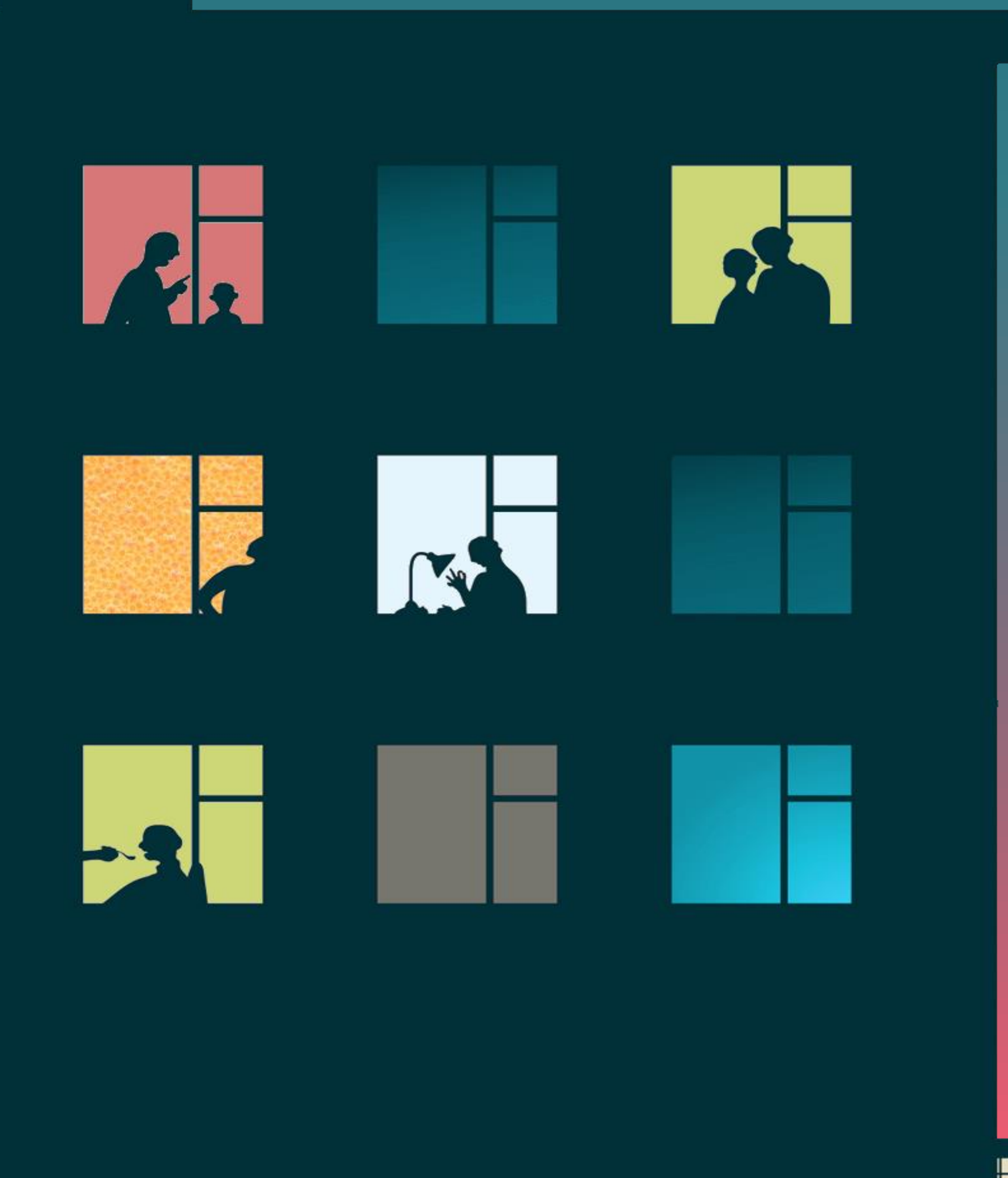
Tracking Emergency Rental Assistance Funds in Florida



A partnership between NLIHC and Florida Housing Coalition

National Low Income Housing Coalition

FLORIDA HOUSING COALITION

Produced by the Florida Housing Coalition

CONTENTS

Executive Summary

In September 2020, the National Low Income Housing Coalition (NLIHC) provided the Florida Housing Coalition (the Coalition) a grant to study the roll out of rental assistance programs in Florida. The Coalition, already involved in providing training and technical assistance to local housing offices and advocating for better housing policies at the state level, used this grant to track how and where funds were being spent, interview local housing administrators and Continuum of Care (CoC) administrators, and advocate for changes to streamline the distribution of funds through the Coronavirus Relief Fund (CRF) Strategy 2 and ESG-CV1 and CV2. The Coalition also used this grant to educate state and local policymakers about rental assistance funds and to provide technical assistance to housing administrators on the U.S. Treasury Emergency Rental Assistance Program (ERAP).

This grant allowed us to evaluate system wide issues regarding housing funding distribution. Early on, local government housing offices appeared to be struggling to set up and administer the CRF Strategy 2 program, and the question arose: are local governments the ideal place to house emergency rental assistance programs and what alternative solutions are necessary? Ultimately, local programs have and continue to distribute funds relatively effectively given the inherent administrative challenges in setting up emergency assistance. The two main persistent issues are the discrepancy in staff capacity for programs across the state and balancing the speed of funding with ensuring that those with the most urgent needs are served. However, it appears that the administrative capacity housed at the local level generally allowed for the quick and effective deployment of rental and mortgage assistance funds for the FHFC Strategy 2.

This report summarizes the work carried out by the Coalition with this grant and discusses several takeaways regarding the administration of emergency rental assistance programs at the state and local level.

