Abt Associates

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Lessons from Eight States Regarding Factors That Have Contributed to States' ERA1 Spending Rates

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In response to the economic downturn brought about by the COVID-19 pandemic, and to help avoid the eviction of renter households during the pandemic, Congress enacted two emergency rental assistance (ERA) programs: It provided $25 billion to states and other jurisdictions in December 2020 (ERA1) and an additional $21.6 billion in March 2021 (ERA2). In total, Congress allocated $46.6 billion to states and other jurisdictions to assist renter households in need. ERA1 funds expire in September 2022, and ERA2 funds expire in September 2025.

While ERA1 spending has increased each month between April 2021 and August 2021 (the most recent month for which data is available as of this writing), the cumulative spending level in many states and localities through the end of August is lower than many anticipated. This has raised questions about the causes of the spending delay and the apparent underspending and about the effectiveness of the formula used to distribute funding to grantees.

In this report, we examine states' spending rates and factors that have affected those rates. Specifically, we explore the following questions:

- In what ways have the design and implementation of ERA programs by individual states affected the states' relative rates of spending?
- What other factors may have affected their spending rates?

In July 2021, Abt held individual discussions with ERA program staff from eight different states: California, Illinois, Kansas, Maine, Oklahoma, South Dakota, Tennessee, and Virginia. Those states were selected by NCSHA for inclusion in the study to reflect programs that differed in several ways, including in geographic and population diversity, the sizes of the ERA1 allocations they received, and their ERA1 spending rates as of May 2021.

As Table 1 shows, the total amount allocated to each of the eight states (excluding direct allocations to localities) varied widely, ranging from $1.5 billion for California — the most received by any state — to $200 million for Maine and South Dakota. All but one program launched in February or March of 2021, and rates of spending as of August 31, 2021, range from a high of 77 percent in Virginia to a low of 3 percent in South Dakota. Illinois launched much later than the other programs in the sample yet has the second-highest spending rate.

TABLE 1: ALLOCATIONS, LAUNCH DATES, AND SPENDING RATES OF EIGHT STATE ERA1 PROGRAMS

State	State ERA1 allocation ($, millions)	ERA1 program launch date	Amount of state ERA1 allocation available for payments to households ($, millions)[a]	ERA1 spending as of August 31, 2021 ($, millions)[b]	Share of state allocation for payments to households spent as of July 31, 2021 (%)[c]
California	$1,497.6	3/15/21	$1,213.1	$520.0	42.9%
Illinois	566.3	5/17/21	458.7	245.1	53.4
Kansas	169.3	3/15/21	137.2	32.0	23.3
Maine	200.0	3/1/21	162.0	47.6	29.4
Oklahoma	210.0	3/15/21	170.1	36.4	21.4
South Dakota	200.0	2/8/21	162.0	4.9	3.0
Tennessee	383.4	3/1/21	310.6	25.3	8.1
Virginia	524.6	2/12/21[d]	424.9	328.8	77.4

Source: U.S. Department of the Treasury Emergency Rental Assistance Program (ERA) Reporting: January 1 – August 31, 2021

Note: None of the values in this table reflect funds directly allocated to cities, counties, or tribal areas within the state.

a. Value reflects the 81 percent of the total state allocation eligible for payments to households for rent, rental arrears, utility and home energy costs, utility and home energy cost arrears, and other housing expenses. The amount excludes funds for program administration or housing stability services.

b. The total dollar amount of ERA grant funds the ERA grantee paid to or for participating households through August 31, 2021, including payments for rent, rental arrears, utility and home energy costs, utility and home energy cost arrears, and other housing expenses. This does not include amounts paid for program administration or housing stability services. Source: [U.S. Department of the Treasury Emergency Rental Assistance Program (ERA) Reporting: January 1 – August 31, 2021]

c. Share is calculated by dividing the amount a state spent on payments to households (for rent, rental arrears, utility and home energy costs, utility and home energy cost arrears, and other housing expenses) by the amount of the state's overall allocation that can be used for those payments (i.e., 81 percent of the total allocation).

d. Virginia never closed its emergency rental assistance program established in 2020 using the Coronavirus Relief Fund; February 12, 2021, is the date at which the program became funded through ERA1 funds.

