



Emergency Rental and Utility Assistance in North Carolina

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Rental and Utility Assistance in N.C.



- 88 counties
- \$1.1 billion
- 5.1 million pop.

Local Government Programs

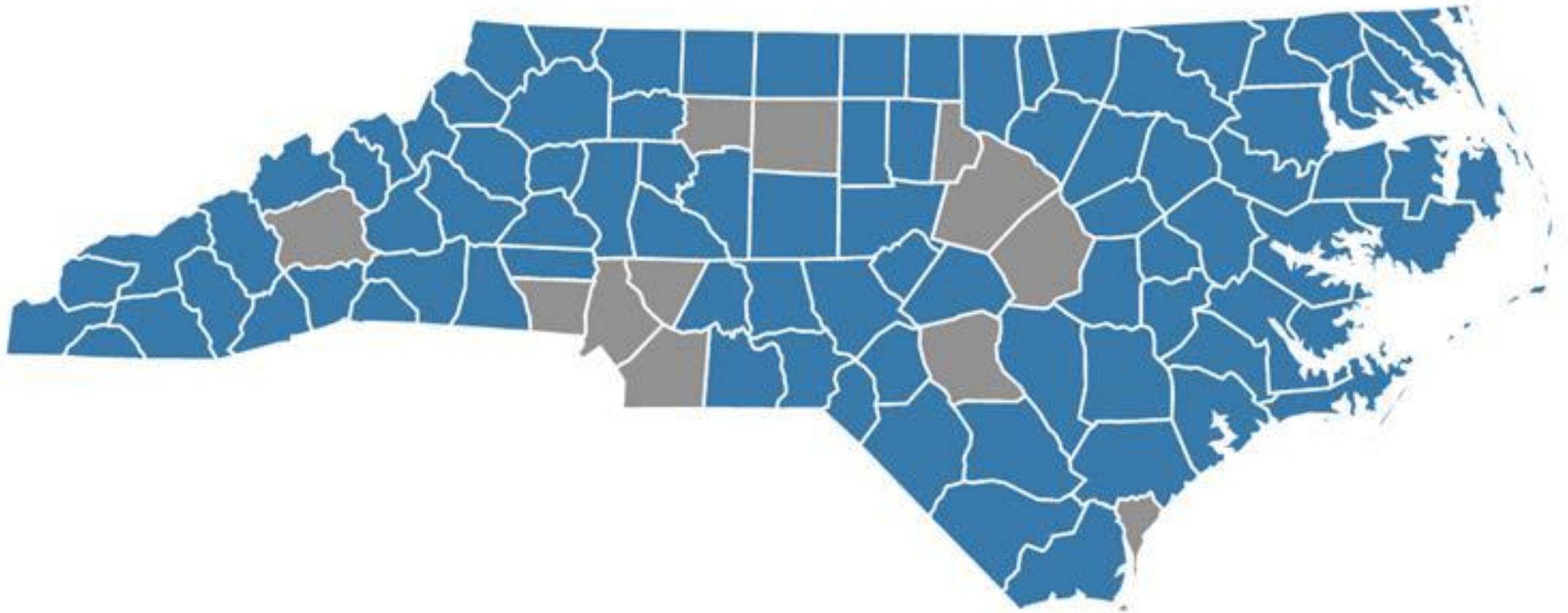
- 12 county programs
- 6 city programs
- \$280.1 million
- 5.2 million pop.

Tribal Programs

- 5 tribes
- \$25.7 million
- 85,500 pop.



Local Government Programs





Tribal Programs

- Eastern Band of the Cherokee Nation
- Coharie Tribe
- Haliwa-Saponi Indian Tribe
- Lumbee Tribe of North Carolina
- Waccamaw-Siouan Tribe



Research Question 1

- Is the N.C. HOPE Program distributing assistance in an efficient and effective way?
 - Data request regarding number of applications submitted, approved, denied
 - Data request regarding average time from application to disbursement



Research Question 2

- Is the NC HOPE Program causing harm to tenants or landlords in any way?
 - Leaving eligible tenants in rental and utility arrears
 - Not making landlords whole through payments
 - Creating barriers to the program
 - Reducing eligibility for the program



