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Making Relief Real for the Most Vulnerable: Securing Housing for Overlooked Communities by Improving the Administration of the Emergency Rental Assistance Program

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**Making Relief Real for the Most Vulnerable: Securing Housing for
Overlooked Communities by Improving the Administration of the Emergency
Rental Assistance Program**

Senior Capstone Project for Nathaniel Morin-Ferguson

I started this project before I knew that it would become the subject for my senior capstone through the Davidson Honors College at the University of Montana. It came about through my experiences as a volunteer with the Butte Salvation Army and my attempts to navigate clients through the Emergency Rental Assistance Program. In the summer of 2020, I volunteered at my local branch of the Salvation Army. The COVID-19 pandemic was raging, and the Salvation Army needed all the help they could get. As the new year rolled around, they offered to hire me as a part-time “Program Coordinator.” My primary responsibility was to walk clients through the application process of the new Emergency Rental Assistance Program (ERAP). The program used designated funding from the American Rescue Plan Act (ARPA) and was designed to cover the rent and utility costs of people who were experiencing financial hardships due to COVID. The program was a mess, and those of us working within the program struggled mightily to secure assistance for the applicants that it was designed to help. During the summer before my senior year at the University of Montana, I decided that improvements needed to be made, and that they *could* be made. I designated this crusade as my senior capstone project and set about doing what I could.

The purpose of this paper is to summarize my experiences with the ERA Program as well as my efforts to bring about changes that would improve its ability to distribute relief to its intended populations. The majority of work for this project was done through my roll with the Salvation Army, where I continue to assist the disadvantaged. I begin this paper with a description of the ERA Program. I lay out the details of its inception, roll out, and the guidelines of the program so that the reader has a base understanding of the legislation. Following this are brief profiles on real members of the Butte community who came into the Salvation Army looking for assistance and who I worked with personally. Their names have been changed in the

interest of privacy. I chose to include these profiles because I think it is important to understand that real people with amazing stories are attempting to navigate this program. They are not meant to be histrionic, but rather serve as illustrative examples of different ways in which the program failed to meet its objectives. There are only a few included in this paper, but I worked with dozens of applicants with similar circumstances. After the applicant profiles, I explain the major issues with the program and the ways I went about addressing these issues. Almost all of this information was gathered through my own experience, as well as from conversations with people in similar proxy rolls around the state. In order to improve the program, I met with several State Representatives who played key roles in implementing the program and monitoring its progress. I presented them with detailed notes and suggestions, and they presented those suggestions to State and Federal committees. Eventually, several of my suggestions actually came to be implemented.

I started this project because I care deeply about my community, and I was passionate about the work I was doing within it. I would have embarked on this journey regardless of my responsibilities to submit a senior capstone project. As it happened, I am very proud and immensely honored to be able to utilize this opportunity to document real change and significant improvement to a major state-wide program.

Overview of the Emergency Rental Assistance Program

In response to the economic devastation caused by the COVID-19 pandemic, the United States Federal Government established the Federal Consolidated Appropriations Act (ERA1), and the American Rescue Plan Act (ERA2). The legislation was intended to provide emergency

funding to every household that included past and future rental and utilities assistance. They were designed to be able to provide relief from basic costs like rent, power, and internet for up to eighteen months, three months at a time. Funds were appropriated to the Montana Department of Housing through the Department of Commerce by the 67th Montana Legislature via House Bill 3, House Bill 630, and House Bill 632. The House Bills created the Economic Transformation and Stabilization and Workforce Development Commission to oversee the development of a state program through which rental assistance could be distributed. This new program, which initially allocated \$17 million specifically for rental assistance, became known as the Montana Emergency Rental Assistance Program (ERAP). The specifics of the program can be found at montana.gov, the state's ARPA website that includes the Department of Commerce's outline of the ERA Program.