In our discussions, representatives from all states described, in varying ways, how designing and implementing an ERA program is difficult and time-consuming work that requires, among other challenges, increasing staff capacity to run the program (in a tight labor market), working with vendors to design intake or processing portals, and developing outreach and marketing campaigns for renters and landlords, including those who historically have been difficult to reach. As one discussant noted, state housing finance agencies (the state agencies charged with administering many state ERA1 programs) typically do not manage rental assistance programs, emergency or otherwise, nor are they experienced with direct-to-consumer application and payment processing.

The perception reported in some news articles that states have failed to distribute ERA1 funds in a timely manner did not feel like a fair portrayal to the program administrators we spoke with. They mentioned the public was made aware of how quickly the Treasury Department distributed the funds to states but was not made aware of all the regulations attached to the funds that states had to navigate before they could distribute the aid. Overall, program administrators expressed pride in what they have been able to accomplish under difficult circumstances and report they continue to work on increasing speed and efficiency.

In the following sections, we discuss a range of factors that appear, on the basis of our interviews and analysis, to have affected state ERA1 spending rates. We begin with some technical issues related to funding allocations, including the small-state minimum and the separate allocation of funds to cities and states.

Effects of the small-state minimum on state agency spending rates

As a result of the congressional allocation formula, which included a small-state minimum of $200 million, less populous states received a greater allocation per renter household than more populous states. As Table 2 shows, South Dakota, the smallest state in the sample, received over $1,300 more per renter household than California, the largest state. (This table reflects the total amount allocated to a state by Treasury, including amounts provided to the state and to cities within the state, but excluding tribal entities.) The higher allocation per renter household to states with smaller populations is exacerbated by differences in rent levels, which tend to be lower in states with small populations. As a result, the amount of per-household assistance needed to meet emergency rental needs may likewise be smaller. For example, in 2019, the median gross rent was $769 per month in South Dakota and $1,614 per month in California.[1]

TABLE 2: TOTAL STATE AND PER RENTER HOUSEHOLD ERA1 ALLOCATION AMOUNTS

State	Total ERA1 allocation ($)	Number of renter households	Per renter household allocation ($)
California	$2,610,593,356	5,889,686	$443.25
Illinois	834,709,843	1,643,419	507.91
Kansas	200,000,000	381,104	524.79
Maine	200,000,000	155,162	1,288.98
Oklahoma	263,975,439	508,939	518.68
South Dakota	200,000,000	110,790	1,805.22
Tennessee	456,682,775	875,045	521.90
Virginia	569,661,204	1,063,334	535.73

Sources: For ERA1 allocation amounts, the U.S. Department of the Treasury Emergency Rental Assistance Program (ERA1) Interim Report; January 1 – June 30, 2021. For number of renter households, U.S. Census American Community Survey 2015 – 2019, accessed via PolicyMap.org on July 21, 2021.

Note: Values in this table include funds directly allocated to cities and counties in the state but not tribal areas.

In our discussions with program administrators from the sample states, representatives from the less populous states noted that their allocations were likely too large given the need for rental assistance in

[1] US Census Bureau, *Selected Housing Characteristics*, American Community Survey, 2019 ACS 1-Year Estimates, Table DP04, using data.census.gov, August 22, 2021.

