



## Housing Assistance Council

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January 25, 2021

The Honorable Janet Yellen  
Secretary Designate  
U.S. Department of the Treasury  
Washington, D.C.

RE: Emergency Rental Assistance program use in rural areas

Dear Secretary Designate Yellen,

I write to urge you to take immediate action to provide state and local governments with the timely and clear guidance required to distribute critically needed emergency rental assistance to millions of households at risk of losing their homes this winter – including vulnerable and underserved rural communities, where our nation’s deepest poverty can be found.

### **Who We Are**

For 50 years, the Housing Assistance Council (HAC) has been the voice for the poorest of the poor in the most rural places. Our deeply rooted work in communities across the country informs our research and drives our policy positions. Our independent and non-partisan work with policymakers and stakeholders ensures the most vulnerable rural populations – especially those in high-needs regions like the Mississippi Delta, rural Appalachia, farmworker communities, the Southwest border colonias and Indian Country – have improved access to safe and affordable housing opportunities.

### **Where We Work**

Rural America is home to about 20 percent of the U.S. population and covers more than 90 percent of the U.S. landmass. Its small towns and rural regions are diverse demographically and economically, and face a wide array of local challenges and opportunities for developing their communities and housing. While each place is unique, HAC has documented several themes. Persistent poverty is a predominantly rural condition. Habitable rural housing is in severely short supply. The adequate housing that does exist is often unaffordable because rural incomes are low and run well below the national median. Rural housing lacks adequate plumbing and kitchen facilities at a rate almost double the national average. Overcrowding is not uncommon in some regions. Decades of stagnant rural house prices have denied owners the wealth and mobility so often associated with buying a home. And racial inequity is endemic as the result of housing policies and banking practices that excluded rural people of color. Complicating these challenges, a lack of reliable rural data obscures rural realities.

These rural communities have struggled with some of the highest rates of COVID-19 infection, especially in the last half of 2020. These high infection rates combine with a variety of challenging rural factors, including the closure of rural hospitals in recent years, a reliance on industries that have been hit hard by the pandemic, stagnant incomes and deep poverty.

### **Emergency Rental Assistance (ERA) For Rural America**

Over 10 months into the pandemic, there has yet to be any targeted federal pandemic relief funding directed specifically to rural communities. The CARES Act and subsequent pandemic relief legislation did not include any funding for the rural housing programs at the U.S. Department of Agriculture (USDA) and the U.S. Department of Housing and Urban Development funding included in the CARES Act flowed through block grant programs that have not historically served rural places equitably. Furthermore, critical data sources that monitor the pandemic's impact, like the U.S. Census Bureau's Household Pulse Survey, do not break out data for rural areas specifically, creating challenges for defining need.

### **Proportional Use of ERA in Rural Places**

In light of these challenges, we are hopeful that the \$25 billion in emergency rental assistance (ERA) funding running through the U.S. Department of the Treasury's Coronavirus Relief Fund (CRF) and provided by the most recent pandemic relief legislation will be used *proportionally* in rural areas. We support the desire to get this much needed funding out the door as quickly as possible, but also recognize that often when dollars are pushed out quickly, they naturally flow to the path of least resistance – which in this case will be larger communities with higher capacity. To level this playing field, we encourage Treasury to make clear in its guidance that states should use their allocations in rural areas proportionally to their rural populations.

### **Eligibility of Tenants in USDA Multifamily Properties**

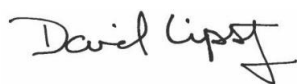
Additionally, the pandemic relief legislation states that “to the extent feasible, an eligible grantee shall ensure that any rental assistance provided to an eligible household...is not duplicative of any other federally funded rental assistance provided to such household.” There are over 70,000 households in USDA's multifamily properties who do not currently have federal rental assistance. Some of these tenants have lost income and need financial support, and ERA funding to them would not be duplicate other assistance. Therefore we would encourage that any guidance from Treasury make clear that currently unassisted USDA tenants *are* eligible for ERA funding. USDA multifamily properties have seen a notable decrease in rent collection from unassisted units during the pandemic, and this clarification of eligibility would give peace of mind to both USDA tenants and property owners.

### **Defining “Incurring” Costs for Local Governments**

Finally, in the first round of the CRF program, which many states used for housing and rental assistance, funding passed from states to local government was required to be cost reimbursable. Many local governments, especially those in small towns and underserved regions, do not have the cash on hand to incur such costs up front. Guidance from Treasury should make clear that a grantee need not have already expended funds to be eligible for this funding.

We appreciate your efforts to quickly provide guidance to allow state and local governments to distribute critically needed emergency rental assistance to millions of households at risk of losing their homes this winter. Please do not hesitate to contact me if you need additional information or clarification of our comments.

Sincerely,



David Lipsetz  
President & CEO  
Housing Assistance Council