

EMERGENCY RENTAL ASSISTANCE – EVICTION PREVENTION PROGRAM (ERA-EPP)

FEBRUARY 2023

TENNESSEE HOUSING DEVELOPMENT AGENCY

ERA-EPP: Program Purpose

The purpose of the ERA-EPP is to provide eviction prevention assistance to eligible tenants to help prevent evictions and keep households that rent stably housed. The program seeks to:

- Strengthening housing stability through financial assistance, legal representation, case management, counseling, and accessing coordinated funding;
- Collect data to better gauge the scope of the current eviction crisis to inform in the creation of policy solutions; and,
- Build community education and awareness around the need for affordable housing and eviction prevention in our community.

ERA-EPP: Program Funding

- THDA will use \$24,000,000 to fund approved applicants “Grantees” for programmatic and administrative costs.
- Grantees will be allowed to use up to 89% of their award towards program costs and 11% of their award towards administrative costs. Funding must be expended evenly.

Grantees will be responsible for making the Program assistance **immediately available** to very low-income households who are facing eviction, are at risk of homelessness, or require assistance to maintain or obtain housing.

ERA-EPP: Program Funding and Administrators

Program funds will be awarded through a set-aside and a competitive application process to nonprofit entities with existing Eviction Prevention Programs.

Set-Aside Awards:

- \$12,000,000 will be set aside to fund the Community Action Agencies (“CAA”) that administer THDA’s LIHEAP Program that currently administer an eviction prevention type of program. The CAA must submit an application to opt-in to participate in the Program. Allocations will be based on the LIHEAP methodology.

Competitive Awards:

- \$12,000,000 will be made available to eligible nonprofit agencies that can apply for a grant of up to \$500,000. The applications will be reviewed and scored on a competitive basis. Funds will be awarded to the top two scoring agencies within each region and the remaining applications will be funded based on their score, from highest to lowest, until the program funding is fully committed.

ERA-EPP: Application Period and Grant Term

- Applications and program description can be found at www.thda.org under **Programs**, then the **Programs for Local Government and Nonprofit Partners** tab.
- Applications will **only** be accepted through THDA's Electronic Document Transfer ("EDT") portal as of 9:00 AM CST on February 10, 2023 and must be received by THDA on or before 4:00 PM CST on March 10, 2023. THDA anticipates notifying successful applicants by March 29, 2023.
- The Program will have a two (2) year grant term that is scheduled to begin on May 1, 2023 and end on April 30, 2025.
- For questions concerning the applications, contact the Community Programs Division staff at **ERA-EPP@thda.org**.

ERA-EPP: Nonprofit Grantee Applicant Requirements

1. Applicants must meet one of the two following criteria:

a) Must be organized and existing in the State of Tennessee (as evidenced by a Certificate of Existence from the Tennessee Secretary of State, dated no more than thirty (30) days prior to the application date); or

b) Be organized and existing under the laws of another state and be qualified to do business in Tennessee (as evidenced by a Certificate of Existence from the other state's Secretary of State dated no more than thirty (30) days prior to the application date and by a Certificate of Authorization to do business in Tennessee from the Tennessee Secretary of State dated no more than thirty (30) days prior to the application date).

Eligible applicants must also meet the following requirements:

2. Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status;

ERA-EPP: Nonprofit Grantee Applicant Requirements (cont.)

3. Currently administering an eviction prevention program and can demonstrate a minimum of five (5) years of experience administering an eviction prevention type of program for very low-income households in the state of Tennessee;
4. Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
5. Have among its purposes, the provision of serving low and very low-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and/or experience in the provision of housing for low-income households;
6. Have the capacity to administer the fiscal and programmatic requirements of a federal program; and
7. Be in good standing with all programs administered by THDA in which the organization was a past funding recipient.

ERA-EPP: Spend Down Requirements

Program funds are considered an emergency resource and Grantees must put the program funds to use immediately. Failure to expend the Program funds in a timely manner can trigger a recapture of funds.

- 1. Spend Down Requirements-** THDA will review the program expenditure rates on a quarterly basis. Grantees not meeting benchmarks may be subject to recapture. THDA will redistribute funds recaptured to the higher performing Grantees.

Program Term – 2 Years	Spend Down Requirement
At Month 6	15%
At Month 12	40%
At Month 18	75%
At Month 24	100%

ERA-EPP: Spend Down Requirements(cont.)

2. Advanced Funding Option- THDA will provide approved Grantees with access to a limited amount of their grant award in advance.

- The amount of funds eligible for advance will be subject to one of the following limitations:
 - a) Grantees that have administered a THDA-funded program for five (5) consecutive years or more, and are in good standing, will have access to up to \$100,000 or twenty percent (20%) of the grant award, whichever amount is less;
 - b) Grantees that have administered a THDA-funded program within the last two (2) years, and are in good standing, will have access to up to \$50,000 or ten percent (10%) of the grant award, whichever is less; and
 - c) Grantees not currently administering a THDA-funded program will be required to follow the reimbursement process.