The Importance of Rent and Utility Assistance



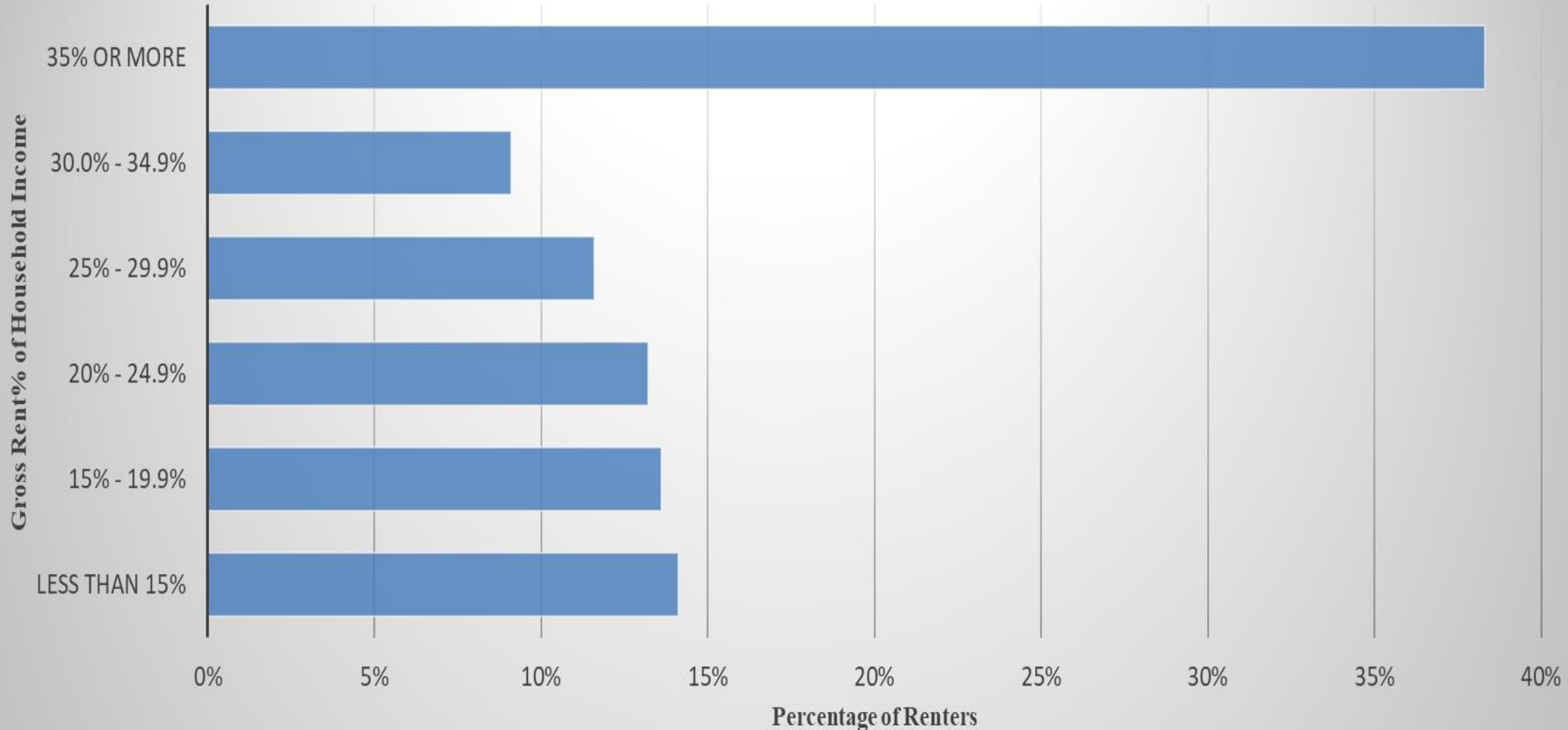
Renters



Landlords



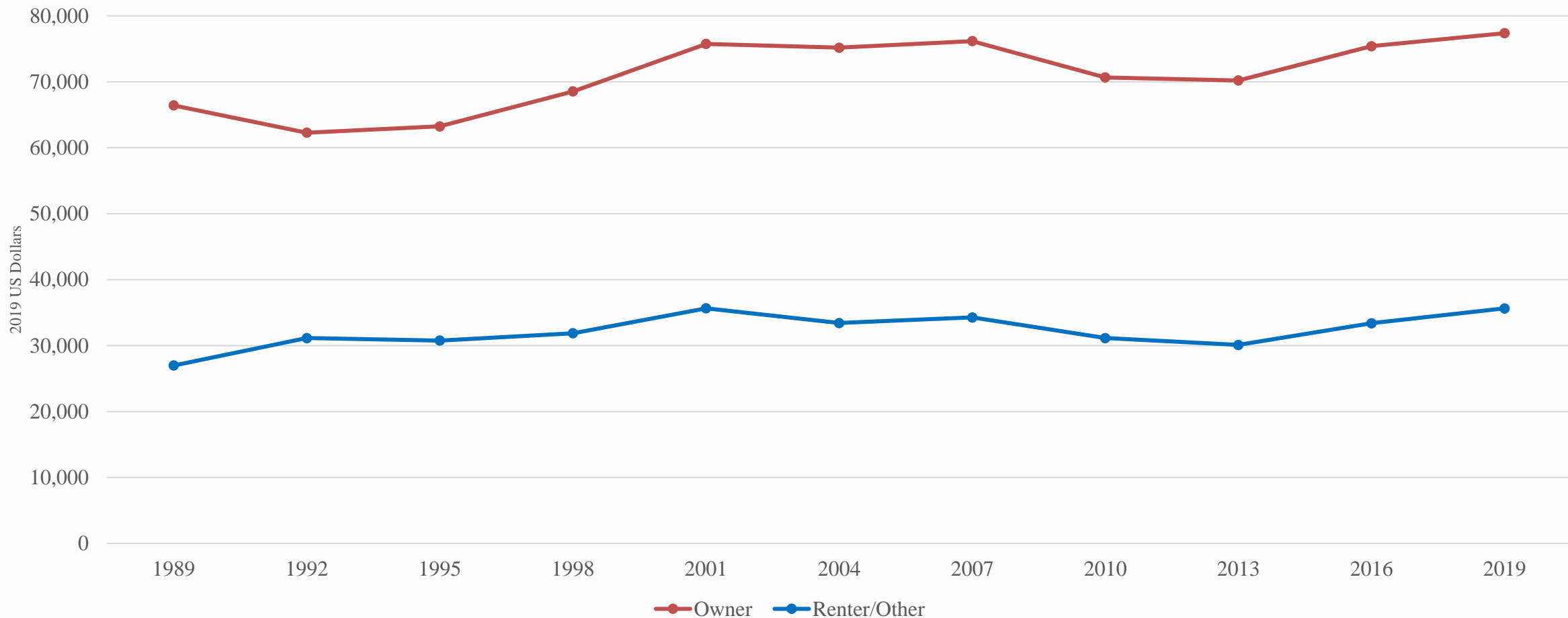
N.C. Renter Profile





U.S. Renter Profile

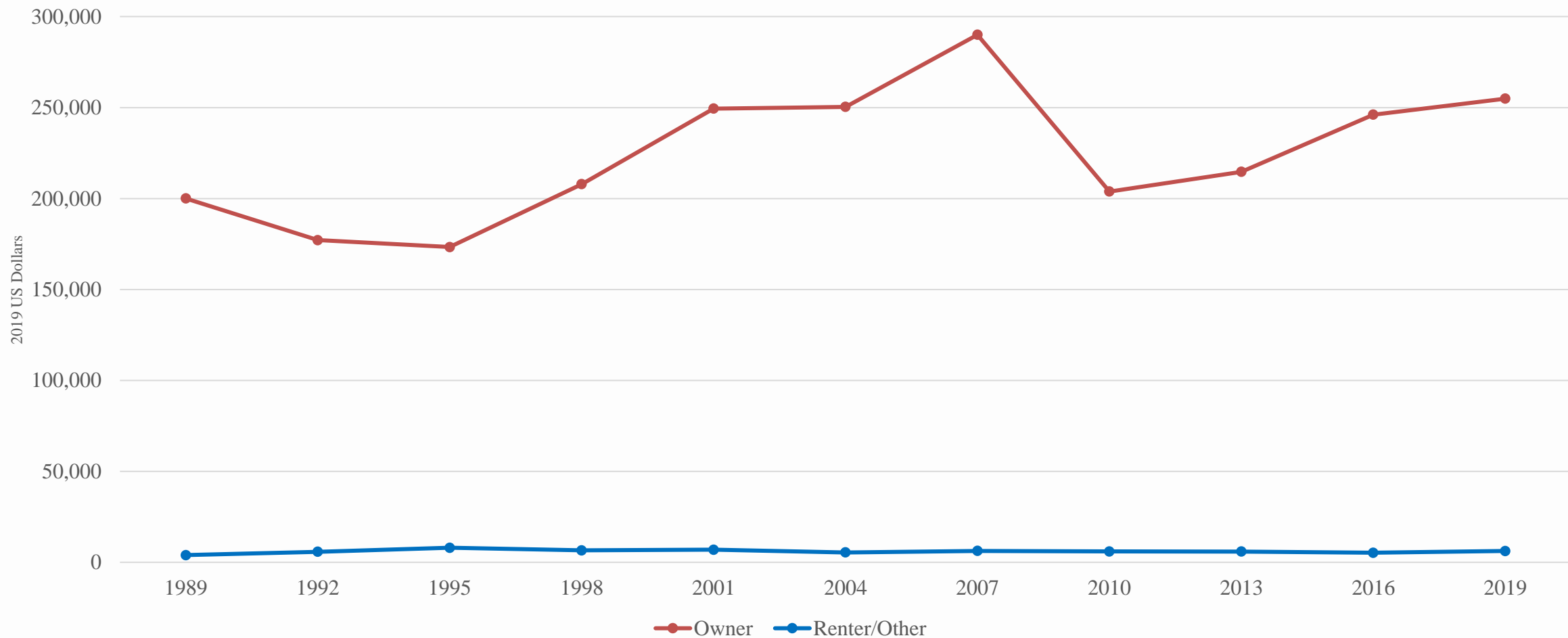
Median Income Before-Tax





U.S. Renter Profile

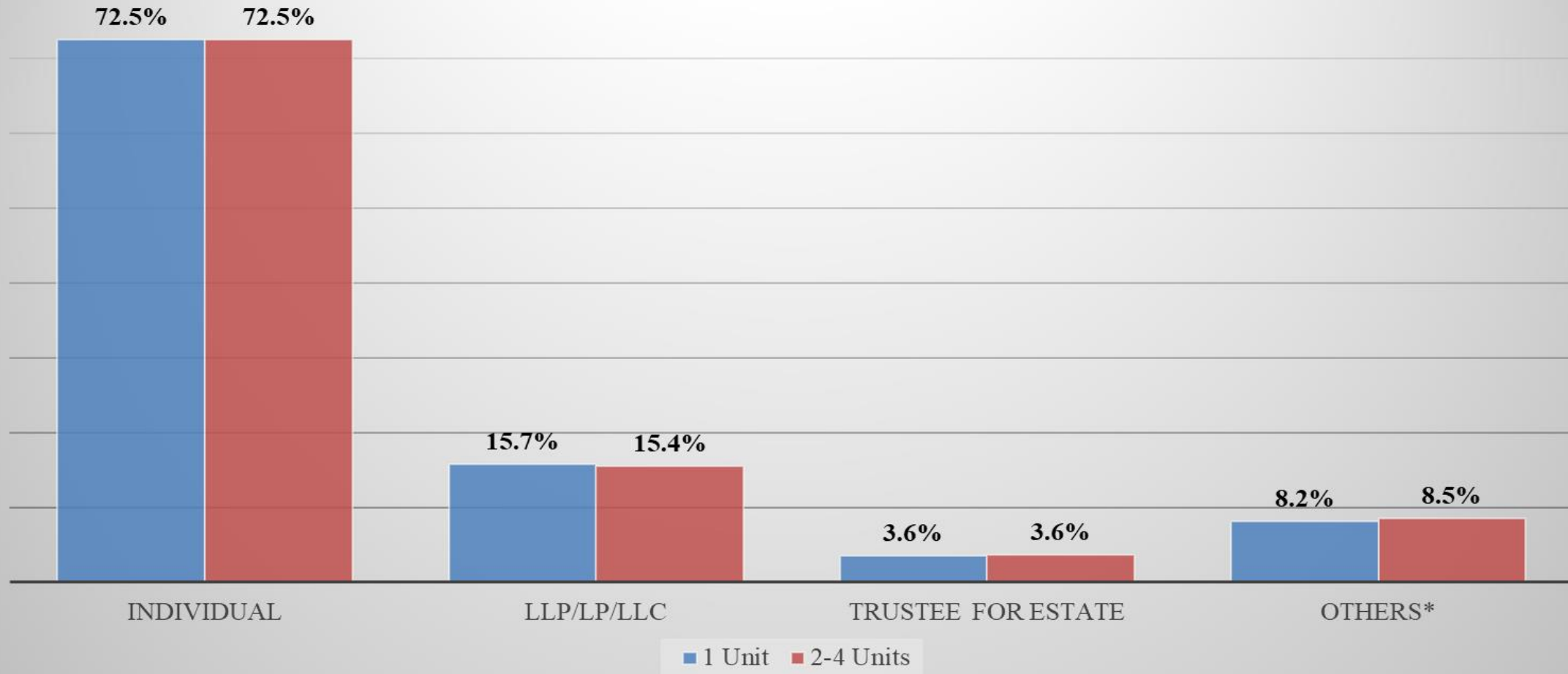
