WASHINGTON — Today, the U.S. Department of the Treasury announced it will make the remaining more than $13 billion in funding under the second wave of Emergency Rental Assistance (ERA2) available to the high-performing state and local government grantees.

“Treasury is happy to provide these state and local government programs with additional resources to support Americans in need of rental assistance,” said Deputy Secretary Wally Adeyemo. “We are also committed to reallocating resources to ensure assistance reaches a struggling tenants and landlords during the pandemic.”

By early February, Treasury disbursed the full $25 billion available in the first round of ERA (ERA1) to state, local, and Tribal governments, along with $8.6 billion in additional funds made available in early May through the second round of ERA (ERA2) under the American Rescue Plan Act of 2021. Nearly 50 grantees spent more than 70% of their ERA1 allocations by July 31st, including in some of nation’s largest metro regions that have adopted Treasury’s best practices. In response to an increasing number of grantees expending their existing funds, Treasury is launching a process for high-performing grantees to draw down the remainder of their ERA2 funding. Grantees are eligible once they have substantially expended their ERA1 allocation and obligated at least 75% of the ERA2 funding that Treasury previously paid to them. Treasury has already paid out the remaining ERA2 allocations to grantees who met these criteria in recent weeks and is now launching a formal process to meet this growing demand.

The following are examples of some of the fastest distributors among state and local governments and their reported spending as of July 31st: These grantees have already or are expected to soon qualify to receive their remaining ERA2 funds.

PHILADELPHIA, PA
- The city's Department of Planning and Development marshalled efforts to quickly build a website, custom application, and back-end database in English and Spanish. The system cross-references data with public housing authorities and local utility companies to reduce applicants' documentation requirements for debts owed, validates income eligibility requirements, and guards against duplication of benefits. Philadelphia's program is also integrated directly into the city's eviction court system. The court requires defendants to apply for the city's ERA program before allowing the eviction to proceed. Further, all landlords who enroll in the city's ERA program are automatically enrolled in the eviction diversion system, alerting them to the resources offered by the city to help avoid tenant evictions, such as nonprofit mediation services. Last month, a court order extended protections to also bar lockouts when an applicant has completed their ERA application.

**THE ISLAND OF OAHU: CITY AND COUNTY OF HONOLULU AND DEPARTMENT OF HAWAIIAN HOME LANDS**

- On the island of Oahu, residents have access to ERA programs run by the City and County of Honolulu, and native Hawaiians also have access to programs managed by the Department of Hawaiian Home Lands, which provides assistance to native Hawaiians across the state. The nonprofit organizations running these programs have worked together to simplify the application process and provide additional “one-on-one” and culturally competent support to meet local needs. They have also proactively engaged with other nonprofit organization providing human services resulting in more integrated continuum of care for those in need of ERA benefits. These coordinated services have supported high spend rates on ERA funds for both grantee programs run by the City and County of Honolulu and the Department of Hawaiian Home Lands.

**THE CITY OF DES MOINES AND POLK COUNTY, IOWA**

- The City of Des Moines and Polk County were the first grantees to request their remaining ERA2 funds. The county and city have worked with their local governments to create a low barrier program for applicants that provides rental and utility assistance, implemented through a local community-based organization. The program has a strong relationship with the local court system to provide real-time support to those facing potential evictions. The program has also developed relationships with local refugee organizations to support program accessibility for these populations.
HOUSTON AND HARRIS COUNTY, TX

- The city of Houston and surrounding Harris County, TX have run a highly effective and collaborative program for months. Deputy Secretary Adeyemo visited the program and met with administrators in July. Last week, Harris County Judge Lina Hidalgo joined Secretary Yellen at a virtual event hosted by the White House highlighting successful ERA programs. At the event, Judge Hidalgo outlined how the county – which dispersed 92% of ERA1 funds out by the end of July – has used a proactive diversion plan, including efforts to reach out to renters who are on the eviction docket to connect them with assistance – alongside self-attestation and a streamlined application process to distribute all its ERA1 allocation.

LEON COUNTY, FL

- Leon County’s program administrators adopted Treasury guidance in designing their ERA application, which prioritizes simplicity. Applicants may demonstrate income eligibility through categorical eligibility – evidence of enrollment in other government benefits programs combined with self-attestation. They also created streamlined data processes with local utility companies to ensure more efficient utility payments. Further, program administrators pointed to the work of grassroots partnerships in making sure residents who most need the funds would learn about the program through culturally and linguistically relevant outreach and application support efforts.

NEW ORLEANS, LA

- The city of New Orleans’s program serves a large percentage of small landlords, as many of the rental units in the city are small multi-family residences that the landlord also occupies. Much of their landlord engagement efforts also involve broader educational resources to address small landlord financial needs, such as foreclosure mitigation. The city has focused a lot of efforts on community awareness through neighborhood engagement events. They also are actively working with the courts to help those facing eviction receive fast tracked emergency rental assistance.

The Emergency Rental Assistance program is creating a national infrastructure for rental assistance that previously didn’t exist. Treasury recognizes this meant that many state and local governments faced a difficult task early on in building the assistance infrastructure needed to get ERA funds quickly to eligible households. However, the success of a diverse
range of programs covering communities from big cities and states to remote counties show that it’s more than possible to do this effectively.

As U.S. Secretary of the Treasury, Janet L. Yellen reiterated at last week’s White House event highlighting high-performing program, while Treasury’s strong preference is for each jurisdiction to have the opportunity to use the full amount of its original ERA allocation, the department is prepared to reallocate funds from state and local programs that are not quickly dispersing funds to programs that are effectively getting funds out the door. The ERA1 statute requires Treasury to begin identifying excess funds that have not been obligated by a state or other grantee and reallocating those resources to high-performing jurisdictions that have obligated at least 65% of their original allocation. This process will make it possible for the highest-performing jurisdictions – like those who are drawing down on their full ERA2 funding – to access additional resources so they can continue serving tenants and landlords in need. Treasury will share more details on the reallocation process in the coming weeks, including the spending threshold grantees must meet to avoid having their funds reallocated to more successful programs.

Additional information for taxpayers on the Emergency Rental Assistance program.

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