ERA-EPP: Spend Down Requirements (cont.)

- THDA may limit the amount of advanced funds permitted based on the Grantee's performance in successfully administering the Program, other THDA programs, or other factors at THDA's sole discretion.
- Grantees must set up a non-interest bearing account to hold all advanced funds in order to access the advanced funding option.
- Support for how the advanced funds are expended must be retained within each client file and made available upon THDA's request for compliance reviews.
- Advanced funds can be used to cover programmatic and administrative costs. No more than eleven percent (11%) of the advanced funds could be used for administrative costs. The spend down of administrative costs should align with the direct assistance expenditures, 89% direct assistance/11% administrative costs.

ERA-EPP: Spend Down Requirements (cont.)

- Grantees will have six (6) months to expend the advanced funds. Failure to expend a minimum of 95% the advanced funds within the six (6) month timeline will trigger a repayment of funds and will deem the Grantee ineligible for advanced payments from ERA-EPP for the remainder of the program term.
- Grantees that expend a minimum of 90% of their advanced funds can request an additional advancement of funds. The request for additional advanced funds must include a status report that provides a list of the households served and disbursements made with Program funds. THDA will make the status report templates available to the approved Grantees with the Program Contract.

This process will continue until the program ends and/or the Grantee expends 100% of their grant award, whichever occurs first. THDA, at its sole discretion, may deem a Grantee ineligible to access advanced funding if discrepancies are identified through THDA's Quality Assurance Reviews.

ERA-EPP: Program Compliance

1. Reporting

Grantees must provide status reports to THDA quarterly. Reports will be used by THDA staff to perform Quality Assurance Review of households approved and denied. THDA will create and furnish the reporting template to the Grantees with the Program Contract. The report template will include, at minimum, the following components. THDA, at its sole discretion, may request additional data or increase the frequency of reporting:

- a. Applicant(s) name, physical address of residence, and contact information
- b. Address of unit (if different from current residence)
- c. Date of application received, approved/denied and funded.
- d. Total amount of assistance provided
- e. Which eligible costs were paid
- f. Which services were provided
- g. Referral resources
- h. Final outcome of household

ERA-EPP: Program Compliance (cont.)

2. Record Retention

Grantees must retain all documentation collected from the applicant to support their decision to approve or deny the assistance for a household for a period of five (5) years from the effective date of the Program Contract. The case file should contain, at minimum, the following. THDA, at its sole discretion, may request additional documentation from the Grantee.

- a. The completed and signed application;
- b. Copy of lease or agreement to rent;
- c. Income statements or supporting documentation;
- d. Utility statement(s);
- e. Eviction notice(s);
- f. Correspondence with any entity related to the applicant's case;
- g. Referrals provided;
- h. Financial records for disbursement(s) and refund(s).

ERA-EPP: Program Compliance (cont.)

3. Grantee Compliance

All Grantees must adhere to, or maintain compliance with the requirements of the Program and, as applicable, other programs administered by THDA. Failure to maintain compliance with any program funded through THDA will result, depending on the egregiousness of the noncompliance, in penalties being assessed in the scoring of future applications and/or the inability to participate in programs administered by THDA for a period to be determined at THDA's sole discretion.

ERA-EPP: Tenant Minimum Qualifications

Applicants must meet the income and the following program criteria to receive assistance through the Program:

1. Submit a complete Eviction Prevention application;
2. Provide the appropriate supporting documentation to verify income limit;
3. Meet the household income limit of 50% AMI or less;
4. Is or has been a tenant of a unit that is located within Tennessee within the past six months;
5. Is or will be obligated to pay rent under a lease or agreement for such unit;

ERA-EPP: Tenant Minimum Requirements (cont.)

6. Be at risk of eviction, which is documented by an eviction notice, order of eviction, or past due rent statement or one or more individuals within the household has qualified for unemployment benefits AND can demonstrate a risk of experiencing homelessness or housing instability, which may be documented by providing:

a) Proof of cost burden (30% or more of their income is paid towards rent);

AND

b) Is delinquent on a Water, Electric, or Gas utility bill or any other evidence of such risk, as determined or approved by THDA.

ERA-EPP: Tenant Eligible Program Costs

The eligible costs for the Program include, but are not limited to:

- Rental assistance: For delinquent rental arrearages. Participants may only receive up to 24 months of assistance. For prospective rent. Participants may only receive two months of perspective months.
- Late fees;
- Security deposits (first and last month's rent);
- Utility deposits for Water, Electric, or Gas services;
- Disconnection fees;
- Reconnection fees;
- Landlord-Tenant mediation costs;

ERA-EPP: Tenant Eligible Program Costs (cont.)