Median Net Worth





U.S. Landlord Profile

2018 Distribution of Ownership Types

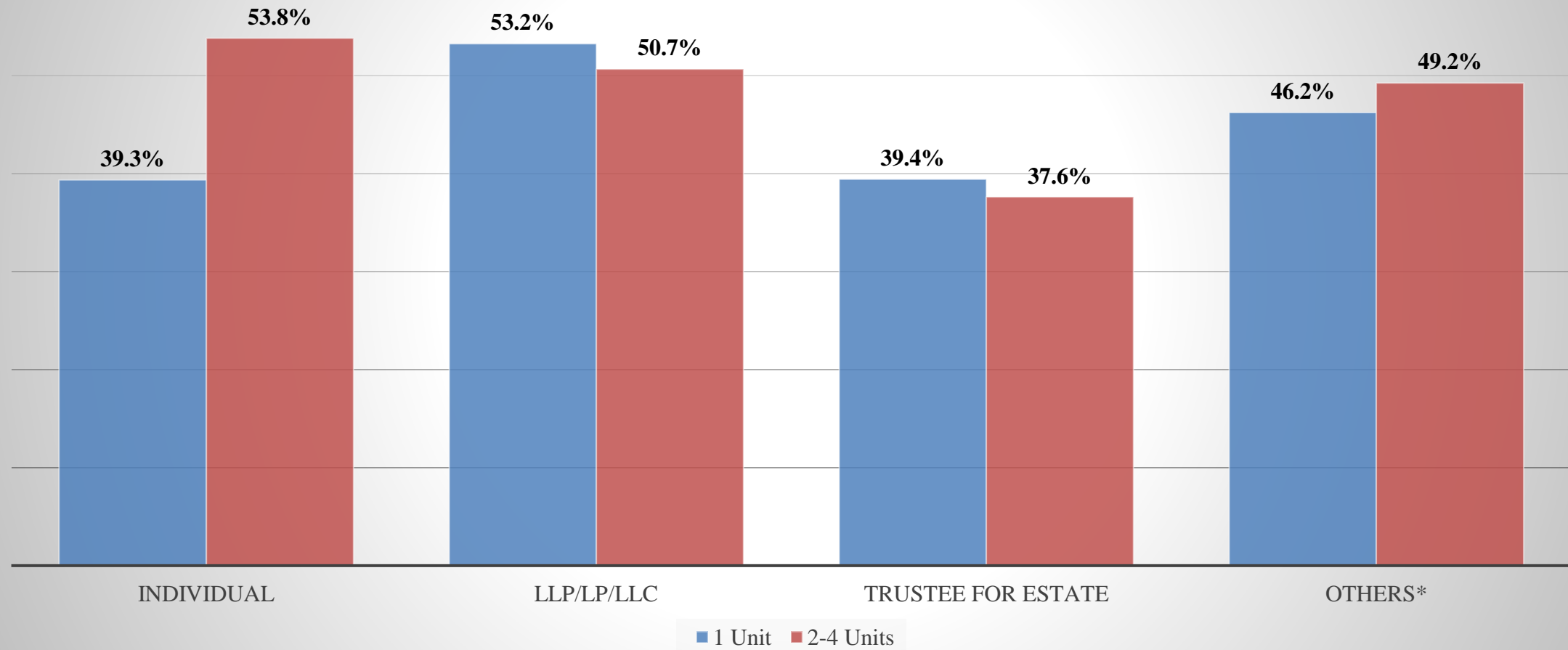


*3.36% and 3.87% of Not Reported survey results are included in OTHERS



U.S. Landlord Profile

With Mortgage or Similar Debt



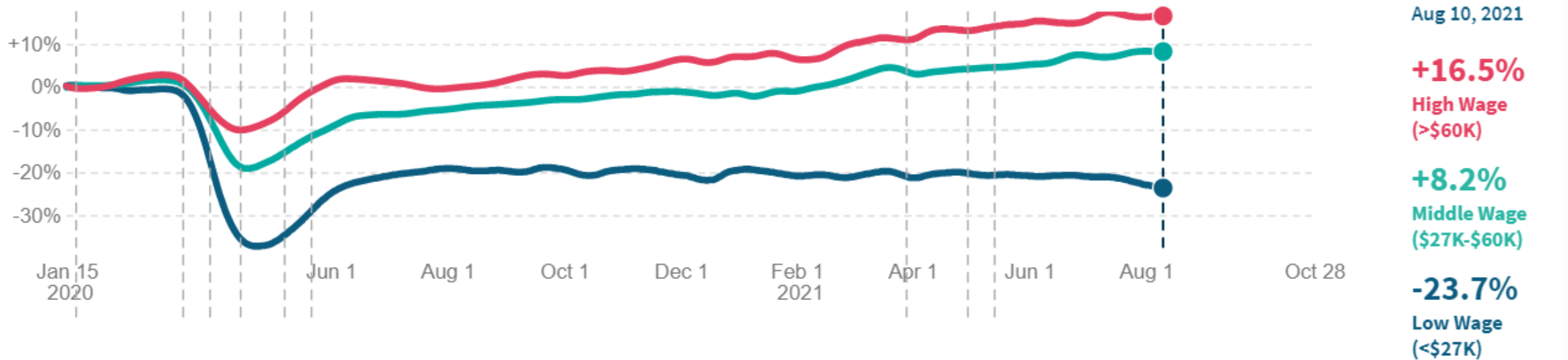
*3.36% and 3.87% of Not Reported survey results are included in OTHERS



COVID-19 Economic Impact

Percent Change in Employment*

In **North Carolina**, as of **August 10, 2021**, employment rates among workers in the bottom wage quartile **decreased** by **23.7%** compared to January 2020 (not seasonally adjusted).