Data Tracking and Presentation

Funds available through the CARES Act and subsequent bills flowed through a variety of programs, each with their own record keeping system and level of transparency. Under some funding sources it was unclear how much money was spent, how it was spent, and where it was spent. To better understand how these programs functioned, the Florida Housing Coalition tracked the Florida Housing Finance Corporation's Coronavirus Relief Fund (CRF) program to administer emergency rental assistance through local housing offices and Emergency Solutions Grant (ESG) funding. The team choose these funding sources for two reasons: 1) they were the two funding sources the team was most familiar with, and 2) because of their local scale and short disbursement timeframe they were the two sources of funding disbursed most quickly in the early phase of the pandemic.

Interviews and Best Practices

With this grant, Coalition staff interviewed dozens housing and CoC administrators about their experience disseminating housing funds. Through these interviews, the Coalition was able to identify friction points, best practices, and recommendations. Some of these recommendations made it into our final recommendations (below) while other, more specific friction points and recommendations were used to provide helpful training and technical assistance.

Education, Advocacy, and Technical Assistance

Coalition staff used this grant to educate policymakers on the importance of emergency rental assistance and engaged with dozens of local governments on best practices for administering efficient and equitable programs funded by CRF, ERAP, and ESG. The Coalition identified its own best practices with the assistance of documents and guidance provided by the National Low Income Housing Coalition. In the early days of the Treasury ERAP program, Coalition staff provided technical assistance to direct grantee local governments on specific administrative questions related to the new program.

CRF Strategy 2 Expenditures

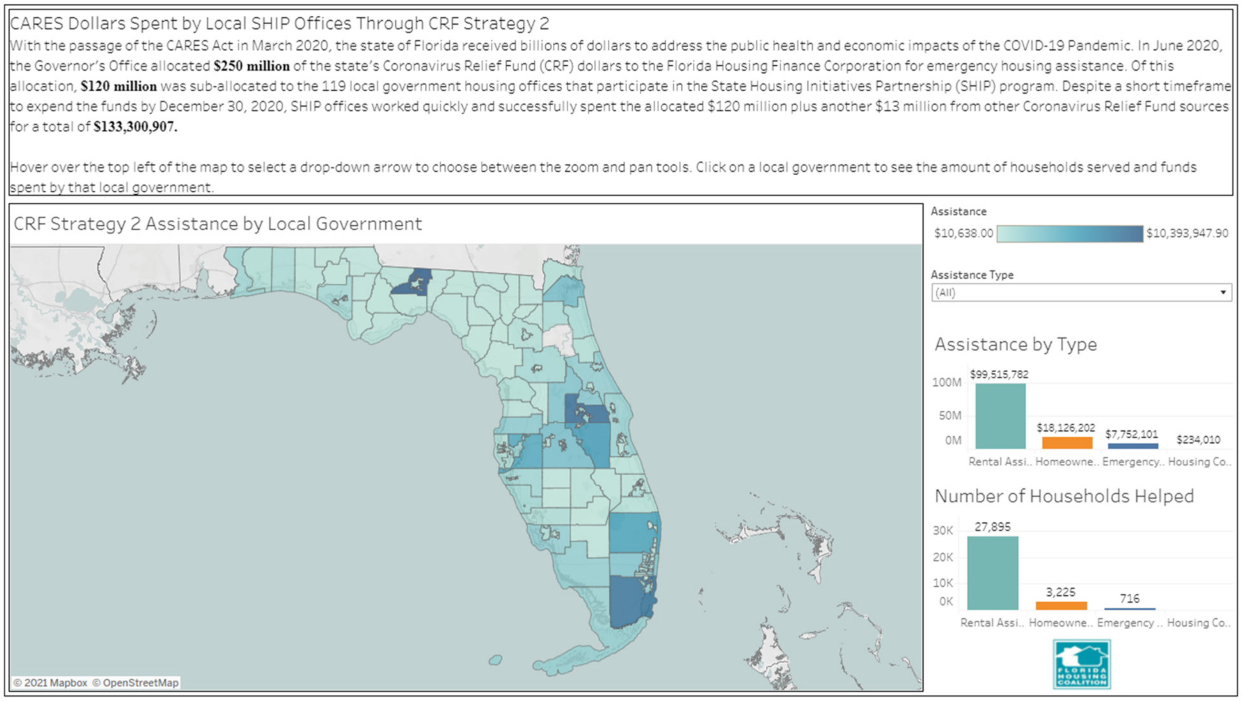
During the early stages of the pandemic, billions of dollars flowed into Florida that were either set aside specifically for housing or for which housing was an allowable use. However, because 1) many sources of funding could serve a variety of purposes, 2) some funding mechanisms floundered, and 3) some funding types had longer distribution timetables which meant funds were not disbursed at the beginning of the pandemic when need was highest, the Florida Housing Finance Corporation's CRF Strategy 2, a strategy which deployed emergency housing assistance funds to the local governments that administer the State Housing Initiatives Partnership (SHIP) program, was the largest and most effective source of funding for rental and mortgage relief for the first nine months of the pandemic.

For this report, CRF Strategy 2 refers to the program overseen by the Florida Housing Finance Corporation for emergency housing assistance. In June 2020, Ron DeSantis, governor of Florida, directed $250 million in the state's Coronavirus Relief Fund (CRF) dollars to the Florida Housing Finance Corporation (FHFC) for emergency housing assistance. $120 million of those dollars were earmarked for FHFC's "CRF Strategy 1" - a program providing rental assistance for assisted housing developments in FHFC's portfolio. Another $120 million dollars was earmarked for FHFC's "CRF Strategy 2" - a program which provided emergency housing funds to the 119 local governments that administer the State Housing Initiatives Partnership (SHIP) program. Both programs had strict expenditure deadlines of December 30, 2020.

For Strategy 2, funds were allocated to local governments by population in two tranches with the opportunity for local governments to request additional funds. There were similar mechanisms for low-performing local governments to return unspent or unneeded dollars. By the end of the program, local governments expended over $133 million for emergency housing assistance.