- Tenant legal services related to eviction proceedings and maintaining housing stability;
- Court costs related to eviction proceedings and maintaining housing stability;
- Relocation costs;
- Rental application fees;
- Case management costs;
- Budgeting or financial counseling costs;
- Other eviction prevention costs as approved by THDA at its sole discretion

ERA-EPP: Form of Assistance

- All ERA-EPP assistance must be paid directly to the landlord, property management company, attorneys, courts, and/or the party to which the fee is due. Program funds may not be paid to a tenant directly.
- The assistance provided on behalf of eligible tenants under the Program is not a loan and does not require repayment, unless a landlord, utility company or payee owes the Grantee money back for overpayment of assistance or for rent payment(s) for the time period in which a tenant was not occupying or under lease for a covered unit.
- The Grantee should retain documentation of disbursements made in their client files for compliance purposes.
- **Duplicative Assistance Not Allowed.** Grantees must ensure that any eviction prevention assistance provided is not duplicative of any other federally-funded assistance provided to the household. Grantees should have processes in place to review and confirm that duplicative assistance is not provided.

ERA-EPP: Application Submission

Application Window:
9:00 AM CST, Friday, February 10, 2023
4:00 PM CST, Friday, March 10, 2023

Prior to submission, make sure:

- Your answers are complete.
- The application is signed by the applicable authorized official.
- All required information is uploaded to PIMS.

THDA will provide a limited opportunity of two (2) business days for applicants to correct the following:

- Failure to upload all required documents to PIMS.
- Failure to submit a Certificate of Existence dated no more than 30 days prior to application date
- Failure to sign the application.

ERA-EPP: Key Eligibility Factors

- Eligible CAA or non-profit agency;
- No outstanding findings or other issues from any program operated by THDA;
- Experience in providing an eviction prevention type of assistance;
- Must be able to meet recordkeeping and reporting requirements;
- Must be able to meet program requirements for reporting and tracking client level data over time;
- Must have policies in place to prevent duplication of benefits;
- Must have Policies and Procedures in place for an existing Eviction Prevention Program; and
- Must submit audit or financials dated not more than 12 months prior to the date of the application.

ERA-EPP: Funding Allocation Process

1. Funding Allocation Process:

Applications meeting the threshold criteria will be scored and ranked in descending numerical order. The ERA-EPP funds will be awarded to the top two scoring agencies within each Grand Division (West, Middle, and East) of the state. The remaining applications will be funded based on their score in descending order until the program funding is fully committed.

2. Application Score Tiebreaker Process:

In the event of a tied score under the Program Funding Matrix, THDA will follow the following tiebreaker review process to select the agency that will receive funding. The application with the highest score for the following categories will be selected in this order, until the tie is broken.

- a. Program Experience Score;
- b. Capacity Score; and
- c. Coordination for Housing Stability.

ERA-EPP: Competitive Allocation Rating Scale

1. PROGRAM EXPERIENCE (UP TO 50 POINTS)

The degree to which an application demonstrates:

- a) Experience in serving very low-income individuals or households.
- b) Experience in administering other programs that help prevent evictions and/or homelessness.
- c) Experience of collecting information, completing reports, and tracking outcomes for individuals or households served.
- d) Existing Policies and Procedures, or Guide, which outlines how eligibility is determined and documented for existing programs.
- e) Existing Policies and Procedures, or Guide, that prevent providing duplicative benefits to applicants.
- f) Strategic plan to leverage and support other funding sources to provide housing stability.
- g) Program design meets the objectives of eviction prevention solutions without unnecessary barriers or program requirements.
- h) Degree to which the project tracks outcomes and shows success in connecting individuals with permanent housing stability solutions.

ERA-EPP: Competitive Allocation Rating Scale (cont.)

2. CAPACITY (UP TO 30 POINTS)

- a) Relative experience of the individual(s) on staff of the applicant who shall have primary responsibility for the oversight and management of the proposed project.
- b) Relative experience in collaborating with relevant public and/or private entities to obtain appropriate mainstream services on behalf of the population to be served.
- c) Completeness and appropriateness of budget, which includes both the narrative and the budget proposed for the administration of the ERA-EPP for eligible costs to administer the program.
- d) Applicant audit and/or financial records support applicant's ability to cash-flow an advancement or reimbursement program.

ERA-EPP: Competitive Allocation Rating Scale (cont.)

3. COORDINATION FOR HOUSING STABILITY (UP TO 20 POINTS)

THDA will award up to 20 points to an application that administers an Eviction Prevention Program that actively coordinates with another entity to help provide the program recipient with other services that will help them achieve more housing stability through other programs. Those entities can include, but are not limited to counseling agencies, case workers, social workers and other state agency funded programs.

For more information, please visit the THDA website:

<https://thda.org/government-nonprofit-partners/emergency-rental-assistance-eviction-prevention-program>

Questions or concerns:

ERA-EPP@thda.org