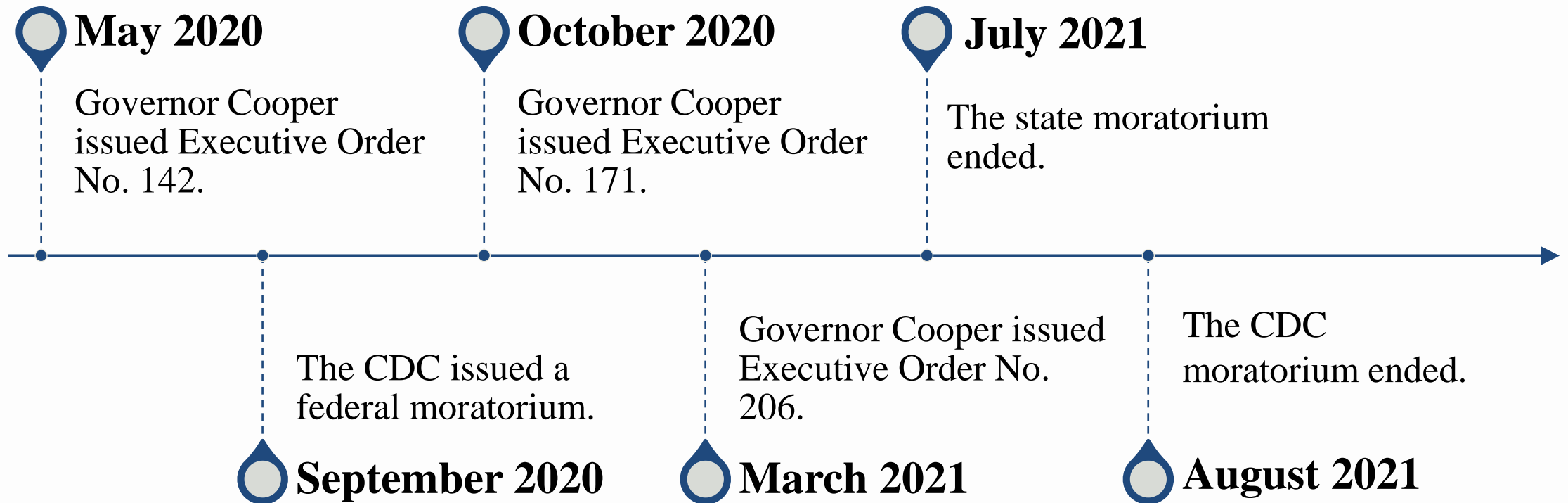
*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line is a prediction of employment rates based on Kronos and Paychex data.

last updated: **September 24, 2021** next update expected: **November 05, 2021**

visit tracktherecovery.org to explore



Moratorium Timeline



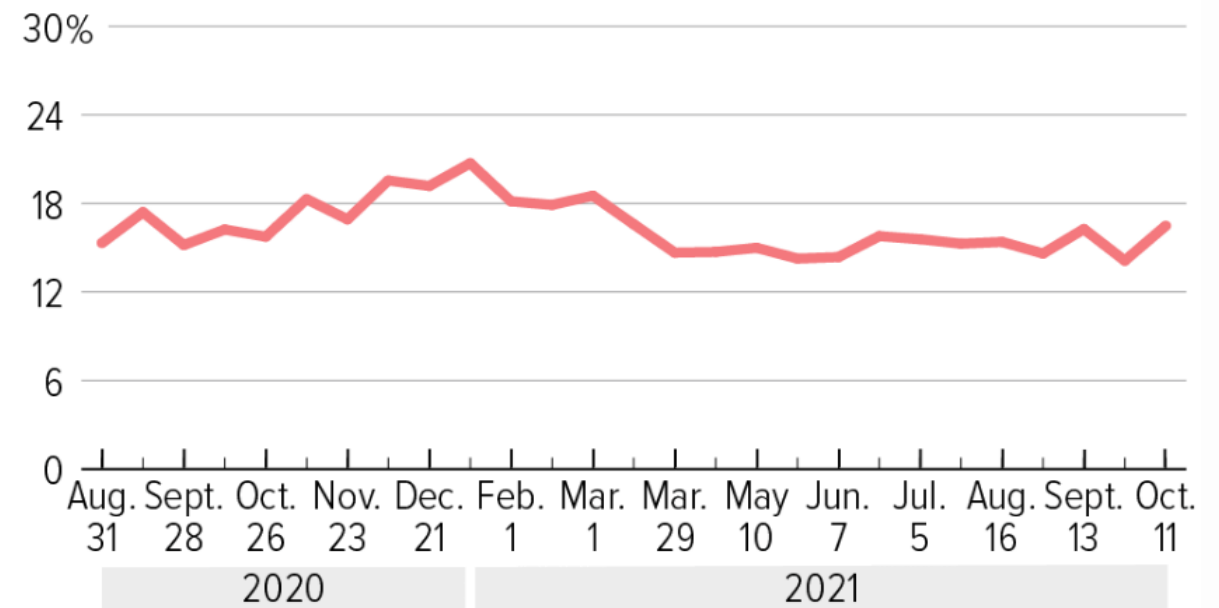


Impact on Renters

- In January 2021, 1 in 5 adult renters were behind on their rent.
- As of October 2021, 1 in 7 adult renters were still behind on their rent.

Rent Hardship Below January 2021 Peak, Yet Still Widespread

Share of adult renters reporting that their household is not caught up on rent



Note: Dates shown are the last day of each 13-day data collection period. Data collection was paused between December 21, 2020 and January 6, 2021, between March 29 and April 14, 2021, and between July 5 and July 21, 2021. Percentages exclude individuals who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey tables.