their states and that the allocation mismatch (related to the small-state minimum) contributes to the perception they are not efficiently assisting households in need.
Program administrators from three states receiving the small-state minimum acknowledged they are unlikely to expend or obligate 65 percent of their funding by September 30, 2021.[1] Program administrators from those states indicated the allocation they received was misaligned with the need for assistance, especially given the tight timeframe in which the funds need to be expended or obligated and the restrictions on how the assistance can be provided. One state noted it could likely spend its total ERA1 allocation by September 30, 2022, when the funds expire, but cannot spend it quickly enough to meet the September 30, 2021, target. Another state that received the small-state minimum allocation of $200 million believed a minimum of $150 million would have been a more reasonable allocation. A third state did not expect to achieve the September 30, 2021, spending target partly because the allocation outweighed the need and partly because of the requirement that ERA1 funds be used to assist only households that could demonstrate a financial impact attributable to the pandemic. That state has already started using the more flexible ERA2 funds to assist households with rental assistance needs that they believe do not qualify for assistance under ERA1.

Although program administrators from the less populous states in our sample noted that their ERA1 allocations were likely more than needed, they also stressed the general wisdom of small-state minimum allocations because of the need to implement program components (such as developing intake portals and application processing systems) that are costly for any state regardless of its population. Without a small-state minimum, some states would not receive enough funding to make these investments in program infrastructure cost effective or even possible under the administrative caps.

Program administrators in three states — Virginia, Illinois, and Tennessee — expressed confidence in meeting the September 30, 2021, spending deadline. Tennessee intends to meet the requirement by obligating a portion of the state's allocation to local ERA programs in the state.

Program administrators in California and Illinois, the two most populous states in the study sample, expressed hope that the Treasury Department will reallocate ERA1 money from states with less need to their own states. Both believe their states have enough need to spend more than their initial ERA1 allocations.

Potential effects of direct allocations to localities on state agency spending rates

The congressional ERA1 allocation formula gave cities and counties with a population of 200,000 or more the option to receive a direct allocation from Treasury and establish an ERA program independent from the state program. Localities that elected to receive a direct allocation received state funds according to the following formula: the product of the state allocation amount, the local government's share of the state population, and 45 percent.

[1] In the intervening time between when this paper was drafted and its publication, Treasury provided more detailed guidance on ERA1 reobligation, with a phased-in process under which grantees must meet expenditure benchmarks every two months between September 30, 2021, and March 31, 2022. The expenditure benchmark for September 30, 2021, is 30 percent of a grantee's grant amount, with various caveats.

Any funds allocated to a locality reduced by an equivalent amount the allocation to the locality's state. As shown in Table 3, six of the eight states in this study have local ERA1 programs in their states. By contrast, Maine and South Dakota each have a single statewide ERA1 program (excluding tribal areas).

TABLE 3: ALLOCATIONS TO STATE AND LOCAL ERA1 PROGRAMS

State	ERA1 allocation to state agencies ($)	Total local ERA1 allocations ($)	Number of localities receiving direct allocation	Share of total ERA1 funds allocated to localities (%)
California	$1,497,605,326.90	$1,112,988,029	49	42.6%
Illinois	566,275,814.90	268,434,028	10	32.2
Kansas	169,344,015.10	30,655,985	2	15.3
Maine	200,000,000.00	0	0	0
Oklahoma	210,011,148.50	53,964,290	5	20.4
South Dakota	200,000,000.00	0	0	0
Tennessee	383,440,280.40	73,242,494	5	16.0
Virginia	524,601,619.90	45,059,584	2	7.9

Source: U.S. Department of the Treasury Emergency Rental Assistance Program (ERA1) Interim Report: January 1 – June 30, 2021.

Note: Values in the table do not include direct allocations to tribal areas within the state.

While ERA1 allows multiple programs to operate within a state, it does not dictate whether ERA programs within a state should coordinate activities, or how they should do so. The states interviewed for this study took different approaches to working with the local ERA programs in their respective states, which may have had implications for their ability to launch and manage the programs (see Appendix 1 for an overview of state and local programs in the eight states).

The ability of some cities and counties to receive direct ERA1 allocations from Treasury has important implications for the ability of ERA programs administered by state agencies to quickly disburse funds to households in need of assistance. Having multiple ERA programs in a state creates opportunities to add capacity or flexibility to the programs (such as through coordination among state and local programs or by tailoring local programs to the unique needs and preferences of their communities) but can also create challenges for program administrators and the tenants and landlords they aim to serve.

