



Government Finance Officers Association

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January 13, 2021

Re: Emergency Rental Assistance Program

The Government Finance Officers Association (GFOA) is a non-profit member organization representing over 21,000 federal, state, and local government CFOs, treasurers, budget directors, and other finance officials. Our diverse membership has presented us with the unique opportunity to observe and represent a variety of communities' thoughts on the implementation of the Emergency Rental Assistance (ERA) program. We have observed notable cooperative efforts among housing authorities, cities, and states to accomplish the objectives of the program. However, due to the short timeframe for implementation, our membership is especially eager to understand key elements and definitions of timing, process and eligible expenditures of these funds so that implementation of the program can take place with efficiency across the country. Our comments below reflect an aggregation of their feedback and recommendations to enhance the ERA program established under the Consolidated Appropriations Act of 2021 and administered by the U. S. Department of Treasury.

Communication

GFOA strongly encourages establishing immediate, direct communication to all eligible recipients of federal programs following the enactment of the bill, acknowledging the program and advising eligible entities be on standby as a process is developed. GFOA applauds the Treasury's quick and organized approach in dispatching the necessary information by assembling a webpage for the ERA. While the webpage provided important details grantees would need to certify and submit for ERA funds, this information was released a few weeks after the enactment of the bill. Prior to this information, eligible grantees were left wondering about the program in the absence of any communication, which in some cases caused confusion about shared processes between state and local communities. Many of our members, much like members of our partner organizations, reached out to inquire about the next steps.

Moving forward, **GFOA strong recommends the Treasury maintains consistent communication with grantees of the ERA and provide prior notice of any upcoming changes or additional guidance for the program.** Providing a timeframe for funds distribution, audit processes and defining eligible expenditures will assure eligible entities the information will reach them in a timely manner to ensure maximum community impact of the program.

Clarify eligible expenditures and define key terms

The ERA identifies utilities and home energy costs as eligible expenditures. **GFOA urges the Treasury to further define the specific utility and home energy costs or to provide the grantees the flexibility to determine this information.** This is critical in response to the legislation's requirement for grantees to adhere to the short timeframe to obligate funds, where unused funds from a grantee's ERA allocation will be recaptured and reallocated by the Treasury if they have not been obligated by September 30, 2021.

GFOA requests further clarifying the term 'obligated' as well as providing flexibility within the term's definition to accommodate the short timeframe grantees have to obligate the funds. The legislation also states that if it is determined that a grantee has failed to spend funds on eligible expenditures, the amount in violation shall be booked as a debt owed to the federal government. To assist grantees in steering clear of such a violation, further clarifying the details of eligible expenditures is urgent.

Increase flexibility

Specific percentages are set under the ERA for the use of funds, such as 90% of funds being used for eligible expenditures, of which 10% may go towards housing stability services, and the remaining 10% towards any costs the grantee may require for administering the program. As every jurisdiction faces its own unique challenges and operations often vary among different communities, the set percentages over the use of funds may become burdensome on grantees when running the program. **GFOA asks for all grantees to have full discretion in determining the percentage distribution of their allocation towards eligible expenditures, housing stability services, and administrative costs.**

Additionally, the legislation provides strict brackets regarding the prioritization of assistance through the average median income. **GFOA strongly urges the Treasury to allow grantees to set their own policies and requirements regarding the prioritization of funds for eligible households** given the diverse needs of each community.

Identify additional requirements to be determined by the Secretary

The legislation states that *other expenses related to housing* incurred directly/indirectly due to the COVID-19 pandemic as defined by the Secretary to be an eligible expenditure. The legislation further states *alternative reporting requirements* may be established for grantees determined by the Secretary. **GFOA strongly urges for the Treasury to release this information immediately so grantees can report accordingly and within the definitions of the audit in the short timeframe grantees have to implement the program.** In the absence of completed information, grantees will face more obstacles as they approach the deadlines set for the ERA.

Address the intersection of programs established through the Coronavirus Relief Fund

Prior to the establishment of the ERA, many state and local governments were utilizing Coronavirus Relief Fund (CRF) funds for rental assistance. Many GFOA members, as well as members from our partner organizations, have generated similar questions specific to the overlap between the CRF and the ERA. The ERA states that households receiving assistance under the program must not receive funding under other federally funded rental assistance. **GFOA requests the Treasury to provide guidance on whether grantees who used CRF funds to offer a rent and utility program can book such expenses against the ERA to free up CRF funds for other eligible expenses.**

Uniformity in communication between Treasury and the Inspector General

While the Department of Treasury is tasked with administering the ERA, the Treasury's Inspector General is charged with its oversight. Following the experience with the Coronavirus Relief Fund (CRF), which was identical in its administration and oversight, GFOA encourages uniformity between any guidance put out by the Treasury and the Inspector General to avoid any subsequent information on the ERA being interpreted as confusing or contradictory.

Taking the strict time limitations over the ERA into account, GFOA strongly encourages the Treasury to allow the greatest degree of flexibility for grantees for this program to ensure a smooth run of the federal funds through communities. GFOA is an accessible resource for the U. S. Department of the Treasury for further assistance in understanding the needs and challenges of state and local governments. Please let us know if we can be of further assistance.

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