In order to qualify to receive the emergency rental and utility relief, households had to meet two criteria. First, the household had to have experienced a financial hardship due directly or indirectly to, or during the COVID-19 pandemic. This first criterion was a significant change from the previous Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which required all financial hardships to be a direct result of COVID-19. By allowing the financial hardship to be indirectly related to the pandemic, the program was able to assist just about anyone who experienced hardship during the pandemic. A financial hardship could be proven in four ways:

1. The household experienced a reduction of income.
2. The household incurred significant costs.
3. Someone in the household qualified for unemployment benefits.
4. The household experienced other financial hardship.

The language “experienced other financial hardship” was initially interpreted to include such things as credit card debt incurred from paying for basic needs, becoming behind on power and water bills, becoming behind or late on rent, or receiving a federal benefit of any kind (Social Security Insurance (SSI) or Social Security Disability Insurance (SSDI)). As the program got underway, the people employed by the State as “reviewers” began to accept an applicant being late with or behind on rent as the only legitimate reason for a financial hardship.

Second, to qualify for the program a household’s income had to be at or below 80% of the Area Median Income (AMI). The State provided a calculator online for households to check if it was at or below the 80% mark. For a general reference, a single person household had to make less than \$33,000 to be at or below 80% of the AMI.

The documents that could be used to verify a household’s income, for all members, included:

- 2020/2021 tax return (preferred documentation).
- Two months of pay stubs immediately prior to application.
- SSI or SSDI benefit statement.
- Temporary Assistance for Needy Families (TANF) Statement.
- Unemployment Benefit Statement.

Zero income could be self-certified by the household. To begin the process, an applicant had to complete an online application. To do that, both the renter and landlord had to create a State of Montana Okta account. An Okta account was the State’s secure online platform into which a landlord and renter/tenant would input his or her information. After completing the eight-page application, a tenant/renter had to submit the following documents:

- A Rental Agreement
- Late rent notice/ past due notice/ eviction notice
- Past due utility or shut off notice
- Documentation of unsafe or unhealthy living conditions
- Proof of income (if have income)
- Landlord contact information

The landlord had to submit online a W-9 tax form and a landlord verification form. Both the landlord and the renter/tenant had to be able to complete this application and submit the required documents through the State of Montana online portal. If the online application process proved to be beyond the resources or abilities of the renter/tenant and/or the landlord, either one could seek assistance from a “Proxy.” Proxies were supposed to be set up around the state to be able to meet with and assist renters or landlords either by phone or in person. The ERA Program is currently scheduled to run until September 30, 2022.

Real Help

To be clear, this program has been a blessing to many residents of Montana. It has dispersed real and urgently needed relief. The amount of money was tailored to an established rental amount as well as to back rent, late fees, and power bills. The program did not pay half of a person’s rent, or only rent going forward, but paid the full cost of rent, power bills, and back rent as far back as April 2020. Once people got qualified for the program, they saw real money that kept them housed and warm.

The program was also able to provide housing for some of Butte's un-housed populations. I had the privilege of helping numerous people get qualified for assistance who were first time renters, coming off of other people's couches, out of shelters, or off the street. Everyone who applied and qualified for the program was able to remain in their home while unable to work because of COVID, sick because of COVID, or in some sort of work or social transition. Those who had been struggling financially during the pandemic lockdowns, or because of their own illnesses or other work stoppages, got a financial breather and could do things like make car payments instead.

Tricia H's story is a good example of the program working as it should and providing a Butte resident with life-saving assistance. Tricia is a single mother of two boys, each with significant disabilities that prevent her from working full time. During the pandemic, Tricia and her boys were abandoned by the father of the boys. Tricia's youngest son has cerebral palsy and around this time he contracted the Delta variant and remains gravely ill. He was hospitalized in Missoula for several weeks and still requires frequent appointments in both Missoula and Butte. Because of the father's abandonment and the increased medical costs, Tricia became unable to pay her rent and also feed her boys. She came into the Salvation Army looking for any general help. She had not heard about the State ERA Program, nor did she have the time to gather all the required documents or figure out the online website. The Salvation Army assisted her with these things, and she was able to submit an application quickly. Tricia received relief funds that covered the next three months of rent and utilities as well as the previous two months, which she was behind on. Later, she was able to renew her application for relief for another three months.

