

Policy Brief:
**A Review of the Pennsylvania Emergency Rental Assistance
Programs during COVID-19**

Issued August 31, 2021
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Recovery, But for Whom?

While the U.S. has rolled out vaccinations at a faster rate than expected and the economy changes as COVID-19 continues to pose a significant threat to public health in the country, there are still major concerns to be considered. There has been a larger focus on vaccine hesitancy than access and this comes at the detriment of many low-income and marginalized communities across the country. Vaccine distribution has all but ignored those who are not tech savvy, have less time away from obligations such as work or caring for a family member, have disabilities, have language barriers, and do not have access to adequate transportation. According to [one analysis](#), counties that rank high in the Center for Disease Control's index for "social vulnerability" had lower vaccination rates on average.

Latest [research](#) by the Eviction Lab shows a strong correlation in higher eviction filing rates in neighborhoods with lower vaccination rates in every jurisdiction for which they track data. Additionally, the [July jobs report](#) published by the U.S. Bureau of Labor shows data that unemployment remains high among non-white workers and women and job gains continue to remain below pre-pandemic levels, especially in low-wage frontline jobs. It is important to note that the unemployment rate does not include informal employment, of which was also hardest hit, making the picture for these communities undoubtedly worse. While this is a complex issue, part of the problem includes a lack of affordable and accessible child-care, wages remaining stagnant for low-income families looking to return to work, and lack of affordable healthcare in the era of a pandemic where not everyone has equitable access to a vaccine. The thread that connects these issues is a lack of acknowledgement of the invisibilized burdens many are facing, especially marginalized racial and ethnic communities. Given the foreshadow of a longer recovery ahead for low-income and racial and ethnic communities, it is clear the country needs to use a more targeted approach than history's past to ensure these communities are not once again left behind in the wake of disaster. Many vulnerable members of our nation will remain in debt for rent, utility, and other basic need payments unless targeted efforts are made to equitably distribute federal emergency assistance.

It is widely established that the COVID-19 crisis continues to have a disproportionate impact on persons of color, many of whom are part of low-income households. From higher rates of unemployment, to continued increased risk of death from COVID-19, to challenges with eviction and utility terminations, the crisis created by COVID-19 is not affecting all communities equally.

Some of the [highest unemployment figures](#) persist in low-wage industries – many of which predominantly hire people from disadvantaged groups, including persons of color – and jobs in these industries have remained furthest from pre-pandemic levels. For the jobs available in these industries, many are not line with the required level of pay needed to cover increased levels of costs of living. Full-time minimum wage workers [cannot afford](#) a one- or two-bedroom apartment in any state and more than 7.5 million extremely low-income renters spend more than half of their income on housing. The Center for Disease Control and Prevention (CDC) upholds [increasing evidence](#) that racial and ethnic minority groups have and continue to be at increased risk of getting sick and dying from COVID-19, despite an increase in vaccination rates overall. It is [estimated](#) that 15% of renters nationwide are not caught up on their rent, with rates twice as high among non-white groups when compared to white renters. In Pennsylvania, an estimated 23% of renters are not caught up on rent. A further breakdown of this data for Pennsylvania shows an estimated 48% of Hispanic/Latino, 31% of Black, and 37% of Asian households are not currently caught up on rent payments as of July 5, compared to 16% of white renters.¹ These statistics translate to what economists have coined a “[K-shaped](#)” recovery for years to come, where those who were able to remain stable or gain from the pandemic’s effects continue on an upward trajectory and those who have been unable to sustain the pandemic’s effects are on a downward trajectory and will have a longer recovery curve, disproportionately affecting those with low wage/are unemployed, who are non-college educated, and are non-white.