In the discussions with the states, we heard state program administrators spent time in the early stages of program design negotiating with localities that received direct allocations about whether the localities should join the state program or how state and local programs could align their approaches. Illinois, for example, described having "calls and calls and calls with [localities that received direct allocations] and getting those jurisdictions comfortable with ceding their money and getting them comfortable with ensuring that we would get the money back to their community" and indicated that "a lot of work was done by [state program staff] to build those relationships." California invested considerable time designing an approach that would serve areas of the state that did not qualify for a direct allocation while also supplementing the assistance available to households in localities that established local programs;

state program staff believed this approach was important given the limited capacity of some localities to implement local programs.

The presence of both state and local programs in a single state creates other issues besides the need for more time at the outset to coordinate programs. It creates an ongoing need to coordinate on issues such as assessing whether households are receiving duplicate benefits from different programs and to coordinate marketing and outreach strategies to minimize confusion by prospective applicants.

Several program administrators noted that many localities, especially those with a population as small as 200,000 and those with no previous experience implementing a rental assistance program, would not likely have the capacity to quickly launch an ERA program. Program administrators in three states (two of which have local ERA programs and the third of which encouraged eligible localities to join the state program) expressed the opinion that a single statewide program would have been the most efficient way to quickly deploy funds to renter households. One discussant opined that 500,000 would be a more reasonable minimum population size for cities or counties to receive a direct allocation for an ERA program.

State program administrators' perception of the level of need for assistance among renter households

The interviewees from the eight state programs reported different levels of need among renter households. Individuals from more populous states with large urban areas reported higher levels of need in their states, and individuals from less populous states and those with more rural areas reported lower levels of need.

The interviewee from South Dakota, for example, indicated that their state did not have as much need for rental assistance as other states because of several factors, among them (a) the state did not order businesses to close during the pandemic (and thus maintained a low unemployment rate) and (b) housing in South Dakota is affordable relative to that in other states. Several program administrators also noted that renter households in need of assistance may have worked with their landlord or received help from family or friends if they fell behind on rent. Additionally, some program administrators noted that some residents in their state need rental assistance because they have a fixed income that is insufficient to cover their living expenses rather than because of the pandemic. This circumstance led the state to deny assistance to some households that applied under ERA1 and to recommend that those households apply for assistance under the more flexible ERA2.

Program administrators from Maine expressed the view that Maine's previous ERA program, which operated for seven months in 2020 and closed just two months before the ERA1 program launched in March 2021, reduced the backlog of need in the state. Like South Dakota, Maine's program had received some applications from renter households with a clear need for rental assistance that predated the pandemic and who were thus ineligible for assistance under ERA1 because of the preexisting need. Program administrators also cited other factors that may have reduced Maine's need for rental assistance, including the state's low share of renter households relative to that of other states, the level of unemployment benefits provided during the pandemic, the acceptance by landlords of reduced rents or the arrangement of other payment plans with tenants, and other steps taken by renter households to get by, such as by selling a car or putting expenses on a credit card.

Program administrators from Tennessee noted that they found it difficult to determine the exact level of need for assistance because some tenants had used other resources, such as credit cards and loans, to cover rent payments. Some administrators are seeing a disconnect between a higher level of need reported in surveys and a lower level of actual applications, including in urban areas of the state served by local ERA programs. Administrators in Kansas and Oklahoma indicated that the need for assistance was relatively high in those states' urban areas but lower in rural areas, while also noting that rural households with need may be harder to reach or may be more reluctant to seek assistance.

Program administrators in Virginia believed there is significant need for rental assistance during the pandemic given the large number of low-income renter households that struggled to pay their rents before the pandemic. Additionally, a program administrator noted that ERA1 can assist households with prospective rent payments, not just households with rental arrears, and added, "If you're at or below 80 percent [area median income], you [likely] need help paying your rent." Program administrators in California and Illinois also indicated the need for assistance in their states is significant and is greater than their ERA1 allocation.