Impact on Landlords

- A survey in August 2020 found that 35.4% of small landlords were using money from savings or emergency funds in response to the pandemic.
- In 2019, 3% of landlords were taking steps to sell their rental properties.
- In 2021, 13% of landlords were taking steps to sell their rental properties.
- In May of 2021, 28% of landlords reported deferring maintenance on at least one rental unit during the pandemic.



HOPE 1.0

August 2020

Governor Cooper announced \$94 million in funding from CDBG-CV and CRF for a statewide rent and/or utility assistance program.

November 2020

Applications for the HOPE Program closed.

October 2020

NCORR opened applications for the Housing Opportunities and Prevention of Eviction Program.



HOPE 1.0

ABC11 TROUBLESHOOTER

7 months since HOPE Program launched, NC renters and landlords still wait for money

Diane Wilson (ABC 11) May 5, 2021



Meant to offer 'HOPE,' state rental assistance program has been slow to pay

Travis Fain (WRAL) February 22, 2021

Where's the money? As 2nd round of HOPE program opens, \$400,000 in financial help still undelivered

—
It took five months and a push from WCNC Charlotte for a landlord to receive his \$7,700.

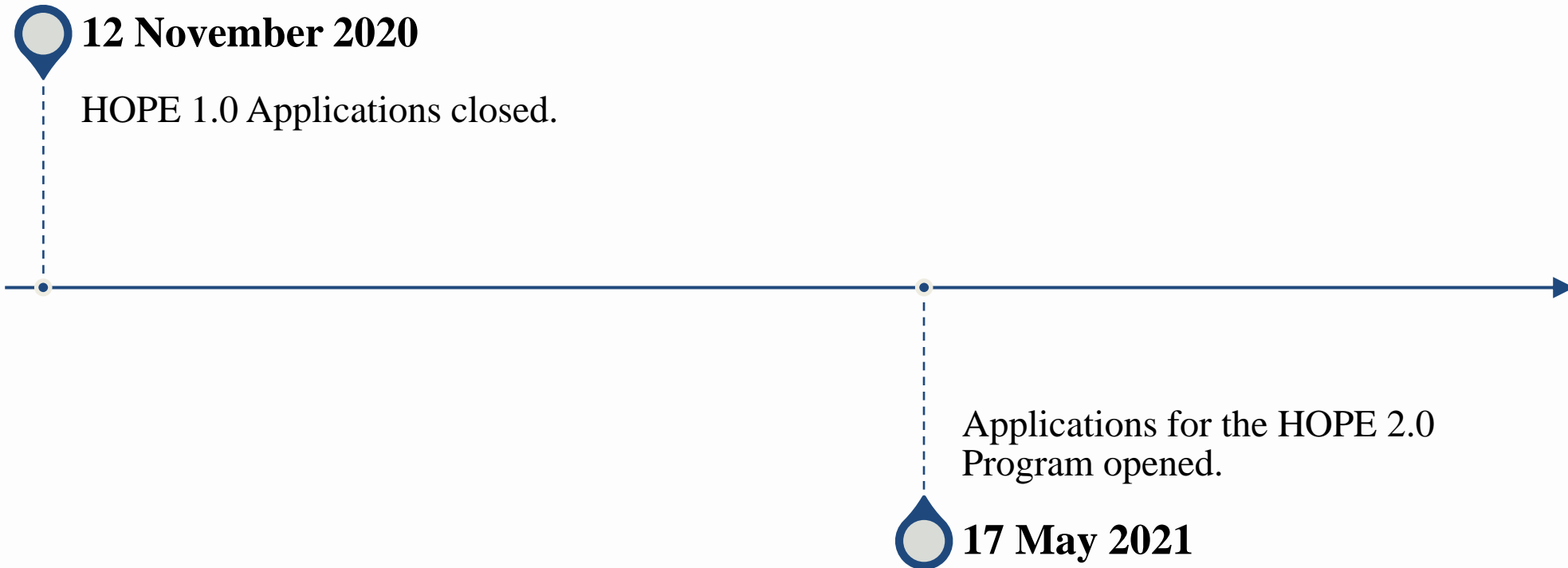
Nate Morabito (WCNC) May 20, 2021

Many say NC HOPE Program hasn't followed through on promise to pay rent, utilities

Jason Stoogenke (WSOCTV) March 15, 2021



Applications for Assistance Close





HOPE 2.0

- On May 17, 2021, NCORR opened applications for the second phase of the HOPE Program.
- The HOPE Program serves 88 counties in N.C.
- Funded through the U.S. Department of Treasury Emergency Rental Assistance Program.



HOPE 2.0 Accomplishments

- According to NCORR, rent and utilities are paid within 14-20 days of application.
- HOPE had awarded 72% of ERA 1 funding by September 30, 2021.
- HOPE ranks 6th in the nation for spending of federal ERA money and 3rd in the nation for households assisted.