The Coalition, through both the NLIHC grant and a recurring, yearly contract with Florida Housing Finance Corporation (FHFC), worked with local SHIP administrators to help provide technical assistance which included delivering NLIHC best practices. Working with FHFC, the Coalition created the following dashboards to track where and how funding was spent. The first dashboard tracks funding and strategies at the local government level. The second dashboard tracks funding at the Census tract level, overlayed on top of the Urban Institute's "Rental Assistance Needs Index." The third dashboard is another standalone tool that shows comparisons on the relationship between CRF Strategy 2 funds and need by region with dot graphs that filter based on the Census tracts selected on the map.

CRF Strategy 2 Assistance by Local Government



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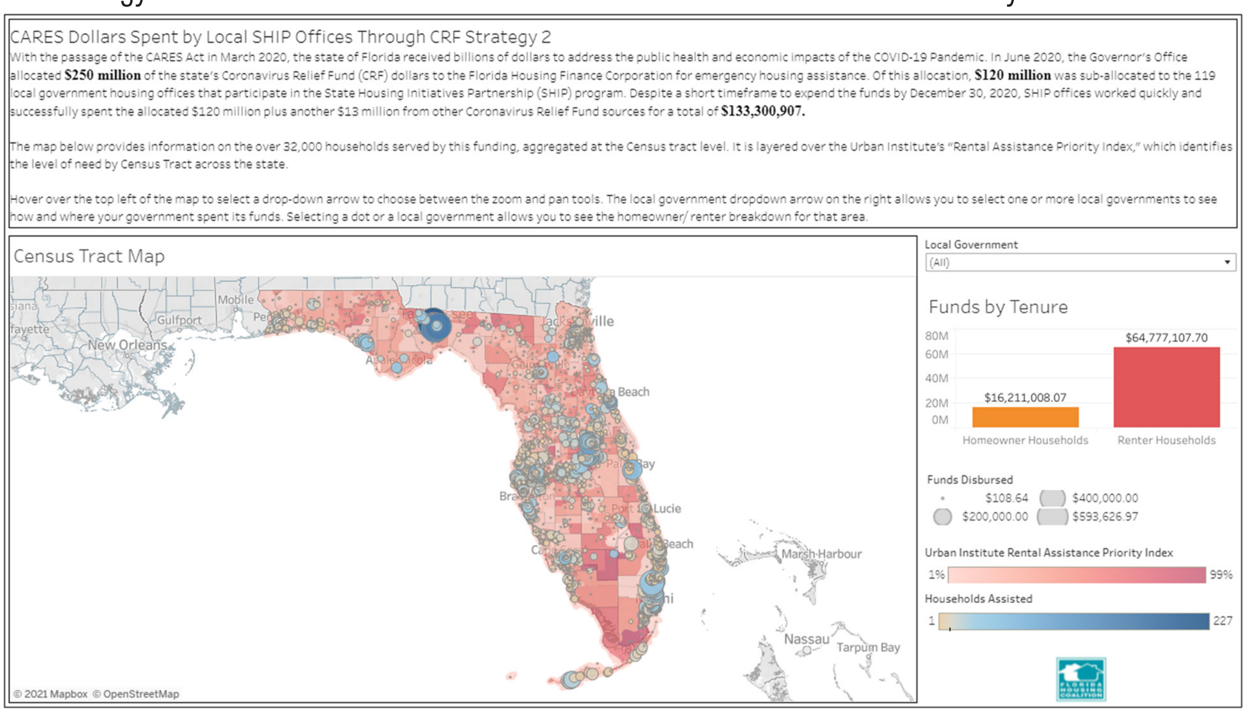
CRF Strategy 2 Census Tract Data and the Urban Institute's "Rental Assistance Priority Index"



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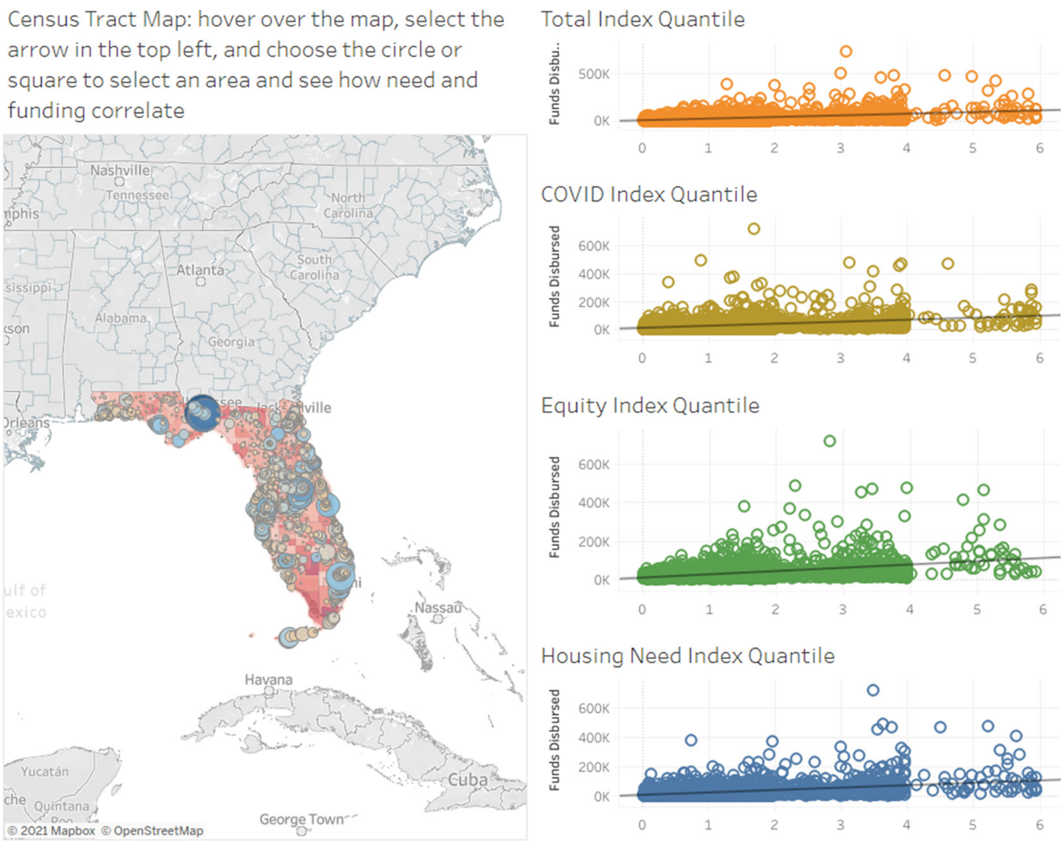
CRF Funds: Census Tract Relationship Test Tool