On the looming eviction crisis, the latest numbers from the [national research](#) shows that in 2016, there were over 2 million eviction filings submitted with close to 900,000 households formally evicted; this data does not account for sealed eviction cases, informal lockouts, illegal evictions, and the like. Pennsylvania saw [over 96,000 eviction filings in 2019](#). An Eviction Lab [national study](#) highlights Black and Latino renters, with women in particular, having higher rates of eviction filings and evictions from their homes. Based on research by [CREATE Lab](#) at Carnegie Mellon University and [The Reinvestment Fund](#), the Commonwealth’s two largest cities see a higher proportion of Black women with children being evicted, following the national trend. These studies also show that holding for other factors, eviction rates were higher based on race, or rather, racism. Despite the former national eviction moratorium, eviction filings and evictions – formal and informal – continued throughout the pandemic here in the Commonwealth. The result of evictions on communities can mean a [loss of affordable housing units](#) and [increased costs](#) on local, county, and state governments for emergency shelter, rehousing efforts, and other costs for families who are unable to stay stably housed. With the national eviction moratorium having been overturn on August 27 ahead of the official end in October, the housing crisis is expected to get worse over the coming months and years. A concerted effort to get aid out as quickly as possible while targeting relief to marginalized populations and more long-term policy solutions to housing issues need to be made.

¹ This [data](#) is estimated to be an undercount of the actual number of people struggling to pay rent due to non-response, which tends to be higher in groups that are younger, have lower levels of education, and identify as Black or Hispanic/Latino – groups that are also more likely to struggle to afford rent prior to the pandemic due to longstanding inequities.

Federal Funding Can Address Housing Instability Inequities Created by COVID-19

Evictions and utility terminations are not only a result of the pandemic and the economic shut-down; they have [fueled the spread](#) of the virus which, in turn, will continue to inflame economic hardship. There is an [association](#) between housing instability, including utility shut-offs, and increased rates of infection and death due to COVID-19. Those communities most at risk for COVID-19 and with least access to vaccinations are the [same communities](#) most threatened by evictions and utility terminations. There is disproportionate and dangerous health inequity due to the pandemic, with eviction prevention and continuous utility coverage serving as critical components of protecting against worsening disparity as well as continued transmission of the virus.

Landlords across the country, especially in communities that have been hit hardest by the pandemic's effects, have also felt the difficulties of balancing the public health and ensuring they are able to maintain their available housing. This housing could be preserved either by providing assistance to landlords by quickly distributing emergency rental assistance dollars or by helping mission-driven entities acquire and rehab the properties. It is important to direct resources to this housing to ensure that it is preserved and maintained by equitably distributing resources to areas with the highest need. Quickly distributing emergency rental assistance will make landlords whole.

To date, Pennsylvania has created two programs to stop COVID-related evictions and make landlords whole by distributing emergency rental assistance. A third round of federal funding that could help address issues created by COVID-19 was enacted March 2021. A [COVID-19 Health Disparity Response Task Force](#) was created at the state level to recommend policies to the state on how to ensure equity in the Commonwealth's response. The Task Force's top priority was ensuring Pennsylvanians remained equitably housed through the pandemic and set forth eight key provisions to achieve this goal – this brief echoes these recommendations. In previous financial crises, people of color and low-income people have come out of the crisis in [worse shape](#) while others have quickly recovered their losses. Without specific attention to the allocation of federal funding, Pennsylvania risks making decisions that exacerbate, rather than ameliorate, the inequities worsened by the COVID-19 crisis.

This brief provides an analysis of Pennsylvania's rental assistance programs and offers recommendations for the Commonwealth to ensure a fair and equitable response to the looming eviction crisis.

Pennsylvania Rose to the Challenge; New Funding Creates New Opportunities

When Pennsylvania received Coronavirus Relief Fund (CRF) money under the CARES Act in April 2020, the state joined 38 others across the country in creating rental and mortgage relief programs called the Rental and Mortgage Assistance Grant Program (RMAGP), allocating \$150 million for rent and \$25 million for mortgage assistance to keep residents housed through the pandemic. This program was run through the Pennsylvania Housing and Finance Agency (PHFA) and ended November 30, 2020, per the requirements at the time of the CRF. At the end of the programs, 16,515 renter households were served, totaling over \$54 million, and 2,616 mortgagees were served, totaling over \$10 million. Unfortunately, this total spent only represents roughly 37% of the total amount allocated for both programs and the amount unspent was redistributed to the Pennsylvania Department of Corrections.

