilient and equitable.

Tenant Protections Can Make a Difference

Right to counsel: An important component of many eviction diversion programs is the right to counsel. Overwhelmingly, landlords tend to have legal representation while [only a fraction of renters do](#). When afforded legal representation, tenants tend to be [better prepared to navigate the complicated eviction process](#). With adequate legal support, tenants can develop a deeper knowledge of their rights and obtain greater access to resources that could assist them in reducing housing costs (e.g., fees, rent) and enable them to stay in their homes. Right-to-counsel programs often set eligibility criteria based on income for a tenant to qualify for legal representation. Typically, to be eligible, household income must be 80% or below the area median income. In some cases, additional qualifications are required.

[Louisville, Ky., offers a success story](#): Collaboration across disparate actors during the pandemic led to the successful passage of a city ordinance that established a right-to-counsel program for families with at least one child.

Source-of-income discrimination laws: In some cases, individuals are denied rental housing if they have income from government assistance programs (e.g., Section 8). Source-of-income discrimination laws make it illegal for landlords, owners and real estate brokers to refuse to rent to current or prospective tenants based on the income sources they use to pay their rent. While these laws wouldn't necessarily prevent evictions per se, they would [support access to rental housing for those already needing assistance](#).

Eviction sealing and expungement: When an eviction is filed for a tenant, regardless of the outcome, it remains in the rental history permanently and can become a major impediment to securing safe, stable housing. Landlords and property owners may deny prospective tenants access to housing when their screening uncovers an eviction filing.

Laws that seal and expunge eviction records [can mitigate some harmful consequences of eviction](#) and improve access to safe and stable housing in the future. Expungement, while not as common as sealing records, removes the filing from a court system's public view, masking the prospective tenant's rental history.

The pandemic has taught us the power (and limitations) of short-term interventions in housing markets to protect renters. As we move beyond the pandemic's emergency conditions, we turn to reimagining housing stability in the long term. Addressing these structural challenges will likely require innovative policies and a wide range of community stakeholders at the table.

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Notes and References

1. Data were not available for the entire St. Louis and Memphis metro areas. The St. Louis estimates omit Illinois counties in the metro area, and the Memphis estimates include only the central counties of Crittenden (Ark.), DeSoto (Miss.) and Shelby (Tenn.).

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Equity and Philanthropy: The Flow of Capital in St. Louis

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By [Sydney Diavua](#)

Capital is essential for community and economic development, with capital from governmental and philanthropic sources playing a pivotal role. While community development organizations in the Eighth District have experienced a [28% and 42% increase in foundation and government funding \(PDF\)](#), respectively, feedback suggests that the distribution of those dollars has not been equitable. Additionally, research suggests that, historically, such [funding has not been equitably allocated \(PDF\)](#), with organizations led by people of color and that serve communities of color receiving less. As we seek to inform strategies for community and economic development (CED) in the St. Louis region, it is imperative that we understand the current distribution of funding and recognize the catalysts and barriers to creating sustainable impact.

Equitable funding is key to creating economic equity. In pursuit of this goal, the St. Louis Fed's Community Partnerships and Investment team is analyzing capital flows from philanthropic sources and the federal government to CED nonprofits in St. Louis over the period from 2015 to 2019. To ground its analysis, our team held a roundtable discussion with a group of local stakeholders, who ranged from community development corporations to large nonprofits, to understand:

- The definition of a Black-led CED organization
- The experiences of Black-led CED organizations in St. Louis
- The unique challenges and opportunities for Black-led CED organizations in St. Louis

Understanding the Experience of Black-Led Nonprofits

Robust data is lacking at the community level on how Black-led organizations identify within the St. Louis market. A 2018 Deaconess Foundation report [highlights this lack \(PDF\)](#) regarding funding levels, needs and priorities. Participants in our roundtable discussion agreed that, at a minimum, these organizations should have a chief executive, as well as a range of board members, identifying as Black. One participant pointed to a board composition where 60% of members identify as Black or African American.

The group also observed that the presence of Black decision-makers within the CED organization was highly important. These representational leaders are described by Angela Jackson, John Kania and Tulaine Montgomery as "[proximate leaders](#)." They write: "Leaders who are proximate to the communities and issues they serve have the experience, relationships, data, and knowledge that are essential for developing solutions with measurable and sustainable impact."

Beyond developing our understanding of a Black-led organization, we followed the roundtable discussion to insights on three major themes: trust, partnerships and responsiveness.

Trust

Lack of trust was identified as a substantial barrier to advancing equity within the CED funding ecosystem. Stakeholders voiced concern that philanthropic giving may be predicated on an organization's, or even an individual's, level of social capital. Many in the group noted that trust may remain confined to a small contingent of organizations, and those that center around people of color are often outside this network. An assumption seems to exist that Black-led nonprofits aren't able to absorb large amounts of capital, and regional funders appear not to trust their organizational or operational capacity. The leaders of one organization described receiving scrutiny regarding their need rather than for the merit of their application. This has led the bulk of the organization's funding to come from outside the region.

Partnerships

Stakeholders noted that building partnerships is key to being successful in the funding ecosystem, even if sometimes it may not create large returns for Black-led nonprofits. Black-led organizations often receive recommendations to partner with white-led or larger nonprofits to be more competitive for funds, implying the need for an endorsement of their capacity or viability. In this light, the need for building partnerships among organizations led by people of color is a consequence of lack of trust.

It is important to note the power dynamics often present in these types of partnerships, because funder dollars don't necessarily flow downward to grassroots organizations led by leaders of color, or, when they do, the amount may be smaller than the percentage of funds offered to their white-led partners. As one roundtable participant shared, despite the emphasis on the need for partnerships, it can be rare to see more than one Black-led organization with a significant level of access to regional financial and social capital. What's more, organizations tend to find the funding environment highly competitive, driven by both funders and nonprofits. Stakeholders observed an increase in interest from Black-led organizations for tax credits, grants and new investments, which at times may breed greater regional competition and can create barriers for other Black-led organizations to access higher levels of sustainable capital. One stakeholder noted: "The only time this will work is if someone from the philanthropic community takes the role to be truly inclusive."

Responsiveness

The COVID-19 pandemic, along with reinvigorated calls for racial and social justice, produced an influx of funds to area organizations, especially Black-led organizations or those based in communities of color, like North St. Louis City. Stakeholders highlighted this as an example of philanthropy being reactionary rather than proactive by, for example, making early-stage investments in communities of color. They also noted that funding has been temporary, and they have not yet experienced a sustained increase of support. While substantial, these funds may have limited impact because organizations lacked prior investments that would have built their capacity to quickly deploy dollars at the neighborhood level.

One stakeholder raised the need for philanthropy to refocus on the strength of Black-led and grassroots organizations that saw themselves as the vanguard of discussions on equity before such conversations proliferated in other sectors. The group agreed that there is value in assessing which organizations and leaders made strides in advancing equity and creating mobility for vulnerable populations before large infusions of capital were at stake.

Next Steps

Through this roundtable discussion, our Community Partnerships and Investment team sought to explore how stakeholders created equitable outcomes for vulnerable communities of color in St. Louis. The resulting conversation, and others like it, will support our analysis of how funding is distributed to CED organizations, neighborhoods and other entities in an effort to better inform opportunities to create equity.

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