



National Association of Housing and Redevelopment Officials

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January 25, 2021

Secretary Janet Yellen
U.S. Department of the Treasury
Washington, D.C.

Representative Marcia Fudge
Secretary Designate
U.S. Department of Housing and Urban Development
Washington, D.C.

Secretary Yellen and Secretary Designate Fudge:

Formed in 1933, the National Association of Housing and Redevelopment Officials (NAHRO) represents over 20,000 housing and community development individuals and agencies that own and operate affordable housing sites, including public housing, LIHTC and other federal and locally developed units, and who administer rental assistance programs in urban, rural, and suburban communities at the state and local level.

On January 19, the Department of the Treasury (Treasury or the Department) released a Frequently Asked Questions (FAQ) related to implementing the \$25 billion Emergency Rental Assistance Program (ERAP) enacted in the COVID-19 relief bill. Below, please find NAHRO's comments and concerns on the FAQ.

Clarification on ERA Funding for Tenants of Federally Subsidized Housing

The FAQ includes confusing language as to whether tenants of federally subsidized housing, e.g., Low Income Housing Credit, Public Housing, Section 8 voucher holders, or Indian Housing Block Grant-assisted properties, are eligible for ERAP. NAHRO requests that Treasury and HUD clarify this language to note that tenants of federally subsidized housing should be eligible for ERAP funds for the non-subsidized portion of their rent as there are instances where the program does not cover all the costs. For example, a voucher participant may have to use 40 percent of their income to afford a unit, while the voucher program assumes they will only use 30 percent of their income. This additional cost burden is currently unsubsidized. Additionally, utility allowances, allowing PHAs to help cover the cost of tenant-paid utilities, are only estimates. Utility allowances may not cover the rising costs of utilities when families remain at home to slow the spread of COVID-19. Furthermore, there is often a lag between when a household experiences a decrease in income and the income recertification effective date that enables the household to pay a lowered rent. During this period, the family pays a higher rent payment or payments than they should based on the family's actual income. This lag can be as long as three months depending upon the recertification process as significant documentation is required to verify the new income.

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Program Urgency

Due to the immediate crisis faced by renters across the country, NAHRO believes that evidence of household income, tenancy, housing instability, and unemployment should be achieved with minimal documentation by allowing individuals to attest or declare their eligibility for the program subject to the penalty of perjury. Treasury and HUD should allow for attestation in the FAQ, which is currently not included.

The FAQ also notes that grantees must make reasonable efforts to obtain the cooperation of landlords and utility providers to accept payments from the ERAP program. According to the FAQ, outreach will be considered complete if a request for participation is sent in writing, by certified mail, to the landlord or utility provider, and the addressee does not respond to the request within 21 calendar days after mailing. NAHRO is concerned by this provision for two reasons. One, 21 calendar days is far too long a period for a household to wait to hear back from their landlord or utility partner. It is entirely possible that a landlord could evict a renter in that period once the eviction moratorium is over, and it could impact a renter's ability to access funds that are being distributed to recipients that have immediate landlord cooperation. Second, landlords may be hesitant or not available to sign for certified mail, further slowing down the process.

Other Expenses Related to Housing

Treasury's FAQ does not consider telecommunication services to count as a utility and as such, prohibits ERAP funds from covering internet costs or arrears in the same way funds can be used to cover utilities and utility arrears. NAHRO believes that Treasury should consider telecommunication services as an "other expense related to housing," as employment and education from home has become essential during the COVID-19 outbreak for both adults and children.

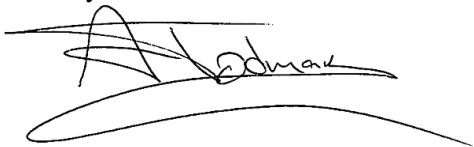
NAHRO also recommends that Treasury and HUD should include rent late fees, penalties, application fees, security deposits, and court costs related to eviction as "other expenses related to housing."

Ensuring Funds Prevent Eviction

NAHRO is also concerned that grantees are not required to pay for all of a household's rental or utility arrears. These households that receive only partial funding could still be evicted from their homes at the end of the eviction moratorium. If a landlord receives only partial rental arrears from this program, they should agree not to evict based on non-payment events and instead create additional repayment plans with the rental household at their discretion.

NAHRO will continue to provide input and ask for clarity as the Emergency Rental Assistance Program ramps up and as it operates. NAHRO staff and its members are available for further discussion. Feel free to contact me or Georgi Banna, NAHRO Director of Policy and Program Development at 202-580-7234 or at gbanna@nahro.org.

Thank you,

A handwritten signature in black ink, appearing to read 'Adrienne Todman', with a long horizontal flourish underneath.

Adrienne Todman
Chief Executive Officer
National Association of Housing and Redevelopment Officials (NAHRO)