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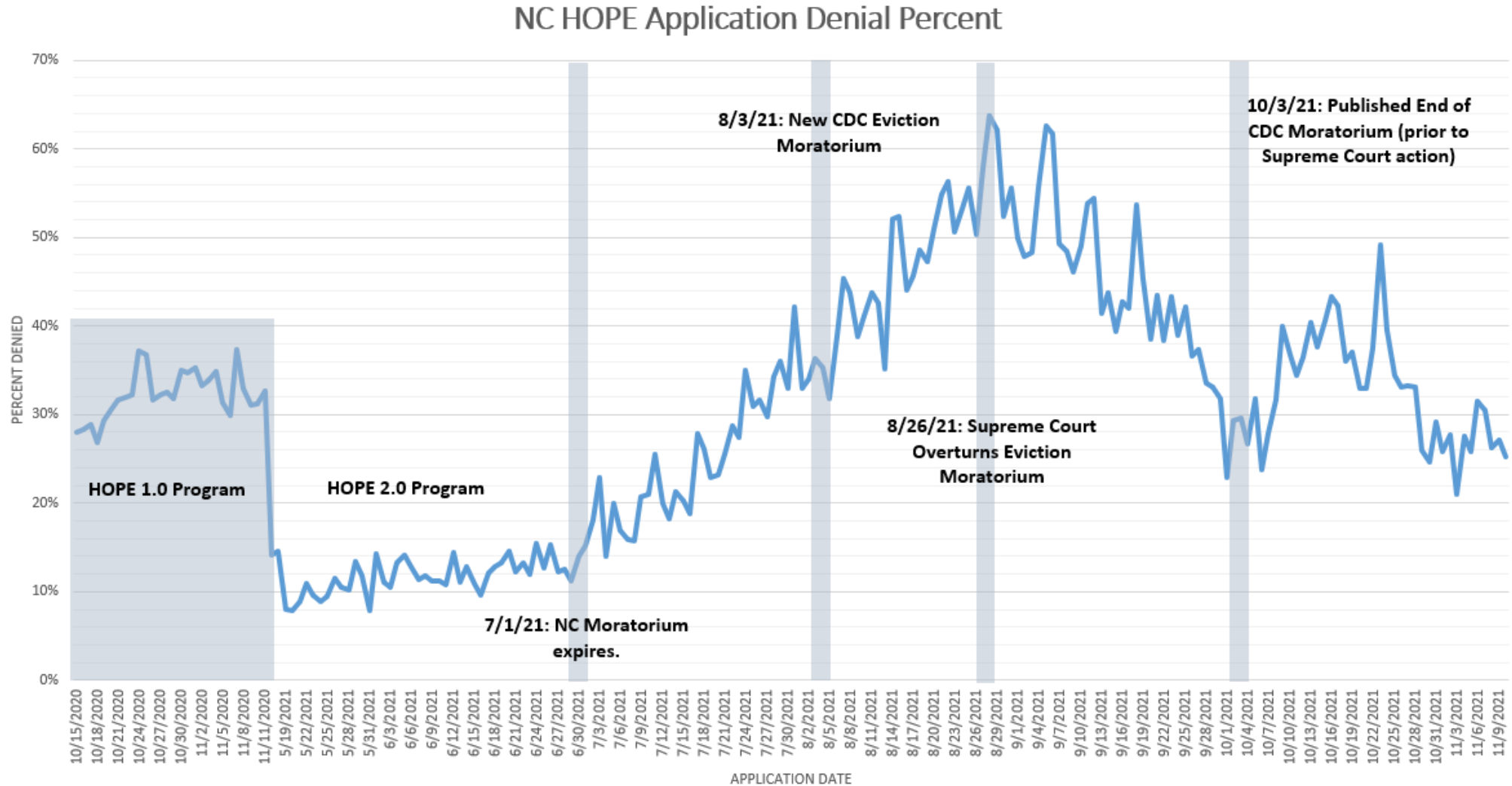


Research Question 1

- HOPE 2.0 pays out \$2,971,096.20 and 1,180 assistance awards daily.
- As of November 10, 2021, HOPE 2.0 had obligated \$450,649,320.62 for 173,984 households.
- As of November 9, 2021, HOPE 2.0 paid out \$374,358,121.16 for 148,699 households.