In late December 2020, Congress created the Emergency Rental Assistance Program (ERAP), allocating \$569 million to the Commonwealth for emergency rental and utility assistance, with additional ERAP funds sent directly to larger cities and counties. The General Assembly quickly allocated the funds to the Department of Human Services (DHS). The second package of funding from the American Rescue Plan Act (ARPA) will soon create ERAP2 with \$670 million of additional funds allocated to affordable housing measures for renters, utility assistance, and supporting homelessness prevention. As an added protection for tenants, the U.S. Treasury Department included in its guidance that those receiving assistance under ERAP2 can be protected from eviction for non-payment by requiring landlords that receive funds not to evict tenants for nonpayment of rent for 30 to 90 days longer than the period covered by the rental assistance as a condition of receiving the funds.

CARES Act funding took place on an extremely rapid timeline early in the COVID-19 crisis. To respond to the urgency, PHFA allocated RMAGP's rental funds, known as the Rent Relief Program, to counties using a formula based on the percent of cost-burdened renters and percent of renters with a household income of under \$50,000. By contrast, the General Assembly allocated funding for the current ERAP1 program based on general population numbers rather than using a more targeted allocation formula the way PHFA did. Utilizing a per capita allocation without regard to the number of renters in a county, especially low-income renters most likely to need assistance, [means that some counties have received more funding than they can reasonably spend – and that other counties with a large proportion of renters do not have enough administrative or assistance funding to go around.](#) This month, DHS will have had an opportunity to recapture funding from counties that will not use all of their allocation and reallocate it to counties that project a shortfall. It is imperative to instate and/or reassess equity measures and goals to ensure the least amount of people are left out of the current and subsequent round(s) of emergency assistance.

Many renter households across the Commonwealth and the country have had to face utility cutoffs as well as evictions and accruing unpaid rent due to the difficulties of states needing to set up new programs, hiring administrative and outreach staff (if at all), and simply falling between the end of one program and start of another. In a [report](#) published by Community Legal Services, the Pennsylvania Utility Law Project, and the University of Pennsylvania, the analysis shows racial and ethnic disparities in utility insecurity exacerbated by the pandemic and provides recommendations to address these challenges. Additionally, the [Eviction Lab](#) highlights the

increased pace at which landlords filed eviction cases when federal, state, and local moratoria ended in September 2020 and the continued increase of rental debt, with Black women receiving a disproportionate share of eviction filings last year. With a disproportionate amount of landlords filing for eviction against Black and Latino renters, especially women and households with children, creating programs to ease the burden of an eviction filing on tenants can go a long way to addressing equity issues.

The end to the more robust eviction moratorium on July 31 and the United States Supreme Court judgement ruling the extended moratorium unconstitutional has already had negative outcomes for renters in the state and across the country as landlords move to evict tenants. Nationally, almost 6.5 million renters are behind on rent, and Pennsylvania has an estimated 484,000 renters – or 19 percent of the total renter population – who are not caught up on rent. Despite the distribution of billions in federal pandemic relief dollars, the Commonwealth has yet to hit a notable stride in distribution for emergency rental assistance. Data published by the U.S. [Treasury Department](#) and Pennsylvania's [Department of Human Services](#) show that many jurisdictions are also still lagging in getting money out the door despite the program starting over four months ago. The Commonwealth has disbursed between 14-16% of federal funding so far across 67 counties – this does not include the additional second package of funding allocated to the Commonwealth under ERAP2. Ahead of Pennsylvania are 15 states and the District of Columbia in distributing more aid, the top two being Texas and Virginia. Nationally, between 17-19% of aid has been distributed.