Tricia H. is an encouraging example of real and urgent relief made possible by the ERA Program. There are many others like Tricia, but unfortunately, the program largely fell short of

achieving its purpose. The story for many applicants did not end the same way Tricia's did, as flaws within the program's design and execution became its highlighted features and hindered its effectiveness.

The following are the real experiences of several members of the Butte community with whom I worked directly and assisted in applying for aid through the ERA Program. Their names have been changed for the sake of privacy. I have included these cases to help illustrate the way the program operates. I thought that hearing the stories of real people I met and got to know would display the consequences of flawed policy more urgently than general statistics. These examples make it easier to see the way in which the abstract details of policy carry over, or fail to carry over, into their practical execution. How legislation is interpreted has a direct impact on the way it reaches its intended beneficiaries. As you will notice, flaws in both the language of the policy as well as its interpretation began to create patterns of rejection that prevented many real people from qualifying for aid.

Pam P.

Pam is a life-long resident of Butte, MT. She spent 20 years working in the mines of Butte, 30 more for the city in the public works department, and has paid tens of thousands of dollars in taxes. Pam is the matriarch of a family of 12 kids, as well as grandkids and great grandkids whom she has helped raise, many of whom have severe disabilities and lived in the same house with Pam. Over the years Pam had paid off their family home, but plumbing problems, (an estranged in-law chopped the water pipes with an ax causing catastrophic water damage) forced her into a rental. Because of the pandemic surge, affordable housing of any kind

became sparse, and rental prices are skyrocketing as landlords attempt to cover the loss. Her new landlord evicted her almost immediately, selling to out of state buyers for a larger profit. Pam, and most of her family, became homeless in a matter of days. During this time, two of Pam's grandkids contracted COVID and were hospitalized.

When Pam came into the Salvation Army seeking help, I sat and read to her the application for rental assistance, as well as other relevant paperwork, because Pam never attended school and cannot read or write. Quite literally, her entire life has been dedicated to providing for her family and keeping a roof over their heads. Family is everything to Pam, and she has worked desperately to keep them together and functioning. The fingernail on her left thumb is a good eight inches long and curls over, but she refuses to cut it until her eldest son is released from prison. She is not a person who has asked for much help in her life, and she came into the Salvation Army as a last resort. We were able to track down and gather the necessary documents for her and her children and grandchildren and move them all through the extensive application process. Pam and her family were denied housing assistance in this program.

Almost a year after Pam submitted an application for the COVID-19 ERA Program, Pam, and most of her family, remain residents of the Butte Homeless Shelter Transitional Housing Program, and millions of dollars within the Program remain unused with the threat of that money being allocated elsewhere. When Pam and her family were evicted, they were given one week to relocate. Pam found a place with enough rooms that would allow the family members to remain together by renting individual rooms to four of the individual adult members. Renting rooms in Butte, Montana, has a long, compassionate history going back to when housing was scarce, and miners numbered in the thousands. Unfortunately, State reviewers, with approximately a week

of training on the program, determined that paying for a rented room was not a legitimate use of the COVID emergency relief funds.

In fact, State reviewers were suspicious of any applications that did not fit their initial descriptions of the spaces that would qualify as “rental.” They were rude and condescending to those applicants, including Pam, who were desperately looking for relief and were experiencing unique situations of housing instability. Pam’s sudden homelessness was directly and unequivocally the result of COVID-19. Under-experienced State reviewers treated her and her family members as suspicious frauds for applying for *emergency* assistance ironically funded, in part, from tax dollars Pam has paid during a lifetime of work. Without a doubt, the money from the program, (which averages about \$5,000 per person according to the State) would in no way come close to the amount Pam has paid to her government in taxes. When speaking with State reviewers, and eventually their supervisors, different answers are given as to whether renting a room, as opposed to a house, would qualify for assistance. Perhaps most frustrating is that those entrusted with this multi-million-dollar project refuse to go to even one legislator for clarification. Instead, they insisted that their interpretation of the program and what it would cover was the end of the story. The reviewers and their supervisors remained sure that they had no need to consult the governing body who had put the program in place and funded it, all to the painful detriment of Pam and others. One supervisor at the State did eventually admit that renting a room could legitimately be covered by the program but did nothing to change the standards of review and Pam and her family remain unhoused.

