**Philadelphia COVID-19 Emergency Rental Assistance (CERA) Program**

Program Summary

***Overview***

The COVID-19 Emergency Rental Assistance Program (CERA) is a rental relief program to aid low-income individuals who have recently become housing insecure due to a COVID-19 related loss of income. The program is being led by the Philadelphia Housing Development Corporation (PHDC).

About 48% of Philadelphia households (about 285,000) rent their home. The PA Supreme Court issued a moratorium on evictions until July 10th, but this protection is only a temporary solution. Under the moratorium, past due rent payments are still accruing and will be payable in less than a month—putting thousands of renters in an untenable situation and possibly forcing them into homelessness. Many of Philadelphia’s landlords who provide unsubsidized housing at affordable rent levels are small businesses who cannot afford a lengthy loss of cash flow.

The City is concerned that, if this situation is not addressed quickly and effectively, it will lead to a significant increase in the city’s homeless population and put many landlords who are providing affordable housing on the private market out of businesses. These two outcomes would put an unmanageable strain on the homeless and social services system in Philadelphia. And the City believes that providing support immediately will reduce the human and economic costs to the public and philanthropic sectors in Philadelphia. Through CERA the City of Philadelphia can provide short-term rental assistance necessary to reduce the long-term impacts of this crisis. The program uses $10M from CDBG-CV funds, supplemented by local housing trust funds and private donations in order to serve at least 4,000 households. Recipients of the assistance are selected through a lottery system that uses a random number generator to select applications, with a percentage of slots reserved for families with children and households residing in high poverty Census tracts. The City expects to begin disbursing aid during the week of June 22nd.

***Program Design and Assistance***

* CERA will pay up to $2,500 for three months toward rent. After the initial three months staff will recertify households, and as funding allows may provide up to $10,000 for 12 months of rent assistance.

***Eligibility Requirements***

In order to qualify, households must:

* Be employed, recently employed, or self-employed and experiencing a reduction in hours or a lay off due to the employer reducing/eliminating work hours or the loss of contract work as a public health precaution related to COVID-19; or be experiencing other significant economic hardship and housing instability related to COVID-19;.
* Experience a financial hardship and inability to pay rent or utilities;
* Live within the City of Philadelphia;
* Live in un-subsidized housing (tenants may not live in Philadelphia Housing Authority units or receive Section 8); and
* Have a total household income at or below 50% of Area Median Income (AMI), which is currently $48,300 for a family of four in Philadelphia.

In addition to these program requirements, the following application forms must be submitted during the application process:

* Tenant application,
* Affidavit of income loss due to COVID-19,
* Tenant income documentation,
* Unit habitability survey completed by the tenant,
* Landlord Rental License,
* Landlord Tax Certificate (if not tax compliant),

Other information:

* Tenant may not have been in process of being evicted.
* Tenant may not owe back rent from before April 2020.
* All assistance requires an Agreement signed by the landlord.
* Landlord may not pursue eviction or increase rent while receiving assistance and for six months following the final City payment
* Landlord must agree to provide tenant with six months following the final City payment to repay any arrears accrued since May 2020.
* All households receiving this assistance must have a current lease.
* The physical condition of the unit must be verified by a Unit Habitability Survey completed by the tenant (in lieu of an inspection).
* All landlords must have a current City of Philadelphia rental license for the property and must be current in taxes owed to the City.
* Tenants are required to submit an affidavit confirming that they have experienced a COVID-related loss of income.

***Tenant Selection Process***

The CERA program utilizes a lottery selection system in which all completed applications are collected and a random selection is performed to select tenants that will receive the assistance, with spots reserved for families with children and households residing in high poverty Census tracts.

The lottery selection process follows the steps below:

1. Remove ineligible applications (households with income above 50% AMI, households that owed rent from before April, households already in the eviction process, households living in subsidized housing, households that did not experience a COVID-related loss of income) from the application pool. This step also removed applications that were incomplete or were duplicate submissions.
2. Place eligible applicants in the lottery. To ensure the program assistance is equitable, a certain number of seats have been reserved for:
   1. Households located in high-poverty Census tracts (defined as tracts with poverty rates at or above 25%).
   2. Families with children.
3. Distribute proposed seats in program as follows to ensure equity:
   1. 40% for families with children from high-poverty neighborhoods
   2. 25% for families without children from high-poverty neighborhoods
   3. 20% for families with children from low-poverty neighborhoods; and
   4. 15% for families without children from low-poverty neighborhoods.

\*Note: in the unlikely event that the application pools above over-represent high-poverty neighborhoods and/or families with children, the reserved seats will not be used for that group and released back into the general application pool.

***Program Operation and Timeline***

The program application was released online on May 12th and closed on May 16th, allowing five days for tenants to apply. PHDC performed outreach about the program’s availability through formal announcements on the City’s website and texts to residents from the Office of Emergency Management. A number of major local media outlets, print, TV, and online, including Spanish-language publications, promoted information about the program for the general public.

The program application was available on a dedicated website and was fully accessible via smartphone. Those unable to access the application online could work with staff at Philadelphia Legal Assistance and a network of housing counselors to apply over the phone and drop off hard-copy documents if necessary. The program used the database software Quick Base to store and track application information. During the open application process, PHDC pulled application zip code information from the database daily to gain an understanding of spatial distribution and target outreach with its network of housing counselors. The daily data pull also provided the race and ethnicity breakdown of applications.

At the close of the application period, PHDC staff reviewed and processed applications to remove ineligible applicants and duplicates. Once an eligible list of applicants was developed, staff carried out the lottery to select the first pool of tenants through the process described previously. Eligible applicants were then emailed a unique link to upload their documents, and give one week to respond.

Next PHDC manually reviewed their information and verified that their pre-COVID income was under 50% AMI.

Step 3 involved notifying landlords that their tenants were selected. PHDC then used the City’s Office of Property Assessment and the Department of Revenue to check if landlords were up to date on taxes owed, had a valid rental license on record, and conducted a check of code violations by property. These reviews were all either automated or based on a report sent to PHDC from the relevant agency. PHDC emailed each landlord a unique link to an Agreement where they entered additional information, including their bank information, and uploaded an IRS Form W-9.

During the last step, the City is using a third-party contractor Public Health Management Corporation, to process electronic payments to the selected landlords. The City is planning to disburse the assistance beginning during the week of June 22ndth.

Below is a generalized process flow diagram of the main steps in the CERA Program administration after applications were submitted. Program turnaround from time of selection of tenants to rental payments being administered to landlords is estimated to be about 5 weeks.