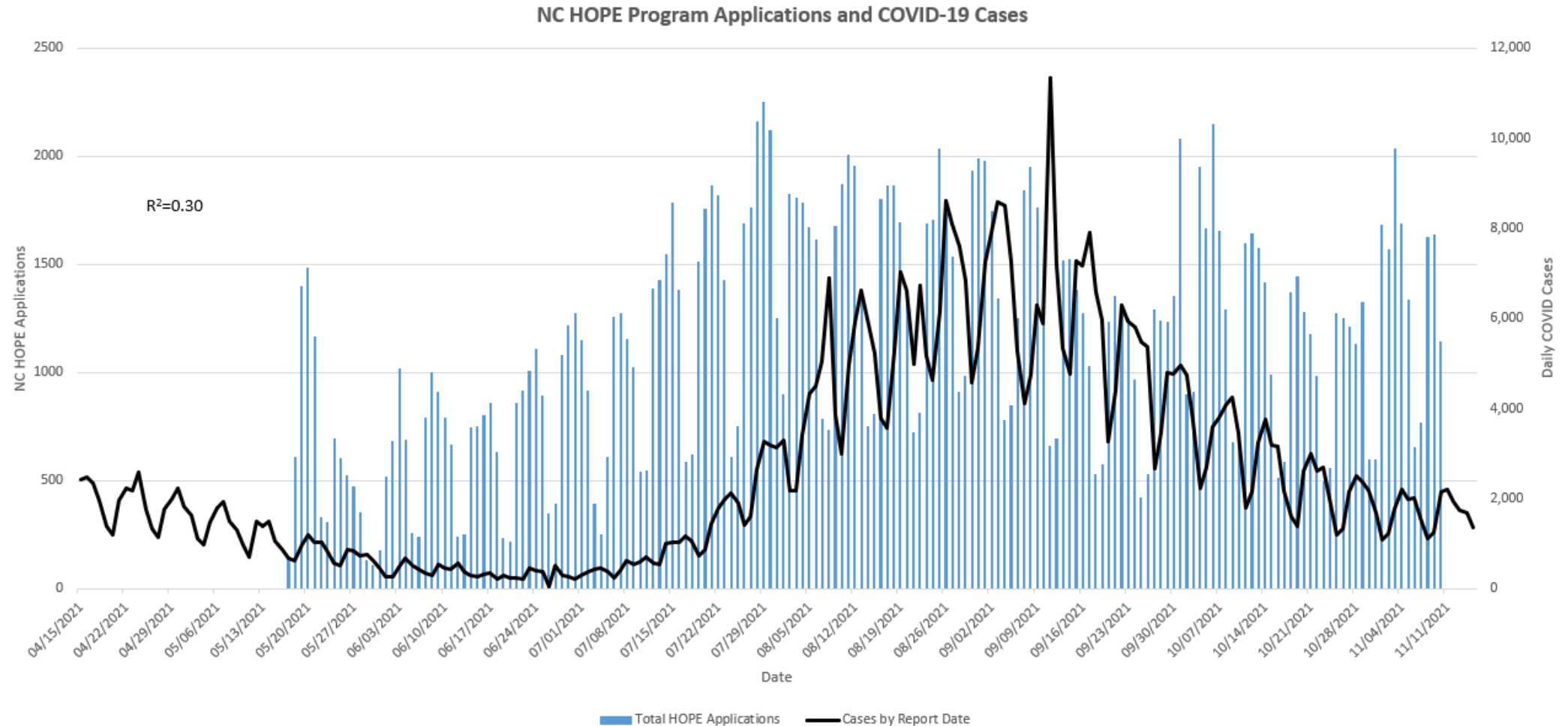


Denied Applications





COVID Influence





Research Question 2

- Is the NC HOPE Program causing harm to tenants or landlords in any way?
 - Leaving eligible tenants in rental and utility arrears
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U.S. Treasury Guidance

- “ERA grantees must comply with the requirements outlined in their ERA Award Terms, including the relevant ERA statute, all other applicable federal statutes, regulations, executive orders, and Treasury’s guidance (FAQs, reporting guidance, etc.).” – U.S. Treasury ERAP Website
- Discouraged Practices for ERAP:
 - Establishing eligibility requirements beyond those required by statute or Treasury’s FAQs.
 - Creating barriers to the program.



Landlord Application

Federal Law

“If a landlord or owner of a residential dwelling submits an application for assistance from a payment made under this section on behalf of a renter of such dwelling...”

-P.L. 116-260

NC HOPE Program

“Landlords cannot apply for the HOPE Program, but they can refer distressed tenants to the program.”

-FAQs, ReBuild Website



Landlord Application

“Landlords are critical beneficiaries and stakeholders of the ERA program.”

-U.S. Treasury Website



Utility-Only Application

Federal Guidance

“A grantee is not required to provide assistance with respect to rent in order to provide assistance with respect to utility or energy costs.”

-ERA FAQ 19, U.S. Treasury

NC HOPE Program

“Utility-only applications will not be accepted in this phase of the HOPE Program.”

-HOPE Program Overview,
Rebuild Website



Housing Stability Services

Federal Guidance

Rental assistance can cover hotel costs for eligible households that are temporarily displaced from a permanent residence.

-ERA FAQ 26, U.S. Treasury

NC HOPE Program

The HOPE Program does not cover hotel costs.

- About HOPE, ReBuild Website



Housing Stability Services

“Expend funds on housing stability services provided by community-based and nonprofit organizations to keep people housed and meet essential household needs.”

-U.S. Treasury ERAP Strongly Encouraged Best Practices and Policies



Months of Assistance

Federal Law

Eligible households may receive up to 12 months of assistance plus an additional 3 months if necessary to ensure housing stability for an eligible household. This can include up to 12 months of rental arrears.

-P.L. 116-260

NC HOPE Program

From May 17th – October 1st, 2021, the HOPE Program only covered 12 months of assistance and up to 9 months in rental arrears.

On October 1st, increased total months of assistance to 15 months and up to 12 months in rental arrears.



Late Fees

Federal Guidance

Allows for funds to cover,
“reasonable accrued late fees.”

-ERA FAQ 7, U.S. Treasury

NC HOPE Program

“[Landlord] agrees to waive any late fees, penalties or charges (outside of rent) incurred between April 1, 2020, and 60 days from the [time assistance ends].”

- HOPE Landlord and Tenant Agreement



Rent and Utility Awards

S.L. 2021 - 25

“[NCORR] shall provide awards to recipients...based upon the actual amount of monthly rent owed by the tenant pursuant to the rental agreement or the actual amount of utility costs owed by the recipient and shall not be subject to any allowable average or formula-based calculation.”

NC HOPE Program

May 17th – July 31st, 2021, “Pays the rent an applicant owes up to the fair market rent of the 2-bedroom unit for that county.”

Covers back-owed utilities up to a maximum amount.

- Electricity: up to \$510
- Natural gas and propane: up to \$135
- Water: up to \$105
- Wastewater: up to \$120



Rent and Utility Awards

S.L. 2021 - 25

“[NCORR] shall provide awards to recipients...based upon the actual amount of monthly rent owed by the tenant pursuant to the rental agreement or the actual amount of utility costs owed by the recipient and shall not be subject to any allowable average or formula-based calculation.”

NC HOPE Program

“Pays the rent an applicant owes up to a cap equal to 130% of the 2-bedroom unit fair market rent cap for that county.”

Covers back-owed utilities up to a maximum amount.

- Electricity: up to \$1,020
- Natural gas and propane: up to \$270
- Water: up to \$210
- Wastewater: up to \$240



Comparison to Local Programs

Requirements	N.C. HOPE Program	Local ERA Programs
Landlord Application	×	12 out of 12
Utility-Only Application	*In-Process*	12 out of 12
Cover Hotel Costs	×	10 out of 12
Late Fees	×	10 out of 12
Pay Full Rent & Utilities	×	11 out of 12



Recommendations

- NCORR eliminate artificial barriers and eligibility requirements of the HOPE Program that go beyond what is required by federal statute and U.S. Treasury guidance.

Questions

A grayscale photograph of a large, modern building with a prominent triangular roof and a series of arched windows. A wide, paved walkway with metal railings leads towards the building entrance. The word "Questions" is overlaid in a large, black, serif font in the center of the image.