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CRF Strategy 2 Mapping Findings

Prioritizing renters even when not required

CRF Strategy 2 funds could be used to support both renters and homeowners. Renters are dramatically more likely to be in need because they have statistically lower incomes and are more likely to work in industries highly affected by the pandemic. Given SHIP's statutory focus on homeownership (while emergency rental assistance is an allowed expense, most SHIP funds are required to be spent on homeownership activities and few local governments allow funds to be used for rent subsidies in blue sky times), it would be understandable if a large share of CRF Strategy 2 had gone towards homeownership expenses. However, 74% of funds were spent on emergency rental assistance, with only 13% towards mortgage assistance and 6% towards emergency repairs (a small amount was also used for housing counseling and close to 7% was used for admin). This demonstrates a high level of flexibility by local SHIP and housing departments to pivot from their usual programs and networks towards emergency rental assistance.

Correlation between need and funding allocation varied by region

Census tracts with high levels of need were statistically more likely to receive funding than areas with lower need as identified by the Urban Institute's Emergency Rental Assistance Priority Index. To analyze this relationship, the team used Tableau to identify R^2, a measure of how much of a dependent variable seems to be explained by the independent variable. The higher the R^2, the more "area-wide need" was the reason funds were allocated where they were. R^2 is on a 0-1 scale, with 0 suggesting there is no relationship between need and funding and 1 suggesting that area-wide need (not ease of administration, political consideration, or random variation) was the sole explanation for how funding was spent. While a perfect R^2 of 1 is not the goal, generally a higher R^2 suggests that funds were prioritized in the areas that needed them most.

With an R^2 of .17 (out of 1) and a p-value (a measure of statistical significance, the stronger the lower the value is) below .0001, need was a moderately large and significant factor influencing where funding was distributed, though hardly the only explanatory variable. Funding correlated more strongly with the Equity (BIPOC populations, ELI Renters, households receiving public assistance) and Housing Instability Risk (poverty, cost burden, etc.) subindexes and less strongly with the COVID-19 Impact index (lack of health insurance and low-income jobs lost to COVID), though all had a statistically significant, positive correlation.

However, this relationship varied dramatically by region. In the Panhandle (northwest Florida), there was a much higher correlation between need and funding (around .5), suggesting that area/neighborhood level need was the primary driver of where funding was spent. The Orlando area in Central Florida had an R^2 of .33, still relatively high, suggesting area need was a major if not the most important factor determining how funding was allocated. Meanwhile, Northeast Florida and the Tampa Bay Region saw a R^2 in the low teens (.11 and .12), i.e. there was a relationship but it was relatively weak. Finally, the South Florida region, stretching in this analysis from St. Lucie County southward to Miami-Dade County, saw almost no correlation (R^2 of .04) between area wide need and where funding was distributed.

More analysis will need to be done to identify the underlying reasons for these disparities (the Coalition is currently funded by the Robert Wood Johnson Foundation to do a more in-depth analysis of CRF Strategy 2 funding with help from the Shimberg Center for Housing Studies at the University of Florida). Just because people do not live in a low-income neighborhood does not mean they are not in need, though looking over the data some South Florida jurisdictions do have a higher number of higher income/ higher house payment households receiving funding. Our preliminary hypothesis was that there might be a higher level of racial or economic segregation in the Panhandle and Central Florida that might make area need a closer proxy in those areas, particularly in Tallahassee which has extremely high racial and economic segregation. However, Miami also has extremely high racial and economic segregation, and so this probably does not explain the marked differences between these areas. Leon County, the most populous county in the Panhandle, has become a national leader for spending ERA funds.

