

Montana Emergency Rental Assistance Program

Montana Housing

Special Achievement: COVID-19 Response

HFA Staff Contact

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Montana Emergency Rental Assistance program (MERA)

Special Achievement – COVID-19 Response

NCSHA 2022 Awards for Program Excellence – Call for Entries

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B. Entry Title/Category/Summary

- Title: Montana Emergency Rental Assistance program (MERA)
- Category: Special Achievement – COVID-19 Response
- Summary: Montana Housing launched our Emergency Rental Assistance program on April 5, 2021, just 99 days after the Consolidated Appropriations Act was signed into law. We leveraged new technology and a network of nonprofit partners to deliver more assistance - over \$53 million in one year - than our entire statewide PHA administered in housing assistance payments during the same time period. Our team also demonstrated effective public stewardship of taxpayer funds by isolating approximately 1,400 potentially fraudulent applications requesting over \$25 million in ERA assistance.

The 2020 CARES Act, Consolidated Appropriations Act of 2021 and American Rescue Plan Act resulted in over \$400M in new one-time-only federal funds allocated to Montana Housing to deliver critical pandemic relief. These new relief programs included \$200M in ERA1 and \$152M (\$60.8M received) in ERA2.

Due directly and indirectly to the on-going COVID-19 pandemic, many Montana renters were experiencing financial hardships and were at risk of housing instability. A [September 2020 study](#) from NCSHA estimated between 10,000 and 30,000 Montana renters in rent shortfall as of January 2021, with an estimated 10,000 eviction filings. Furthermore, a report from [Moody's Analytics](#) estimated between 14% and 19% of Montana renters were behind on their rent and utilities, with an average renter owing nearly \$5,600 as of January 2021. According to American Community Survey census data, there were approximately 96,500 Montana renters with incomes below 80% of Median Income program eligibility. Assuming 16.5% of those renters were delinquent, an estimated 16,000 Montanan households could have been eligible and in need of rental assistance.

On January 29, 2021, the Centers for Disease Control extended [the temporary ban on residential evictions](#) until March 31, 2021. Under the extension, a landlord, owner of a residential property or other person with a legal right to pursue eviction or possessory action, could not evict any covered person from any residential property in the United States. While this extension provided some protections for renters, landlords were impacted by loss of rental income. In addition, a [court case](#) judgement at the time found the moratorium to be unconstitutional, raising questions as to whether the moratorium would remain in place through the end of March 2021.



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Understanding the urgency of the situation, Montana Housing worked rapidly to begin the ERA program design process with the goal of launching the program before the end of the eviction moratorium.

We briefed our incoming Commerce Director about the ERA program on his second day on the job and submitted the required ERA1 Grantee Terms to U.S. Treasury on January 12, 2021. The state of Montana then received \$200 million in ERA1 funds on January 26, 2021. Following approval by the state legislature, Governor Gianforte signed House Bill 3 into law on February 18, 2021. House Bill 3 allocated \$17 million of the \$200 million in funds to the Department of Commerce for program grants and administrative costs of the ERA program. A subsequent House Bill was passed later in the state legislative session appropriating the remaining \$183 million to the Department of Commerce.

For a bit further context, in 2020, Montana was one of the first states in the nation to launch a CARES CRF Emergency Housing Assistance Program. Our CARES program assisted approximately 2,500 Montana renters and homeowners with more than \$8.4 million in housing assistance. While our 2020 program was successful in preventing evictions and foreclosures during the height of the pandemic, our team did have a number of lessons learned:

- *Engaging stakeholders early and often.* We consulted with stakeholders including the Department of Public Health and Human Services, Montana Landlord Association, Montana Housing Coalition, Montana Legal Services Association and our Human Resource Development Councils for their feedback on how the new Emergency Rental Assistance program could provide as much support to eligible Montana renters as possible.
- *Ensuring a simple application and award determination process.* Our 2020 program include a rather complicated assistance award calculation that we eliminated completely for the 2021 program which focused solely on the minimally required federal eligibility criteria.
- *Providing a user-friendly, customer focused application platform.* As a rural and frontier state, many Montana citizens lack access to high-speed internet or their only access is via a mobile device. Providing a mobile friendly application for future programs was an essential take-away.
- *Leveraging available technology.* We aimed to reduce our average application processing time by using technology to automate the process to the extent feasible. For example, by building in functionality to determine the appropriate income limit of the household based on their county of residence, household size and annual gross income.

An additional factor to expedite our project launch timeline related to software decision making and procurement. The federal award terms for receipt of ERA funds included compliance with federal procurement requirements. A standard RFP process can often take 180 days or more, which would have had a detrimental impact on our project timeline and delivery of assistance to Montanans in crisis.





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Our team saw demos of various solutions and weighed the pros and cons of the system we utilized for the 2020 program. Governor Gianforte assumed office in January 2021 and our newly appointed Commerce Director came with significant private sector manufacturing and technology experience. Our new leadership was supportive of our goal to leverage technology for the ERA program. Fortunately, the state of Montana had already established an enterprise solution with reputable vendor which provided us with a no-procurement option but instead of straight forward scope of work and purchase order approach so we could start the application design process in weeks rather than months.

March 2021 was an incredibly busy month orchestrating budget and FTE approvals, a “Get Ready” marketing campaign, executing a contract with NeighborWorks Montana for a technical assistance partnership to help renters and landlords apply, onboarding new staff and of course continued software development sprints, testing and final user acceptance testing of the online application.