Steps taken by Virginia and Illinois to increase flexibility and efficiency

Virginia and Illinois (two of the three states in the study sample that have expended the highest share of their respective allocations) took several steps to add flexibility and efficiencies to their ERA programs.

With an eye to making the program as flexible and fast as possible, Virginia launched its program earlier than all but one state in the sample and worked quickly to adjust the program as Treasury provided updated guidance. One discussant said their approach to designing and implementing the program was "a mentality of how to get to 'yes,' and not what are the reasons for saying 'no.'" Another noted, "We've never imposed restrictions on the program that weren't imposed by [Treasury guidance]." Virginia accepts self-certifications to document applicants' income (including for applicants who earn income but cannot provide pay stubs or bank statements) and to demonstrate the financial impact of the pandemic.

Virginia also took advantage of Treasury guidance from May 7, 2021, that allows ERA programs to use fact-specific proxies for three-person households to reduce income documentation that applicants would otherwise need to provide. Program staff analyzed zip codes in the state and determined that 500 zip codes had median household incomes low enough that most households in those zip codes would likely be income-eligible for program assistance. Now, when applicants in those zip codes apply for assistance, they do not have to provide income documentation. Bypassing this step reduces both the burden on applicants and the time required for program administrators to review applications. Soon after the program adopted the fact-specific proxy, it notified 13,000 applicants in the eligible zip codes who had started but not submitted applications that they no longer needed to provide income documentation.

Illinois launched its program later than any other state in our study sample (mid-May), but it quickly processed applications thereafter. Program staff explained the later start was due to a redesign of technology (they had been using it for an emergency rental assistance program administered in 2020) and a streamlining of the program, adding, "We put more time in up front to process design so that when we opened our doors, we could move fast." Like Virginia, Illinois looked for opportunities to reduce the documentation required from applicants by accepting self-certification of income and rental agreements with landlords. In addition to reducing burdensome application steps or requirements, Illinois program administrators also took steps to efficiently manage their program. They believe a centralized application and payment processing system is one factor that contributed to the program's spending rate (although Illinois partners with agencies across the state to assist with outreach and to help some households apply, all application review and payment processes are conducted in a centralized office). Additionally, Illinois assigns processing staff to teams who consistently work together to review applications. When questions arise during application processing, they are discussed by a team; more complex questions are shared with other team leads and senior program staff. Over time, this process has contributed to a deeper understanding of the program guidelines among individual processors and more efficiency and uniformity in processing the applications.

Notably, neither Virginia nor Illinois included payments to utility providers in its ERA1 program. Program administrators from both states opined that excluding those payments allowed their programs to move faster than states that did include payments to utilities (which add complexity) in their programs. Both Virginia and Illinois have funded separate programs to assist households with utility payments.

Many of the states with lower spending rates than Virginia and Illinois also incorporated flexibility into their programs and removed potential barriers for applicants, though not to the same degree as Virginia and Illinois. South Dakota, for example, allowed applicants to qualify for assistance if they had already qualified for other means-tested programs. Kansas, after receiving updated guidance from Treasury, removed a restriction on paying late fees to landlords along with rental arrearages, which increased the willingness of some landlords to participate in the program. Since our interview, Kansas also has modified its policies to allow direct payments to tenants if a landlord is unable or unwilling to participate in the program.

Effects of previous experience with emergency rental assistance programs on ERA1 spending

Only two of the eight states, California and Tennessee, had not managed an emergency rental assistance program before launching programs with ERA1 funds. States that had previous experience managing an emergency rental assistance program, typically using Coronavirus Relief Fund money, gained valuable experience that carried over to their ERA1-funded programs, despite the need to redesign the programs to meet Treasury's requirements. As one discussant from Virginia put it, "One of the main reasons why we've been able to get so much money out the door so quickly is that we already had a program in place and running." Maine, which was the second-fastest spender among the study sample, believed that running its earlier ERA program "gave it a leg up" relative to other states.