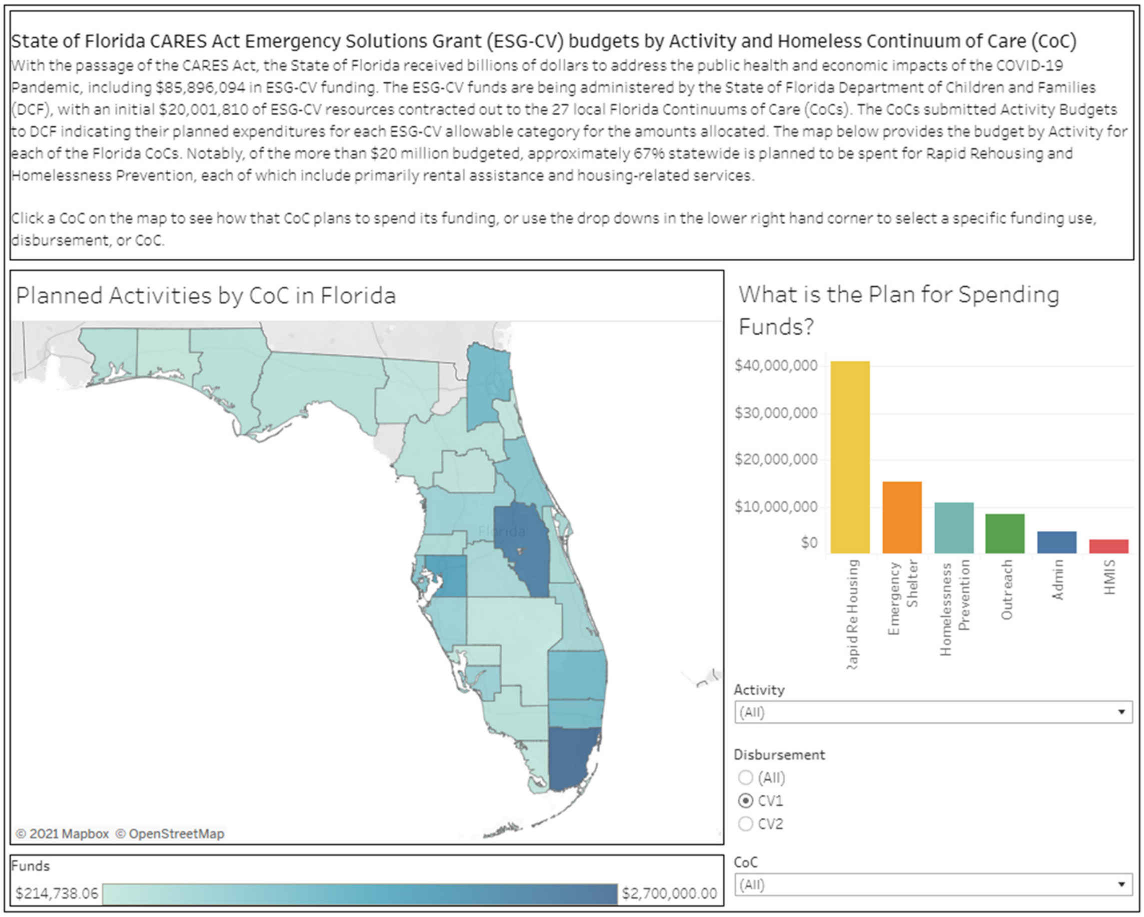
Difficulty of providing construction and repair in a short time frame

While emergency repairs were an allowable expense under the CRF Strategy 2 program, relatively few jurisdictions (15) funded any emergency repair work, most of which undertook relatively few projects (less than 50). Palm Beach County ($2,779,613, 157 households), St. Johns County ($959,696, 265 households), and Brevard County ($1,555,875, 85 households) funded the highest number of emergency repairs.

Emergency Solutions Grant

State ESG-CV Funding

CoC ESG CV-1 and CV-2 Budgets



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The Coalition used this grant to study the rollout of the state's ESG-CV funding. $85.9 million of ESG-CV non-entitlement funding was allocated to the State of Florida. The Department of Children and Families (DCF) administers the State's allocation for non-entitlement communities and subcontracts with the 27 Continuums of Care (CoCs) throughout the State. The first round of funding for ESG-CV was finally contracted between September-October of 2020, five to six months following HUD's allocation. The second round of ESG-CV funding was awarded to the CoCs the week of April 12, 2021, just shy of their obligation deadline in May 2021.

About fifty percent, or $41 million, of ESG-CV1 and CV2 was allocated for Rapid Rehousing. Rapid Rehousing allows for literally homeless households to be rehoused into permanent rental housing situations. Emergency shelter was prioritized under Rapid Rehousing, accounting for nineteen percent, or $15 million, of ESG-CV funding. Many communities utilized emergency shelter funding to provide non-congregate shelter in hotels and motels for households experiencing homelessness. Table 1: ESG-CV1 and CV2 Budgets outlines the intended uses for the State funding.

	CV1 Total	Percent	CV2 Total	Percent
RAPID REHOUSING	$ 10,072,679.97	51%	$ 30,882,105.41	49%
EMERGENCY SHELTER	$ 4,136,419.00	21%	$ 11,068,845.95	17%
HOMELESSNESS PREVENTION	$ 2,279,088.70	11%	$ 8,624,372.98	14%
OUTREACH	$ 1,961,165.91	10%	$ 6,558,252.59	10%
ADMIN	$ 932,466.97	5%	$ 3,674,660.29	6%
HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)	$ 552,014.56	3%	$ 2,470,587.38	4%
	$ 19,933,835.11		**$ 63,278,824.60**	

Table 1: ESG-CV1 and CV2 Budgets

Challenges

CoCs were generally frustrated with how long it took the State to get the money obligated and under contract. The State did not allow back dating, so CoCs were unable to charge expenses incurred from the beginning of the pandemic, despite this being allowable under the CARES Act.

The State also allows entitlement communities to receive State ESG funding in addition to receiving local ESG-CV funding. Some CoCs have expressed that the State allocation should focus on serving non-entitlement communities for a fairer distribution of funds.

Florida entitlement communities received approximately $103 million in 14 jurisdictions. The State has a uniform way of distributing ESG-CV funding, but entitlement communities followed their own procurement processes. There were mixed responses on the coordination of the local government with the CoC on this funding; although statutorily, the local jurisdiction is supposed to coordinate with the local CoC.

Summary of Interviews with CoCs and SHIP Administrators

CoC Interview methodology

FHC surveyed 9 Continuums of Care (CoCs) of varying sizes on State and local ESG-CV, local CDBG-CV, and State and local CRF. The following questions were asked:

- **ESG Allocations:** What percentage or amount of ESG-CV funds were allocated to (1) street outreach, (2) emergency shelter, (3) homelessness prevention, (4) rapid rehousing, (5) HMIS, and (6) admin? How many households are to be served in each category?
- **ESG/ESG-CV Funds:** How soon were you able to get ESG (COVID related) on the ground? Did you use subrecipients or keep it in-house? What were some reasons for that decision? What was the biggest barrier in deploying the funds? What was the most helpful thing about this funding? What were you able to do that you would not otherwise have been able to? How many people were, to date, assisted with these funds?