While we didn’t quite make the March 31 target go-live, we did launch on April 5, 2021 – and were again one of the first states in the nation to launch a major emergency housing assistance program. Launching a new and large-scale program is a substantial undertaking – and Montana accomplished this in 99 days from the day the federal legislation was signed into law!

Program Success Metrics

Based on the federal eligibility criteria, Montana census data and studies of rent delinquency at the time of program launch we had estimated supporting between 7,000 to 8,000 thousand Montanans with approximately \$44 million in assistance for an average of \$5,600 per household. The program has now exceeded our initial projections and expectations. After one year of administration, the program has disbursed over \$53.7 million for rent and utilities to over 7,160 Montanans (2,604 of whom have also received continued assistance), averaging over \$7,505 per household. We currently have about 1,000 applications under review. To put this in context, this is more assistance than all of our regular Housing Choice Voucher/Section 8 federal rental assistance programs administered by our statewide PHA in a year! And again - we launched this program just 99 days after the federal legislation was signed into law. The program has prevented countless evictions and utility shut-offs and most importantly is providing financial stability and peace of mind for families experiencing financial hardships directly, indirectly and during the COVID-19 pandemic. Our staff also demonstrated responsible public stewardship of funds. Approximately 1,400 potentially fraudulent applications requesting nearly \$25 million in assistance have been flagged, isolated and ultimately denied.

Here’s a message we received from a Montana renter who found help through the program: *“Without your program, I would definitely be homeless and lost everything that I owned. My hat is off for all of the personnel that helped me and thousands of other people. This is a wonderful program to help people get back on their feet. God Bless all of you.”*



COVID-19 Relief

Montana Housing
Visual Aides
Montana Emergency Rental Assistance (MERA)
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\$352M

New ERA funds allocated to Montana Housing for critical pandemic relief



10k-30k

Montana renters in rent shortfall, with 10k at risk of eviction



14%-19%

Percent of Montanans behind on rent and utilities, owing \$5k on average

Federal residential eviction moratorium set to terminate on March 31, 2021



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TIMELINE & VENDOR SELECTION

Dec. 27

President Trump signs Consolidated Appropriations Act

Jan. 12

Executed ERA Grantee Terms submitted to Treasury

Jan. 19

Treasury releases first ERA FAQs

Jan. 26

Received \$200M ERA1 from Treasury

Feb. 18

Montana House Bill 3 signed by Governor

Feb. 22

Treasury released updated ERA FAQs

DECEMBER 2020

JANUARY 2021

FEBRUARY 2021

59 days to execute software vendor scope of work!

Jan. 11

ERA briefing memo provided to newly appointed Commerce Director

Jan. 22 - 26

Demos from five (5) software vendors

Jan. 27 - 29

Selected partner software demo

Montana ERA website launched

Second meeting with selected partner

Feb. 1 & 3

Software partner meeting

Software partner & local jurisdiction meeting

Feb. 10

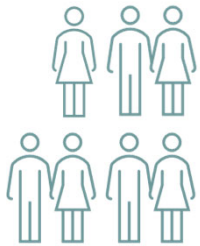
Software partner official kick-off meeting

Feb. 24

Software partner SOW executed



Success Metrics



Over **7,160**
Montanans
assisted



\$53.7M
disbursed



~1400
Potentially
fraudulent
applications
requesting
\$25M
rejected

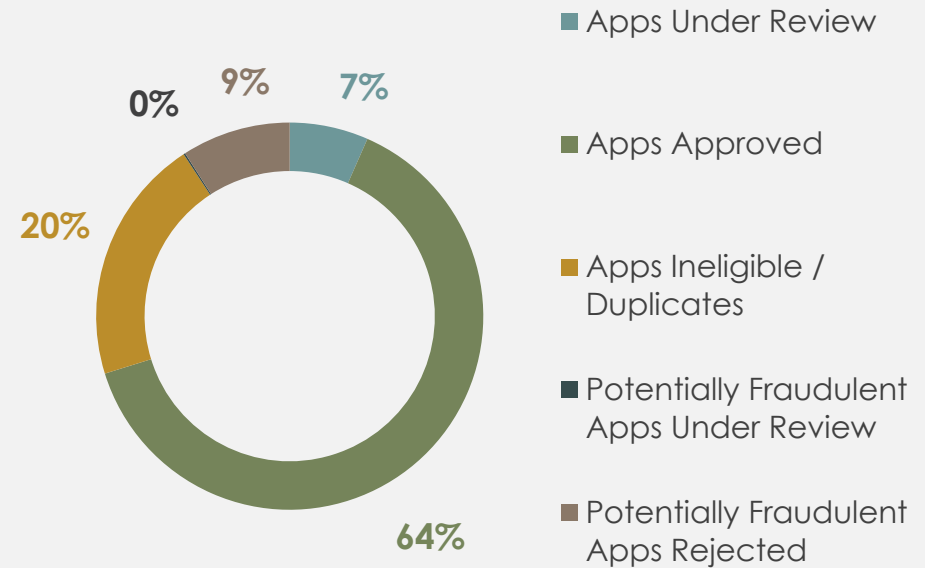


\$7,505
average
household
award

April 5, 2021 – April 19, 2022

15,364 applications submitted

Including **3,485** continued assistance



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- Montana Renter