Utilizing Data Can Help Identify Opportunities to Address Inequities Using Federal Funding

Tracking data has been vital to addressing the pandemic's effects on communities and the economy. Elected officials, government staff, and non-profits all benefit from [timely and complete data](#) when allocating resources and reducing disparities among vulnerable groups. Additionally, both ERAP1 and ERAP2 have their own disaggregated demographic reporting requirements. DHS must make this disaggregated data available to the public as a matter of transparency and accountability to ensure the most impacted are also provided the most assistance. This data will also enable nonprofit and community partners and local governments to target their efforts where they are needed most. We also urge the state to be mindful of the reporting requirements when reallocating ERAP1 funds and allocating the ERAP2 funds. Pennsylvania will fare better in its reporting if the state targets the funds appropriately to begin with.

The Urban Institute created the [Emergency Rental Assistance Priority Index tool](#) to help states and localities direct rental relief funds to communities hardest hit by the pandemic. The index incorporates risk factors before and during the pandemic, demographic information, neighborhood conditions, and the prevalence of low-income renters who are at risk of experiencing housing instability and homelessness. There is emphasis on communities historically excluded from housing and economic opportunities, including Black, Latino, and Indigenous communities, that are experiencing higher than average levels of health and economic impacts. Alternatively, the [CDC Social Vitality Index](#) may be used to plan support for

these communities that need the most support. Pennsylvania can utilize these tools to better target resources to renters most in need.

Finally, 21 states and 13 jurisdictions across the country, including the Commonwealth's own Allegheny, Delaware, Lancaster, and Philadelphia counties, have made publicly available data dashboards on applications processed and funds distributed to be transparent and accountable. While DHS is required by the state legislature to produce monthly reports to be posted on their websites with this data, it would be helpful for advocates and policymakers alike for DHS to create its own dashboard to make current program improvements and allow for transparent monitoring of the emergency rental assistance program.

Best Practices in Targeting Federal Funding to Address Equity

Pennsylvania's goal is no doubt the same as other states across the nation – to support vulnerable households so they have stable homes in which to ride out the pandemic and remain secure through the recovery. The following state can serve as an example to distribute funds and respond equitably to the multiple crises the Commonwealth is facing.

1. [Washington](#) state's emergency rental assistance program was created with an intentional focus on equity from the outset by prioritizing marginalized communities, including Native and Indigenous Americans, immigrants and refugees, members of the LGBTQ+ community, and individuals with disabilities. The program also embedded multiple requirements in their statute, including, but not limited to: allocating 5% of total funds to local organizations focused on and trusted by communities of color and other marginalized populations, requiring standardized measures to report on households of color served, and was one of the first states to allow self-attestation of income and hardship due to COVID-19. According to a [case study](#) by the National Low Income Housing Coalition, approximately 90 percent of the state's \$110 million in CARES Act funding had been spent down by the end of 2020, with roughly 63 percent going to households of color and 70 percent to lowest-income renters. Washington state is also currently the only state in the country to have a statewide right to counsel program.

A joint [report](#) published by the National Low Income Housing Coalition and the Center for Law and Social Policy offers further local and state examples to ensuring effective and equitable emergency rental assistance programs. The Housing Initiative at Penn, in partnership with the National Low Income Housing Coalition and the NYU Furman Center, published a [report](#) also echoing the recommendations in this paper on how to effectively advance racial equity in emergency rental assistance programs. The collective published an additional [report](#) providing additional analysis of local and state programs across the country to assist program administrators with comparative knowledge to make programs as effective as possible. The National Council of State Housing Agencies also published a [report](#) to help guide state agencies through the process of administering funds through the federal emergency rental assistance programs. A collaboration between eight national organizations established a [framework for an equitable COVID-19 homelessness response](#) that serves as an additional resource.