- **Coronavirus Relief Funds (CRF):** Were applicants prioritized? Was the CoC consulted or involved in the distribution of CRF? What was the biggest barrier in accessing these funds from the CoC's perspective? What was the most and least helpful thing about this funding?
- **CDBG-CV:** Was the CoC consulted or involved in the distribution of CDBG-CV? How was CDBG-CV prioritized? What was the biggest barrier in accessing these funds from a CoC perspective? What was the most and least helpful thing about this funding?
- **General:** Were there new programs/agencies/groups coming to the table to help administer funds who were not previously there? (faith-based orgs, nonprofits)? If yes, what did that look like? Was there a coordinated community response with the funding to respond to the needs of people experiencing homelessness or people at risk of homelessness? Looking back, what would you do differently to administer COVID rental assistance more effectively? What worked really well in your county/city's response related to COVID rental assistance?

Local Collaboration and Lessons Learned

Several CoCs indicated that the entitlement jurisdictions consulted with the CoC in ESG-CV funding decisions; there were varied responses regarding CoC consultation on CDBG-CV. CoCs said that the use of CRF (now ERAP) funding for homelessness/eviction prevention allowed there to be more ESG-CV money allocated to rapid rehousing, with good results. This grant has affirmed the importance of collaboration and consultation between CoCs and local entitlement jurisdictions.

The main challenges identified were:

- **Cash Flow.** Many CoCs subcontract their ESG-CV funding. Subrecipients, and even CoCs themselves, need cash up front to begin standing up programs. ESG is a reimbursable grant and that leaves out smaller providers who do not have the cash flow. The State did allow some advances on the grant but not to the extent needed.
- **12 Month Limitation.** The ESG-CV Notice provided a limitation on Rapid Rehousing rental assistance. While ESG funds can be used to assist households up to 24 months in a 3-year period, the Notice limited the rental assistance to 12 months. While ESG-CV provides an incredible opportunity for CoCs to address chronic homelessness, some households need a greater amount of rental assistance. CoCs are worried that some households will need longer than 12 months of assistance but will be maxed out. This limitation was eliminated with the additional ESG-CV Notice that was published in July 2021.
- **Small Awards.** While larger, entitlement CoCs received two pots of ESG-CV money, smaller, non-entitlement CoCs did not receive large ESG-CV1 allocations. Some communities received less than $300,000 which "hasn't done much." ESG-CV2 helped resolve some of this with much larger allocations for all CoCs.
- **Finding Apartments.** Some communities had trouble finding units. They have a large amount of Rapid Rehousing but lack the ability to move households in quickly.
- **Provider Capacity.** The influx of funding was challenging to some CoCs and providers due to the need to ramp up staffing quickly to expend the funds in a timely manner. In some cases, new providers needed to both learn the program and staff up.
- **Flexibility from the ESG Recipient.** Specifically, for ESG-CV, the CoCs needed the State to be flexible and quick with responses so the CoCs could effectively implement their programs.
- **Lack of Planning and Coordination.** Communities had varying levels of coordinated planning happening at the community level. Many communities had disjointed efforts to spend the different pots of money. Other communities with a coordinated response were able to maximize the federal funding to help address homelessness.

Interviews with Housing Administrators

The Coalition requested and received the overall CRF Strategy 2 funding report from FHFC. The team then layered address level data of FHFC CRF funds with the Urban Institute's Emergency Rental Assistance Priority Index (ERAPI) to look at the geographic distribution of funds and see the relationship between expenditures and need.

The team also interviewed dozens of housing administrators using the following questions:

- **Program Planning/Kickoff:** What steps had to be taken before assistance could be provided to applicants? What went well? What were the barriers to getting out assistance quickly?
- **Available Funding:** What other funding sources were used in addition to FHFC-CRF funds? How did you decide to combine different funding sources? Were there barriers?
- **Staff Capacity:** How many staff members did you have to administer funding? Were you able to hire new employees? Describe your staffing and if staff capacity was a challenge.
- **Income targeting/Program Guidelines:** What guidelines did you establish? Was there an income limit? Did you allow self-certification of income/hardship? What documentation did you require of the applicant? Did you have a maximum award?
- **Community Partnerships:** Did you work with community groups to help advertise and/or disburse funds?
- **Data:** Did your local government collect any data on race, ethnicity, or other data points not reported to FHFC?
- **Open-Ended:** How do you think your program could be more efficient? What local, state, or federal requirements did you find particularly burdensome and why? What would you suggest differently the next time you administer a rental assistance program?

The interviews lasted between 30 minutes to 1 hour and provided great information on local government administrative processes, challenges, and innovative solutions on different aspects of emergency housing assistance. Recurring issues and innovative solutions arrived at through the interview process were included in the Takeaways/Findings sections, below.

Summary of Interviews with Low-Income Tenants Looking for Assistance

Throughout the course of this grant, the Coalition has spoken with tenants informally about their housing situations. Many tenants turned to the Coalition when their situation had risen to the level of near homelessness. Common grievances included:

- **Unresponsiveness**. Tenants would get to a certain point in the application process and then would stop hearing back from the rental assistance program.
- **Denials for Assistance**. Some tenants did not qualify for the programs because of eligibility criteria being more restrictive than what the funding would allow. Tenants needed flexibility in lease agreements, easier methods to prove eligibility, and the ability to relocate.
- **Direct to Tenant Assistance**. Some tenants needed direct to tenant assistance because of their landlord's refusal to work with the program. Their local government rental assistance programs did not offer this, causing eviction and precarious housing situations like hotel or family/friend stays or literal homelessness.

While many local governments are spending their money and assisting households, there are many applicants who do not make it through the process who may be eligible. There is significant room for improvement to streamline applications and help people who may need more help proving eligibility or completing the application process.

Education, Advocacy, and Technical Assistance

2021 Florida Legislative Session

In the most recent legislative session, a bill was signed into law which permanently reduced our state and local affordable housing trust fund by 50%. Senate Bill 2006 was the priority of our legislative advocacy and this grant was used to educate policymakers on what federal housing funding, including emergency rental assistance, is available for. In committee hearings, press briefings, and individual lobbying efforts, House and Senate Republicans cited billions of dollars in federal housing funding as a main reason to permanently reduce funding for state and local housing programs.