Administrators from South Dakota and Oklahoma described successful elements of their 2020 emergency rental assistance programs that they then incorporated in their ERA1 programs: South Dakota continued to use its 211 helpline to accept applications for rental assistance, though it required some modifications to meet the requirements of ERA1, and Oklahoma contracted with the same nonprofit organization that implemented its 2020 program (funded through the CARES Act) to manage its ERA1 program.

Although Tennessee did not have an emergency rental assistance program in 2020, it did contract with a firm to manage a portion of its CARES Act funds. Then, when the ERA1 funds were distributed, Tennessee was quickly able to shift the management of its ERA1 program to the firm, as the contract from the other program was still in place.

Effects of statutory requirements and Treasury guidance

Several states attributed challenges in designing and implementing ERA programs to statutory requirements or delayed or changing guidance from Treasury. Treasury's initial ERA1 guidelines were released just before the change in administration but left a number of questions unanswered; the new administration provided additional guidance, but it understandably took time for new officials to be in a position to provide this clarification. Tennessee program administrators, for example, acknowledged a slow start to their program but felt it was in part because of the difficulty of launching a program with little guidance. This minimal guidance left them in a situation where, in their words, "It's hard to drive the bus when you're building it." Since then, the program improved its rates of disbursement and is now releasing $2.5 million in funds each week. The administrators have seen an increase in applications and are able to process them more efficiently.

Program administrators in Maine noted that Treasury quickly disbursed ERA1 allocations to states, which contributed to the perception that states were moving slowly in getting money to renters in need; in actuality, they noted, it was very time-consuming to ensure their program was following the requirements.

Oklahoma program administrators believed the 10 percent cap on funds for program administration was insufficient given the need for costly software and record keeping for compliance purposes. Additionally, they noted the guidance from Treasury often changed, which created additional work for their staff, most of whom were not experienced in housing programs or managing federal funds.

Kansas indicated that 2 C.F.R. Part 200 (federal requirements related to grant making) limited the types of organizations the state could partner with to administer the program. As a result, and because of concerns over the need to monitor grant funds, the state only worked with partners it knew had experience managing federal money.

Challenges of developing program guidelines and intake processes

Some states experienced setbacks that delayed the launch of their ERA programs or reduced their pace of processing applications. California program administrators, for example, expressed both the importance and the difficulty of developing a program and intake process that could handle and protect personally identifiable information and support applicants in 20 different languages. They implemented their program slowly on purpose to ensure that the processes and infrastructure would be sustainable, stating, "We have to do all this work up front when the need is great to do it correctly. But all of this slows down the funds." Additionally, California spent time designing its program to best serve the long-term needs of renter households in the state, including those in high-cost cities that may be served by local ERA1 programs. As they initially designed the program, administrators were not certain whether the state would receive an ERA2 allocation; thus, they tried to stretch the ERA1 funds by covering only 80 percent of rental arrears and asking landlords to forgive 20 percent of arrears. With the addition of the longer-term ERA2 allocation, administrators redesigned the program to cover 100 percent of arrearages. Notably, California's state legislature was involved in developing the program guidelines, which added complexity and time to the design phase.

Tennessee program administrators said they believed the program has been successful partly because they contracted with an external firm to help administer it, which enabled them to quickly add capacity to launch a call center and to process applications. Nevertheless, program administrators said it was difficult to develop an intake process that met the requirements of the statute: "ERA1 requires that we get the information from both the landlord and the tenant, so we have to get info from both and marry them together. And getting all of those docs that we need as quickly as possible… that's one of the things that made our start-up slow as we learned how to better mine for that information."

Maine program administrators discussed struggling to get applicants' documentation, noting that, at one point, only about five percent of applicants submitted an application that included all required documentation. As a result, Maine's processing staff had to make individual phone calls to many applicants to ask for additional documentation, decreasing the rate of spending and increasing the time spent on intake. Over time, Maine has developed a practice among the community agencies implementing the program to standardize the processing of applications and reporting, which has improved the processing pace.

