

A Look at Funding: The Emergency Rental Assistance Program in Massachusetts

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The Pandemic's Impact on Housing in Massachusetts

Even before the pandemic, communities across Massachusetts were experiencing a housing affordability crisis. Then once the COVID lockdown began, people were told to shelter in place, remain diligent about personal hygiene, avoid contact with others, etc. For people who were experiencing homelessness or who were on the brink of losing their housing, the challenges created by trying to meet these basic precautions turned a housing crisis into a public health crisis. Paying rent also became a struggle for many whose industries were impacted.

During this time, the federal government stepped up to respond to these housing security challenges by providing funding to states. This funding has played a key role in how many families and individuals across the Commonwealth have been able to navigate the havoc the pandemic wreaked on their financial stability. Though the Emergency Rental Assistance Program (ERAP) began as a pandemic-era intervention, the need to fund rental assistance persists. A look back at the costs of ERAP could serve to identify pathways forward to maintain such a useful program.

The Federal Emergency Rental Assistance Program

To rapidly respond to the housing crisis, the federal government provided multiple sources of funding with broad guidelines and allowed states to implement programs such as the ERAP in ways that best account for local needs.

Congress created the Emergency Rental Assistance program (ERA) in the December 2020 Consolidated Appropriations Act. A second round of ERA funding was included in the American Rescue Plan Act of March 2021.¹ This program was established to meet the needs of those having trouble keeping up with their rent and utility payments. ERAP funding rolled out in two separate disbursements:

Key Takeaways

- The federal government responded to the housing crisis during COVID with a variety of programs. The Emergency Rental Assistance Program (ERAP) was the most significant of these.
- Massachusetts received more than \$894 million from ERAP.
- Massachusetts used these funds to create a statewide Emergency Rental Assistance Program, which stopped taking applicants this past spring.
- ERAP is not the only way to ensure adequate rental assistance support in the Commonwealth, other ARPA funding or state dollars could be utilized to encourage housing security.

- The first (ERA 1) provided \$25 billion to states, local entities, and tribes. Massachusetts and overlapping tribal territories received \$458 million.
- The second (ERA 2) provided \$21.55 billion. This allocation did not include additional funding for sovereign indigenous nations. Massachusetts received roughly \$436 million.

In Massachusetts, counties or municipalities were eligible for separate allocations of funding through ERAP if they had a population that exceeded 200,000.² Boston, our largest counties, and the Commonwealth of Massachusetts each received proportional funding based on their population calculations from the U.S. Census Bureau.

Emergency Rental Assistance funding for tribal territories fell under a different funding formula. For those sovereign nations that received funding, a separate calculation was made to ensure each received the same portion of ERAP funding as they would have received from the Indian Housing Block Grant (IHBG). To be considered eligible for ERAP funding, they must have been either a federally recognized tribe or Tribally Designated Housing Entity (TDHE). Federally recognized tribes and TDHE’s each received approximately 121% of their respective IHBG allocations.³ While there are only two federally recognized tribes whose land overlaps with Massachusetts, many other tribal territories exist that have not been officially recognized by the United States Government and thus were ineligible for funding.

Emergency Rental Assistance Across Massachusetts & Funding Breakdown

Once distributions of ERAP funds were determined through the federal formulas, funding was subdivided among the operating Massachusetts ERAP programs. The following Massachusetts governmental entities operated ERAP programs.⁴

- The City of Boston
- Commonwealth of Massachusetts
- Mashpee Wampanoag Tribe

The chart below details how much funding each entity received to operate ERAP initiatives.

Emergency Rental Assistance			
Implementing Entity	ERA 1 (Dec. 2020)	ERA 2 (Mar. 2022)	Total
Boston (City)*	\$20,671,000	\$30,093,000	\$50,764,000
Massachusetts*	\$436,500,000	\$406,100,000	\$842,560,000
Mashpee Wampanoag Tribe	\$1,037,000		\$1,037,000
Total	\$458,167,000	\$436,194,000	\$894,361,000

Source: Executive Office of Administration and Finance.⁵ *Includes High Needs Allocations.