However, as we came to learn, these talking points did not clarify what the billions of dollars in housing funding could be used on. The numbers included the $1.4 billion ERAP 1 Florida allocation as well as the state's bond allocation (during the debate, ERAP 2 allocations had not yet been announced) but attention was not made on the specific uses or requirements of these funds. This was a serious issue for housing advocates as we had to educate policymakers that not all housing funding is the same. In many respects, the $2 billion plus in ERAP 1 and 2 funding for Florida hurt our advocacy efforts to fully fund our state and local affordable housing trust fund.

Our state and local affordable housing trust funds are primarily used for new housing construction, down payment assistance, home repairs, and other housing development activities. We used this grant to create one-pagers, lobbying tools, and webinars explaining that the federal emergency rental assistance dollars (the bulk of the dollars cited as reason to cut state funding) could not replace state housing funds. We also spoke individually with dozens of Legislators on this fact. This was ultimately an unsuccessful effort but this grant did allow us to educate a number

Treasury ERA Program Technical Assistance

The Florida Housing Coalition was recently honored with grant through NLIHC's Ending Rental Arrears to Stop Evictions (ERASE) project to provide free training and technical assistance to local governments in Florida that administer Treasury ERA funds. Prior to receiving the ERASE grant, the Coalition used a portion of this grant to provide technical assistance and education to the 32 local governments that received Treasury ERA dollars. Activities included extensive research and study on ERA legislation and guidance, individual question and answer with Treasury grantees, educational material on federal COVID-related resources that included ERA funds, and advice to local nonprofit organizations on how to engage with local ERA programs to help tenants apply for funds and make necessary programmatic changes.

Project Takeaways

This final section contains a summary of our overall takeaways from working on emergency housing programs for the past year and a half. These takeaways are shaped by our individual training and technical assistance and interviews with local housing departments. For this report, we excluded takeaways regarding application processes because we found that much has already been written on the subject. We continue to follow NLIHC's lead in providing education on best practices for applications and program design.

Address historic underfunding of housing departments

When the various sources of emergency housing assistance were initially announced, many local government housing departments were already at limited capacity. This has been, in part, due to the Florida Legislature's historical "sweeping" of our state's affordable housing trust funds, which are used to fund local housing offices, and the long-term declines in annual federal funding. Administering an unprecedented amount of funding in a relatively short period of time under brand new program regulations was a challenge for many local governments. This can be addressed by larger and more consistent state and federal funding of local housing offices and by a local commitment to keep housing departments staffed at an efficient level. This is particularly important for coastal communities that may experience hurricanes or other coastal disasters that may be required to administer future emergency housing programs.

Staff capacity

Staff capacity to administer an emergency housing program differed greatly across the local governments responsible for program expenditures and is arguably the most important precondition for a successful program. The larger jurisdictions, such as Miami-Dade County, Orange County, and Hillsborough County, were able to devote 15-40 full-time staff members towards expending the several million dollars each received under FHFC Strategy 2. The medium and smaller jurisdictions may have only had 10 staff members and in some cases, only 2 or 3 staff members working full-time on processing applications. One central Florida county only was able to devote 3-5 staff members towards the administration of over $2.6 million. This county considered hiring temporary workers but given the quick expenditure deadline, found hiring new workers infeasible. Another entity, which was contracted to administer the programs of four separate local governments at once, only had 2 staff members administering over $1.02 million in housing funding. They also were not able to hire new workers due to the short timeframe to spend funds.

Staff turnover and historic underfunding of housing departments played an important role in program administration. Several local governments had housing managers that were hired either right before the COVID-19 pandemic began or soon after. Many had new employees that required training on income certification, application review, and other local policies. During and after the program, several program administrators told us that their departments cannot handle more funding given the pressure on their staff. Several of the local governments who ended up receiving an allocation from the Treasury ERA Program passed in December 2020 decided to use a third-party vendor to administer their newer programs instead of in-house due to staff pressures and need to focus on other funding

Pre-approve emergency powers for housing departments

Across the state, City and County Commissions required that housing departments present on and receive permission for their CRF Strategy 2 and other emergency housing programs at a Commission or Council meeting. For many housing departments, particularly in smaller communities where commissions may meet bimonthly, monthly, or not meet at all for periods of the year, this delayed the start times for emergency housing programs by several months. Although the FHFC CRF Strategy 2 program was formally launched in July 2020, dozens of housing departments could not begin their programs until September or August only because the City or County Commission had not had a chance to approve the program at a public meeting.

Similarly, while administrative funds were available to hire temporary staff to increase capacity, several local governments required commission or executive approval for any new hires. By the time housing departments had final project approval and permission to hire extra staff, they had only a few months to spend funds, and had already wasted several months when need was highest. This lack of flexibility made it difficult for local housing departments to respond quickly and effectively in the wake of the COVID-19 pandemic and the ensuing economic crisis. Local governments could set themselves up for success during the next major economic disaster by pre-approving emergency programs and hiring powers for housing departments. These pre-approved emergency powers would lay out guidance for how programs can be operated while delegating specific program details to staff.

If a state or federal government wants a uniform best practice for locally-run programs, they need to require it

FHFC structured Strategy 2 with the intent to be as flexible as possible for local governments to administer. Many of their policies were merely "floors" that local governments could impose additional restrictions on top of. For example, although FHFC allowed local governments to accept self-certification of program eligibility, many local governments required third-party verification anyways. Additionally, although FHFC did not prescribe a maximum award (other than the time of assistance established in the CARES Act), local governments still restricted funds to a set period of months or dollar amount.