Recommendations

Based on the information presented in this brief, in order to better provide affordable housing to all renters in the state, policymakers and administrators must ensure resources are distributed equitably to households, providers, and communities most in need. An effort must also be made to preserve and increase the stock of affordable housing and increase levels of renter protections statewide to ensure Pennsylvania does not continue the cycle that made the state vulnerable to housing instability before the onset of the pandemic.

State level recommendations

- Adopt moratoria at the local, county, and state levels to allow more time for renters across the entire Commonwealth to receive ERAP funds for arrears, as SCOTUS overturned the extended national moratorium.
- Authorize county courts to require rental assistance applications and alternative dispute resolution before an eviction filing. A priority for programs at every level should be to make renters and landlords aware that [aid is available](#) given more than half of renters and 40 percent of landlords do not know emergency rental assistance even exists.
- Establish stronger renter protections.
 - Examples include: sealing eviction records, protecting renters against “just-cause” evictions, allowing tenants to review and rectify their screening records for inaccurate information, and right to counsel.
- Establish alternatives to formal eviction proceedings.
 - Create programs such as eviction diversion, mediation, and connecting to other social service agencies and non-profits at the local, county, and state levels to better prevent evictions from occurring.

Department of Human Services and County level recommendations

- Create county and/or statewide public dashboards for ERAP including [indicators](#) outlined by the Pennsylvania Budget and Policy Center.
- Include targeted program criteria to ensure and require equitable distribution of funds to priority populations.
 - Can include criteria such as: 30% AMI or below; prioritizing areas with a high renter population or heightened eviction filing levels; allocating funds to community organizations serving marginalized populations; and instituting a framework to serve priority populations.
- Partner with trusted and local [community organizations](#) in hardest hit areas to widely market the emergency rental assistance program.
 - Many households, especially low-income households, will struggle to access online applications given the nearly 18% that do not have internet at home, neither through a computer or cell phone – especially in rural areas. Many local libraries are also closed for in-person services at this time.
- Allow for multiple program evaluations throughout the ERAP fund distribution to ensure funds are flowing at a reasonable pace and pivot as needed.

- Connect tenants receiving rental assistance with other program supports through DHS and community partnerships.

Conclusion

In order to mitigate the negative economic and social effects of the public health crisis, public policy and agency officials at every level should equitably allocate rental and utility assistance funds to communities disproportionately affected. By better targeting rental assistance, Pennsylvania can promote housing stability and slow the spread of COVID-19. The Commonwealth has ample opportunity to embed important equity measures into its program(s) and work with counties and their partners to ensure these measures are effective.

Addendum

The following is intended to serve as an informational resource for federal housing funding and emergency assistance relating to the COVID-19 pandemic and is not legal advice. Information relating to these funding streams continues to change rapidly and, as such, the information presented here may not be the most up to date at the time of document access. This is a working document – please contact us if you or your organization would like updates to be made.

1. **Coronavirus Aid, Relief, and Economic Security Act** “CARES Act” (15 U.S.C. 9061) (Mar. 27, 2020)
 - a. Included money for a variety of issues, including: housing, education, government shortfalls, pandemic unemployment, etc.
 - b. Housing funding (see p. 321), included:
 - i. Tenant based rental assistance \$1.25B
 - ii. Public housing – \$685B (to offset lost rent and higher cleaning costs, etc.)
 - iii. Housing for Persons with AIDS (HOPWA) – \$65M
 - iv. Community Development Block Grant Cares ACT (CDBG-CV) - \$5B in total. The funding is being distributed in three waves (available until September 30, 2022)
 1. Phase 1 - \$2B which was distributed according to the standard CDBG formula and went directly to “entitlement communities.”
 2. Phase 2 - \$2B will be distributed based on a new formula created by HUD (not standard CDBG allocation). Funding distribution in Pennsylvania is to be determined.
 3. Phase 3 - \$1B – details TBD
 - v. ESG – homeless assistance \$4B (available until September 30, 2022)
 1. DCED put out an RFP for this money on April 21, 2021
 - vi. Project-based rental assistance \$1B
 - vii. Elderly housing (202) - \$50M (must be spent by September 30, 2023)
 - viii. Housing disabilities (811) \$15M (must be spent by September 30, 2023)
 - ix. Fair housing \$2.5M (must be spent by September 30, 2021)
 - c. **Coronavirus Relief Fund** (\$150B to help State, Local, and Tribal governments), general money. In Pennsylvania, included \$8M for legal services. This funding is no longer available.

