

Prevention vs. Rent Relief

Overall eligibility (ESG vs. Rent Relief)

ESG Prevention eligibility:

When a **leaseholder** faces eviction initiated by a property owner or landlord, that household may qualify for HP assistance under either:

- Category 1, Risk Factor (c) of the definition of “At Risk of Homelessness” (At Risk—Category 1c); or
- Category 2 of the definition of “Homelessness” (Homeless—Category 2).
 - Clients must have an income at or below 30% AMI for (for regular ESG) at or below 50%AMI for (ESG 2020 Cares)

The ESG Prevention Program has other ways a client could be eligible for prevention even if they are not a lease holder.

Rent Relief eligibility:

Renters (**leaseholders**) who have experienced economic hardship beginning on or after March 13, 2020 as a result of the COVID-19 pandemic and who meet additional eligibility requirements will qualify for this assistance. You **must** have a lease with a landlord to qualify for the rent relief program. The client must have income at or below 80%

Additional requirements

ESG prevention **requires** rent reasonableness when providing rental assistance. The unit will need to meet housing standards if you are providing rental or utilities assistance.

The Rent Relief program **does not require** rent reasonableness, lead base paint assessment, or that the unit meets housing standards.

Timing:

How long will it take for a client's rent to be paid by the **Rent Relief** Program?

The client and the landlord both have to do an application and submit certain documentation. Once all of the requirements are met a landlord or utility company can expect payment within 30 days at this time.

How long does it take to qualify a client for **ESG Homeless Prevention** Program?

One factor to consider is if a client is eligible for prevention under the homeless definition category 2: The primary nighttime residence will be lost within **14 days** of the date of application for homeless assistance.

A client with a legally binding lease must have: A Notice to Quit or a Notice to Terminate issued under state law **does not need to be equivalent to a court-ordered** eviction action. However, if there is no reasonable expectation that a household will lose their residence within **14 days** as a result of the issuance of a Notice to Quit, Notice to Terminate, or demand notice, then the criteria of Category 2 **are not met**.

In the situation above if a client is going to lose their residence in **14 days** then the rent relief program may not be the best option. Taking in consideration that it could take **up to 30 days** for payment. In this case if you can qualify the client quickly then proceeding with the **Prevention** program may be best.

If a client is eligible under prevention definition of "at risk of homelessness and is meeting the requirement by the risk factor (there are several other "at risk factors" this is just outlining **one**): Has been notified that their right to occupy their current housing or living situation will be terminated within **21 days** after the date of application for assistance.

To substantiate that the household has been notified that their right to occupy their current housing will be terminated within **21 days**, the documentation should include written notification from the landlord, property owner, or other entity with the authority to terminate tenancy that their rights as a tenant will terminate within **21 days**. Documentation **does not** need to be the equivalent of a court-ordered eviction action.

In the situation outlined above the client could try the rent relief program because there is more time, and if the landlord is willing to initiate the landlord application for the rent relief program then chances are that the client will not be evicted. You will need to talk with the landlord and the client to understand if the rent relief is truly the best option.

Finally, another option is to use ESG Prevention for arrears and Rent Relief for forward rent. This way avoids the worry of overlapping of funding happens, and the client can continue to get help if needed. This option only works if client has not a

Eligible assistance

ESG can pay rent arrears, utility and forward rent. ESG can also pay for security deposits, mediation, moving cost and a few other housing relocation and stabilization services. See the ESG guide for more information.

Rent Relief can pay rent arrears, utility and forward rent. Rent relief does not pay for or other housing relocation and stabilization services. Please visit the THDA rent relief web page for more information.

CDC moratorium

As most have heard several courts around the country have stuck down the CDC's moratorium stating that the "*CDC did not have the authority to extend the moratorium*". This doesn't impact clients being served if they qualify for prevention. The reason is the CDC moratorium only covered certain clients in certain situations.

The fact is that even if a client was "covered" some clients were still being evicted.

To be clear that if an eviction is initiated on a client, and the client qualifies for Prevention you can serve them.

Frequently asked Questions:

What should we do if the client tells us that they have submitted a rent relief application, and a decision on assistance is pending?

The factors of when a client is going to be evicted should be considered, and how long the application was submitted. If the client is facing an immediate eviction (within days) and has just put in a rent relief application (within days) that is currently pending based on the factor outlined above that client could be served under the ESG program to avoid eviction.

What if ESG pays and then the clients rent relief program application is approved?

Under the rent relief program the landlord signs a legally binding document that states that if another program pays the client's rent for the same month(s) that the landlord will return the money to the rent relief program.

Should I send information to ESG or Rent Relief staff if I know that a client applied for both assistance programs?

Not at this time. It would be appropriate to make a simple note in the client's file that the client applied for the rent relief program. If THDA decides that this is necessary information for compliance reasons we will let grantees know to begin to collect such information if you are currently not doing so.

Again these are very general scenarios outlined above, and some issues are more complicated.

If you have more specific questions on **rent relief vs. prevention** please reach out to esg@thda.org for help.

Additional information on Prevention:

THDA will be holding an ESG Homeless Prevention/Ask ESG staff workshop on Friday, May 28th @ 9am-10:30am. Please check out [webpage](#) for WebEx details.

Additional resources:

The SNAPs Office webinar holds webinar every Friday at 1:30 pm CDT. Please try to attend them. I am attaching the link to the SNAP's office webinar (below) at about 51 or 52 minutes into the webinar Norm the director of the SNAPs office talks about HP. This is the clearest information I've heard about HP. He also talks about moratorium. He doesn't address the court decision, but he explains that the moratorium will not matter if a landlord still moves to evict a qualified client. The client will still need to meet the eligibility for either ESG or ESG-CV.

<https://www.hudexchange.info/trainings/courses/covid-19-planning-response-for-homeless-assistance-providers-office-hours-April-9-2021/>

Please utilize the HUD exchange FAQs <https://www.hudexchange.info/faqs/> for other questions you may have. It is very important that you all visit the HUD exchange for information and trainings that HUD offers for the ESG program. We are extremely busy and it may take a few days to answer your questions, but usually the answer is on the HUD exchange.