Between both Emergency Rental Assistance allocations, Massachusetts and its accompanying localities and tribes received a total ERAP award just upwards of \$894 million. Of that total, roughly \$843 million was implemented through the state of Massachusetts, accounting for 94% of incoming ERAP funds. Therefore, the bulk of the ERAP’s impact was determined by how the state chose to administer its program.

The city of Boston and one Native American Tribal Nation in Massachusetts received ERAP funding directly from the federal government. As a densely populated city, Boston received the largest non-state allocation of \$51 million. The Mashpee Wampanoag tribe received roughly \$1 million to operate its ERAP program.

The Statewide ERAP Program

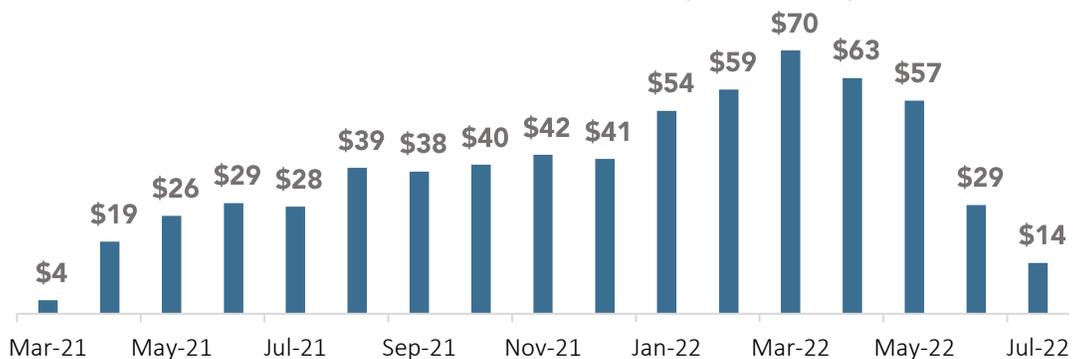
The statewide implementation of ERAP began with the Eviction Diversion Initiative (EDI). On October 12, 2020, as the statewide eviction moratorium was nearing its end, Governor Baker announced the EDI which paired various pre-existing state resources (such as the Rental Assistance for Families in Transition program) with federal emergency relief dollars to establish a coordinated approach to provide tenants and landlords with aid during the COVID-19 pandemic.⁶ In March of 2021, the first ERAP funds were distributed.⁷

Notable Processes and Requirements

- The Regional Administering Agencies (RAAs) across Massachusetts were generally responsible for administering ERAP.
- ERAP provided up to 18 months of help with utility costs as well as upcoming and overdue rent, so long as the bills were incurred on or after March 13, 2020.
- Applicants were required to show proof that they were experiencing financial hardship due to COVID-19.

Emergency Rental Assistance Program

Statewide Fund Distribution (\$ in millions)