2. [Consolidated Appropriations Act, 2021](#), **Pub. L. No. 116-260** (Dec. 27, 2020)
 - a. Included funding for rental assistance under the title “Emergency Rental Assistance” (ERA) (see page 888). Funding was distributed to the states who are implementing in various ways. In Pennsylvania, the funding is being distributed under the name “[Emergency Rental Assistance Program](#)” (ERAP). This funding and the related programs are referred to by various names, including: CARES 2, ERA 1, and ERAP 1.
 - b. In addition to creating ERA/ERAP, it also:
 - i. included an extension of the “**Coronavirus Relief Fund**” (see above, in CARES Act) until December 31, 2021 (from December 30, 2020. (Title X – Miscellaneous, Sec. 1001)
 - ii. Confirmed and extended CDC eviction moratorium until January 31, 2021 (which CDC further extended until June 2021, then a less comprehensive extension from July 2021-October 2021, which SCOTUS overturned on August 27)

3. [American Rescue Plan Act of 2021](#), “**ARPA**” **Pub. L. No. 117-2** (Mar. 11, 2020)
 - a. Included a wide range of funding provisions. See also, PA Budget and Policy Center’s extensive [summary](#) of the kinds of issues addressed by ARPA.
 - b. ARPA included a range of housing provisions, including:
 - i. \$100 M to aid homeowners and renters in USDA financed homes.
 - ii. \$5B for vouchers to address/prevent homelessness, including for domestic violence survivors
 - iii. Includes an additional round of **Emergency Rental Assistance (ERA 2)** (Subtitle B – Housing Provisions, Sec. 3201).
 1. ERA2 is similar to ERA1, with some key differences:
 - a. included a limitation of 18 months of assistance total between ERA1 and ERA2
 - b. Unlike ERA1, ERA2 does not require financial difficulty “due to” the pandemic, it is enough that it occurred “during” the pandemic.
 2. Funding Details for ERA2
 - a. 40% of ERA2 funding was to be distributed by Treasury to states on May 7, 2021
 - b. \$21,550,000,000, is to remain available to fund ERA2 programs (until September 30, 2027)
 - c. After October 1, 2022, can use unspent funds for other housing for very low-income families if the grantee has used at least 75% of what was given for rental and utility assistance
 - d. Unspent funds will be reallocated on March 31, 2022; funds received from reallocation may be used for any “affordable housing purposes” for low income people.

- e. Not more than 10% of funds can be used for “housing stability services”
 - f. Not more than 15% of funds can be used for administrative expenses to operate the program
 - iv. \$5B for “Addressing Homelessness” HOME-McKinney-Vento hybrid
 - v. Adds Emergency Assistance for Rural Housing, Housing Counseling, and utilities
 - vi. **Homeowner Assistance Fund (HAF) \$10B** – will be created to support homeowners facing mortgage difficulties. HAF will operate through Sept 2025. States have to submit plans by July 31 or let Treasury know when they will submit a plan. Pilot programs may be operational later in the summer. PA received \$350 million of which \$35 million may be used right away for pilot programs.
- c. ARPA also creates State and Local Fiscal Recovery Funds (like the CRF) – purpose to fill budget gaps from the pandemic, but can be used for other pandemic-related issues. PA received \$7.3 billion. Every local government also received a direct allocation from Treasury. Treasury guidance includes housing services and housing development as eligible uses.