Staffing challenges

Program administrators from Kansas and Maine discussed the difficulty of quickly hiring and training staff to administer their programs. When Kansas launched its program, it faced setbacks because of the need to add temporary staff and to train new staff members, including those with no background in housing. Program administrators believed that, to ensure a high level of customer service for applicant households, it was important to hire locally rather than contract with an outside organization to process applications. The staffing-related delays contributed to slower processing times and a backlog of applications that lasted through June 2021. In Maine, the community action agencies that administered the program struggled to hire qualified staff, and some workers had difficulty understanding the income verification process.

Challenges with application portals and software vendors

Part of the challenge of launching an ERA program was setting up a software program to accept and process applications. For states with less capacity, fewer administrative funds, or no history running similar programs, this presented a significant challenge. For example, administrators from Maine noted that their software system was not designed for housing or ERA and thus was not as streamlined as some other states' software systems. Oklahoma administrators ran into a similar issue and ended up adapting a system that was initially designed to distribute scholarship payments to college students. Oklahoma's staff noted that prioritization, for instance, doesn't happen in the software itself and has to be done externally in addition to other processing tasks.

Oklahoma program administrators also noted that their payment processing has slowed recently despite a rise in applications. They attributed this slowdown to a need to rework some of their processes that are not able to handle the increased demand and said they are working on improving these processes to better handle the caseload. Oklahoma administrators also need to improve their IT systems to process applications. As noted, they are using a system designed to distribute scholarships to college students. Although they have customized that system to its maximum potential, it has limited functionality for the state's needs. At the time of this writing, Oklahoma was looking for a new system more suited to managing ERA funds.

Administrators in Kansas have had challenges with the software they are using to administer the program: It was not ready when they needed it, and that delay affected their ability to process applications. For six weeks, they were able to accept applications but could not process any payments. During that time, they relied on webinars (for landlords) and Facebook messages (for landlords and tenants) to communicate about the delay.

Outreach and marketing for ERA programs

State programs have used relationships with local governments, housing authorities, state agencies, and community partners to help them contact hard-to-reach populations or other individuals who may not be aware of the availability of ERA. Program administrators reported that the 10 percent cap on funds for program administration has limited some states' ability to leverage these partnerships, but each of the eight states has used partnerships in varying ways during their outreach process. The program administrators we spoke with reported a wide range of outreach strategies, including using radio, TV, social media, advertisements in utility bills, and in-person conversations; Oklahoma, for example, conducts outreach at courthouses to reach households facing eviction.

While generally reporting comprehensive outreach approaches, program administrators acknowledged there was room for further improvement. Kansas program administrators, for example, said they still hear about households that do not know about its ERA program, and South Dakota administrators had not yet conducted outreach by TV or radio at the time of our discussion. A program administrator in California described how the presence of so many ERA programs in the state conducting separate outreach and marketing campaigns and marketing via shared media markets can create confusion for households that are trying to find assistance and might not understand which program they are eligible for.

Landlord awareness of and willingness to participate in ERA programs

Program administrators reported that, in general, landlords are aware of the availability of ERA funds. They noted some landlords may not be interested in participating in the program, however, which can affect state spending levels. They described some cases in which landlords have been skeptical about the program (thinking it was a scam) or misunderstood the program design (thinking payments would go to tenants or could not help with rent in arrears). When states have conducted direct outreach to help landlords understand the program's authenticity and program rules, landlords have often expressed a willingness to participate.

