

# State of Louisiana's U.S. Treasury Emergency Rental Assistance Program

**DRAFT: SUBJECT TO CHANGE BASED ON ADDITIONAL TREASURY GUIDANCE**



## BACKGROUND

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (H.R. 133) became law. This relief package includes \$25 billion for emergency rental and utility assistance, of which \$309 million is allocated to Louisiana.

This document provides a high-level framework for the current design of the program, but is subject to change based on additional guidance from the U.S. Treasury, as well as feedback from local jurisdictions who will administer their own programs.

## STATE PROGRAM

The Louisiana Housing Corporation (LHC), in partnership with the State of Louisiana Office of Community Development (OCD), will administer the program in 57 parishes. The following sections highlight summary information regarding the state's program.

The main objectives of the program are as follows:

- Keep people housed during the pandemic by preventing evictions for failure to pay rent
- Serve maximum number of households as quickly as possible while prioritizing those in greatest need
- Ensure equitable geographic distribution of assistance
- Compensate landlords for unpaid rent during eviction moratoria

## LOCAL PROGRAMS

The following local government units have applied directly to the U.S. Treasury Department and have been approved to administer their own local programs. Local programs may vary in terms of eligibility, prioritization, benefits and application process.

- Caddo Parish
- Calcasieu Parish
- City of Baton Rouge
- Jefferson Parish
- Lafayette Parish
- Orleans Parish
- St. Tammany Parish

As outlined in the federal legislation, local jurisdictions that are awarded a direct allotment will receive 45% of their per capita share of the state's allocation. The State is working to create a process and set of criteria to provide up to the additional 55% to qualified local government jurisdictions.

## PROGRAM ELIGIBILITY

Tenants	Landlords
<p><b>Must meet all of the following criteria:</b></p> <ul style="list-style-type: none"> <li>• Qualified for unemployment benefits or experienced a reduction in income, incurred significant costs, or experienced other financial hardship due directly or indirectly to COVID-19</li> <li>• At least one of the following:               <ul style="list-style-type: none"> <li>- A past due rent notice or eviction notice</li> <li>- Unsafe or unhealthy living conditions</li> <li>- Any other evidence of risk of housing instability</li> </ul> </li> <li>• ≤80% area median income               <ul style="list-style-type: none"> <li>- Certified either by 2020 annual income or sufficient confirmation of the household's monthly income at time of application</li> </ul> </li> <li>• Submit required documentation</li> </ul>	<p><b>Must meet the following criteria:</b></p> <ul style="list-style-type: none"> <li>• Forgive late fees, penalties, interest; not charge for court costs</li> <li>• Legal commitment to not evict tenant:               <ul style="list-style-type: none"> <li>- For past due rent prior to April 2020 (this program will pay arrears dating back to April 1, 2020)</li> <li>- For at least 60 days after assistance ends unless eviction is for cause</li> </ul> </li> <li>• Agree to terms of assistance and submit required documentation</li> </ul>

## PROGRAM PRIORITIZATION

To ensure equitable geographic distribution, allocations will be set aside on a parish-by-parish basis to begin the program. In the future, it is possible that there is a reallocation process that occurs based on program demand.

For tenants who meet all eligibility criteria, they will be prioritized according to the following. Applicants that meet any of the secondary factors will be prioritized within the designated Tier (based on Area Median Income (AMI) %). **LERAP applicants will receive highest priority.**

Tier	Household Income	Secondary Factors for Prioritization			
		LERAP Applicants	Notified of Eviction Proceedings/ Past Due Rent Notice	Number of Months of Rental Arrears	> 90 Days Unemployed
I	≤50% AMI	Highest Priority	✓	^	✓
II	>50% and ≤80% AMI	Highest Priority	✓	^	✓

AMI is a federal metric that defines the midpoint of a region's income distribution while also taking into account an individual's parish and household size.

## PROGRAM APPLICATION AND BENEFITS

The State is currently developing an online and by phone application portal that can be accessed by either landlords or tenants. Upon application submission, the other party will be notified and will be required to submit supporting documentation.

Payments	Terms	Maximum Benefits
<ul style="list-style-type: none"> <li>Lump sum payments will be made directly to landlords.</li> <li>Based on current guidance from the U.S. Treasury, if a landlord refuses or is unresponsive for 21 calendar days, the tenant will receive a lump sum payment.</li> <li>In either case, the other party will be notified when payments are made.</li> </ul>	<ul style="list-style-type: none"> <li>Rental arrears dating back to as early as April 1, 2020 will be eligible for payment.</li> <li>In addition, the program can provide up to 3 months forward rent, with the ability to reapply if funds remain available.</li> <li>Utility assistance will not be offered at program launch. However, this may be reevaluated based on program subscription rates and available funding.</li> </ul>	<ul style="list-style-type: none"> <li>Eligible applicants could receive up to 100% of all rental arrears dating back to April 1, 2020 (capped at 12 months), and up to an additional 3 months of future rent to help ensure housing stability.</li> <li>These amounts will be subject to a cap based on the U.S. Housing and Urban Development's (HUD) fair market rents.</li> </ul>