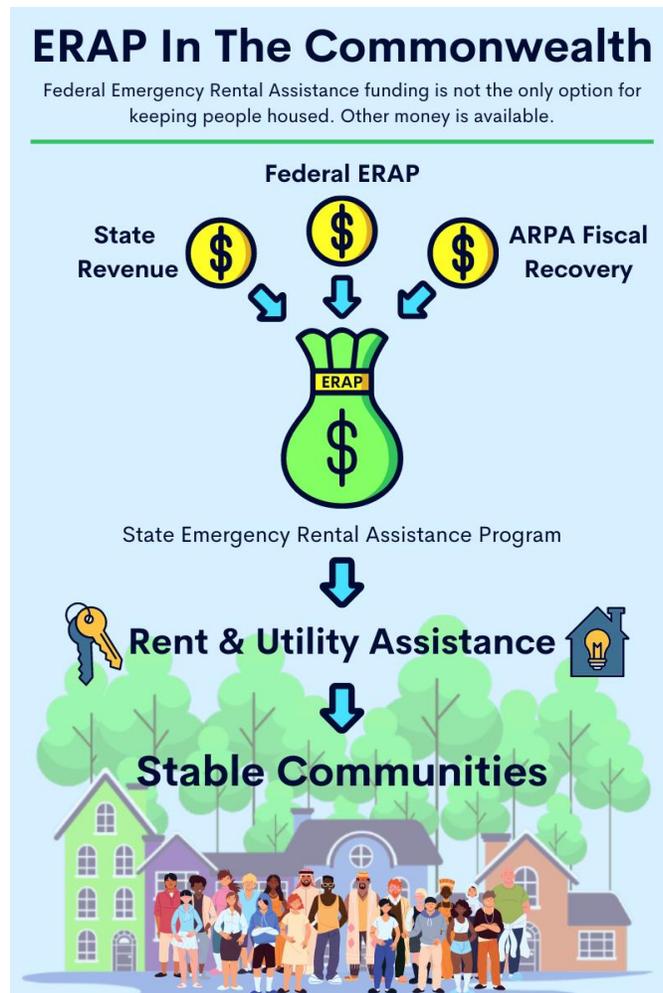


Source: Eviction Diversion Initiative (EDI) Dashboard. Massachusetts State Government⁸

Through the Eviction Diversion Initiative (EDI), the state had distributed \$650 million of its \$843 million ERAP allocation as of July 2022.⁸ The Department of Housing and Community Development (DHCD) recently stated that only those that submitted applications by April 15th 2022 would still be considered for assistance through the program until all funds have been allocated.⁹ The decrease in fund distribution since ceasing to accept new applicants is presumably a reflection of the program aiding less households, and likely does not reflect any decrease in need for the program.

Where Can We Go From Here?

This report focuses on the allocation of federal ERAP funding for the state of Massachusetts. The ERAP program has been vital to the stability of many renters across the Commonwealth, but it has not been the only option for addressing housing insecurity throughout the pandemic. Various other programs, such as Rental Assistance for Families in Transition (RAFT), have also supported families experiencing housing insecurity since before COVID-19.



The U.S. Treasury Department provided options for states to determine whether the best course of action to disseminate ERAP funding was to establish a new program, or to utilize an existing one. Massachusetts created a separate statewide ERAP program. However, that does not mean the conclusion of federal ERAP funds must necessitate the end of the new program, nor does it prevent state lawmakers and policymakers from bolstering existing housing and utility support programs to strengthen our approach to addressing homelessness and housing insecurity.

Through the statewide Emergency Rental Assistance Program, Massachusetts has been able to provide more substantial support for rent and utility payments. However, the ERAP program is not the only way we can ensure adequate rental assistance support in the Commonwealth, and federal ERAP-specific funding is not the only source of funding available to address emergency housing needs across

the state. As illustrated above, ERAP can be thought of as a vessel through which various types of

funding could be funneled, rather than the only means to the Commonwealth providing emergency rent and utility assistance. With recent surpluses in state revenue, and state fiscal recovery funds still readily available, it is an opportune time for legislators and policymakers to ask themselves how they are ensuring that one shift in funding availability does not cause the end of a crucial form of community support. The Commonwealth's approach to providing adequate emergency rent and utility assistance does not need to end solely because federal ERAP dollars are running out.

Endnotes

¹Congressional Research Service. [Pandemic Relief: The Emergency Rental Assistance Program](#). October 2021.

²United States Department of Treasury. [Emergency Rental Assistance Program Data and Methodology for State, Local Government, and Territory Allocations](#). January 2021.

³United States Department of Treasury. [Emergency Rental Assistance Program Data and Methodology for Allocations to Indian Tribes and Tribally Designated Housing Entities](#). January 2021.

⁴One federally recognized tribe (Wampanoag Tribe of Gay Head Aquinnah) does not have separate funding identified in state ERAP data. This suggests that tribal nation participated in the statewide program and consolidated its funding accordingly. Applications and more information can be found about ERAP programs for [Boston, Massachusetts](#), or the [Mashpee Wampanoag Tribe](#).

⁵Massachusetts Executive Office of Administration and Finance. [Total Federal Awards – Table for Federal Awards – Funding to MA Summary](#). August 2022.

⁶Citizens Housing and Planning Association. [Governor Baker Announces \\$171 million for Eviction Diversion Initiative](#). October 2020.

⁷Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [COVID-19 Eviction Diversion Initiative Overview](#).

⁸Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [Eviction Diversion Initiative Dashboard](#).

⁹Commonwealth of Massachusetts. Executive Office of Housing and Economic Development. [Emergency Housing Payment Assistance during COVID-19](#).