South Dakota and Oklahoma both reported working with property management and landlord organizations to get the word out about their programs; South Dakota reported better success in working with these groups. While the state of Oklahoma did work with landlord/property management organizations, program administrators acknowledge a need for further outreach. Part of Oklahoma's challenge in implementing the rental assistance program has been that some landlords were reluctant to participate in the program because of the cultural norms that promote "pulling yourself up by the bootstraps" and not seeking help from the state. The state's administrators reported they had received support from media and marketing groups and had connected with several other state agencies to disseminate information about the program. South Dakota's program administrator also administers the Housing Choice Voucher program and thus has direct access to many large landlords through a database of management companies and owners. However, they report having difficulty finding small landlords because there is no centralized apartment registry in the state.

According to the program administrators, some landlords are reluctant to participate in ERA programs for a variety of reasons. Program administrators from Maine and Tennessee reported a few landlords have been unwilling to provide a W-9 because they may not be claiming that income to the IRS, and Tennessee reported that the potential administrative burden was a concern for some landlords. Some landlords in Tennessee, Kansas, and Virginia reportedly are not interested in participating in the program, preferring to evict tenants or not renew leases because they can sell their property at a premium. However, Virginia now has added tenant protections preventing landlords from evicting without first attempting to work with their tenant to apply for rent relief.

Some states have revised their program design to be more amenable to landlords. Kansas, for example, initially did not allow landlords to claim reimbursement for late fees, which may have discouraged some landlords from participating in the program. The state revised this provision to allow landlords to recoup late fees, which may have encouraged greater landlord participation.

Appendix 1: Overviews of state and local programs in eight states

This section contains brief overviews of state and local programs in each of the eight states Abt interviewed for this study.

California has many localities that qualified for direct allocations from Treasury and, based in part on decisions made by the state legislature regarding how funds would be allocated from the state to localities, has three types of ERA programs.

1. The state program serves cities and counties in California that did not qualify for a direct allocation from Treasury because they have a population of fewer than 200,000. Additionally, local governments with a population of more than 200,000 that received direct federal funds can elect to redirect their funds to the state for the state to administer.
2. Localities that received direct federal funding also can request a block grant from the state. The block grant, which is funded by the state's $1.4 billion allocation from Treasury, can be combined with a locality's direct allocation to serve a larger number of households. To receive the block grant, a local government must agree to follow the state's ERA program guidelines to administer its local program, even when the local program is initially relying solely on the locality's direct federal allocation. For this option, applicants must apply through the local program in their area.
3. In some cities and counties, both the state program and a local program are available to assist households. The local program is administered by the locality using its direct allocation from Treasury and can have program guidelines that differ from the state's program. Applicants may choose to apply through either the state or local program.

Illinois administers a statewide program that overlaps with individual local programs. Tenants and landlords residing in areas with a local program may elect to apply through the local program or the state program. Of the 10 local jurisdictions that received direct allocations from Treasury, 4 ceded their funds to the state to administer rather than developing individual local programs.

Kansas administers a statewide program. Two localities in the state received direct allocations. Johnson County received a direct allocation but redirected the funds to the state to administer. The City of Wichita launched an ERA program with its direct allocation and was not initially served by the state program. However, Kansas and Wichita planned for the state program to eventually supplement the local program, which it now does.

Maine administers a statewide program. Two counties that were eligible to receive a direct allocation did not request the allocation and agreed that a single statewide program would be more efficient.

Oklahoma, along with four localities in Oklahoma that received a direct allocation, contracted with Community Cares Partners, a nonprofit service provider, to administer a statewide program. The city of Tulsa administers its own ERA program.

South Dakota had no localities that qualified for direct allocations; the state program serves the entire state. Residents in tribal areas may apply for assistance through the state or through their tribal community's program.

Tennessee's program assists applicants in most of the state but does not serve households in the five localities that received direct allocations. If an applicant applies for assistance through an ERA program that does not serve the area in which they reside, the state and local programs will redirect applicants to the appropriate program.

Virginia's program covers the entirety of the state except for Chesterfield and Fairfax counties, which established local programs. If a tenant or landlord in one of those counties applies to the state program, they are redirected to the appropriate local program. An additional eight localities in Virginia were eligible to receive a direct allocation from Treasury but opted to participate in the state program instead of developing a local program.