In the event of an emergency, administering agencies that oversee direct grantees should set uniform and equitable policies that lower levels of government should not be allowed to change, absent a showing of need or special circumstance. For example, if FHFC had required all local governments to accept self-certification of eligibility and prohibited maximum awards, that could have been more beneficial to low-income Floridians. The same could be said for the current Treasury ERA program as advocates encourage grantees to allow self-certification, direct to tenant assistance, and other proven best practices that are not required by Treasury. This is also the case for, as noted above, the state of Florida choosing not to allow backdating expenses for ESG-CV funding, even though it was allowed under federal regulations. In an emergency situation, like an economic crisis caused by a pandemic or natural disaster, administering agencies that oversee direct grantees should require the best practices it wishes to implement universally.

Although self-certification was an option under Strategy 2, relatively few jurisdictions opted to use it

To expedite funding, the Florida Housing Finance Corporation allowed local governments to accept a self-certification of a COVID hardship and income from applicants. Although this was an option, relatively few jurisdictions allowed self-certification from applicants and instead required third-party verification and other documentation to prove program eligibility. Of the local governments that decided to not allow self-certification of eligibility, most cited fraud as a reason to require additional documentation. Others cited concerns that if they allowed self-certification, they would be on the hook to return money in the event of an audit. In a few local governments, self-certification was initially allowed but then stopped after cases of fraud were found. Allowing self-certification but following up with a quick fraud check (such as Googling the address to make sure the home is actually there, Googling the employer to make sure they actually exist, etc.) would alleviate many of these problems while allowing for the ease and speed of self-certification.

Pair self-attestation with legal protections for local governments

Throughout FHFC's Strategy 2 and the Treasury ERA program, local governments have been hesitant to allow self-attestation of program eligibility. Local governments frequently cite fraud and legal liability resulting in payback of funds as reasons not to allow self-attestation. For future programs, if an overseeing entity wants its program grantees to allow self-certification of program eligibility, program rules must contain adequate legal protections for program grantees who rely in good faith on applicant self-certifications. Future programs should contain a provision which states that program grantees will be held harmless if they rely in good faith on self-certifications. Otherwise, local governments will continue to be hesitant to allow self-certification. Local governments are risk-averse institutions that require legal protections if asked to carry out activities that result in unclear liability.

Adapting to changing program rules

The frequent change of U.S. Treasury Department and Florida Housing Finance Corporation rules about the CRF program was an issue to many local governments. Early in the program, for example, there was no clear guidance about whether local governments could pay for future rent and how behind on rent an applicant had to be to receive assistance. This was not decided until late in the program. It also was not decided until late in the program whether environmental or lead paint regulations applied. Most importantly, the income limit for rental assistance was lifted by FHFC late in the program in order to expedited funds. Some local governments were able to take a more emergency management approach, adapted, and changed their processes on the fly but others opted to stay the course.

This experience highlighted the tension between establishing strict rules at the outset of the program and being able to adapt to respond to unique situations. It was tricky to train on constantly changing program rules with 119 local governments at once. As a more recent example of this, there is a local government in Florida that received a Treasury ERA allocation who was only apprised of early-stage Treasury guidance, launched their program, had not followed any subsequent guidance, and thought ERA funds could not be used for Section 8 Voucher Holders – although current Treasury guidance says otherwise. Similar experiences happened across the state with the FHFC-CRF program.

Interdepartmental coordination

Another takeaway is the importance of good interdepartmental coordination. Many housing departments had to work more closely than normal with the Finance, IT, Procurement, and Human Services Departments to effectively deploy funds. A good relationship between the Housing and IT department was particularly key in many local governments. There are great examples of best practices in Florida for interdepartmental coordination including one jurisdiction that had daily meetings between IT, Finance, and Housing staff to go over the process as well as individual applications. The emergency nature of the housing programs forced departments to work closer together in many instances.

Before assistance could be provided some local governments had to work through their Clerk of Court's Office to process and issue checks. In some instances, the Clerk's Office stalled funding either because their office was backed up or because the Clerk's Office would second-guess or impose additional requirements to the work of the Housing Department. One medium-sized local government decided to contract program administration for the Treasury ERA program to a third-party solely to avoid having to go through their cumbersome Clerk's Office.

Don't reinvent the wheel

When the pandemic hit and government entities formed their emergency rental assistance programs for the first time, there were understandable growing pains involved. Moving forward, government entities should have set policies they can use in the event of a disaster, so they do not need to go through the program design phase from scratch repeatedly. Set policies should include a standard application that only requires necessary information, allowing self-certification of income, a well-defined appeals process, interdepartmental coordination, a list of nonprofit organizations to connect with, and other standards that are the result of lessons learned from the COVID-19 pandemic.

Surprisingly, non-automated systems worked efficiently in several places

Several of our case studies opted to accept only paper applications for their programs and did so successfully. These local governments found that by having paper-only applications, they were able to better help applicants who did not have access to or were not comfortable with technology. Several of these local governments also had staff members or management that were not comfortable with online applications and found paper-only more efficient. One local government told us in an interview that they were "not convinced" that an online portal truly works to the client's best interest. Local governments with paper applications were able to avoid coordination with the IT department (with could add time) and were able to meet better in-person with applicants. Some of our most successful case studies solely accepted paper applications.

Successful outreach requires in-person assistance

The COVID-19 pandemic obviously created challenges with meeting face-to-face to help applicants complete and process requests for assistance. Florida has many examples of good practices when it comes to outreach with clients to complete applications. Many local governments allowed for virtual or paper applications and if a client was having issues with completing an application online, allowed the applicant to schedule an in-person meeting in the Housing Department office. One local government would meet with applicants in the parking lot of their Housing office to help them fill out the necessary paperwork. Many local governments provided paper applications at the public library, in coordination with nonprofits that are close to people in need, at transit stations, churches, and other areas where persons congregated. Having an in-person presence is vital to equitable administration of funds – especially to persons who lack internet access or are otherwise limited at accessing technology.

Importance of good leadership

A facet of emergency management that cannot be understated when administering these housing assistance programs is the importance of good leadership. The most successful programs had housing managers and leaders that managed people effectively. Those who were decisive and delegated capacity in a robust manner were able to launch their programs more quickly and were able to adapt to changing rules and circumstances.