Brenda and Gary

When the COVID pandemic struck, Brenda and Gary were living in a modest, older trailer, existing on their combined social security/disability benefits as well as Brenda's part time server wages and Gary's part time CNA work. Brenda and Gary's trailer rent was doable at \$450 per month. With the onslaught of COVID, their trailer rent was raised to \$1,000.00 per month and Brenda and Gary were forcibly removed to the street when they fell a month behind. They rolled into The Salvation Army with their entire world in a shopping cart and Brenda's old service dog, with only two teeth in its head. With the world in quarantine, neither Brenda nor Gary could find employment in the service areas they knew and in which they had worked. Both were over sixty years old with only high school educations and no computer skills. They were not employable in any of the work from home professions that sprang up during quarantine.

Finding a place with a roof was mostly a no go, until a motel room became a hopeful possibility. A motel, the Red Lion at Rocker, Montana just outside of Butte, was offering rooms monthly, in an effort to help with the new housing crisis. Brenda and Gary could just barely afford a room if they ate exclusively at soup kitchens and homeless shelters. While The Salvation Army paid for a temporary camp site at the Butte KOA and provided them a tent, I helped them fill out the ERA Program application. Neither Brenda nor Gary was able to independently fill out the eight-page application or provide a lease agreement from the Red Lion because as a motel, the Red Lion does not have lease agreements. I helped Brenda and Gary fill out a blank lease agreement and provided transportation to get the lease out to Rocker, 15 miles from Butte. Helping Brenda and Gary get the W-9 and Landlord Verification signed by their old landlord was an ordeal that Brenda and Gary could not have overcome without assistance. With the application completed in hard copy, I proceeded with the computer/online submission.

During the application process, Brenda and Gary were staying at the Butte KOA campground, and did not have access to electricity, let alone a computer.

Brenda and Gary qualify for the Emergency Rental Assistance on every level. They were directly impacted by COVID-19, they make under \$33,000.00, and they were in desperate need of housing. Brenda and Gary were denied access to the ERA Program when the reviewer on Brenda and Gary's file determined that because The Red Lion is a motel, and the rooms do not have kitchen facilities, they do not qualify. No amount of discussion with the State of Montana and the Department of Housing over the Federal Government's intent for "emergency" funds during a pandemic, could get the funds released. Instead of being helped with housing by funds ear marked for people like Brenda and Gary, they had to rely upon the help of a private social service organization, The Salvation Army. The Salvation Army covered the cost of various motels and KOA campsites for the couple until Brenda and Gary asked for bus tickets to the warmer climate of Washington.

Marvin

It is nothing short of baffling, that in the middle of a pandemic, emergency aid would be so hard to get to a person in such obvious and dire need. Marvin G. is 66 years old and works at the Butte Sheltered Workshop Thrift Store for \$10 an hour. Marvin is a joyous person who loves his job, especially when he gets to help people find what they need. Marvin was so good at his job that he was promoted to a managerial position. Prior to most of us really understanding the danger of COVID-19, or its magnitude around the world, Marvin got COVID in Butte, Montana. By rumored accounts, Marvin was the first person in Butte to get COVID.

Marvin flat-lined three times at the hospital and was revived three times. He was on a ventilator for 67 days and in a coma for three months. Marvin is grateful to God and calls himself “God’s favorite miracle!” Once out of the coma, he experienced blood clots and severe exhaustion and weakness. While Marvin was in the hospital fighting for his life, he was unable to pay his rent. When he came into The Salvation Army, Marvin was 5 months behind on his rent payments and holding an eviction notice in the form of a Three-Day Pay or Quit Notice. As I explained the ERA Program to Marvin, he began to cry. After some smooth talking and hopeful promises, Marvin’s landlord graciously agreed to hold off on the Three-Day Pay or Quit notice and allow the ERA Program to run its course.

Marvin was not computer literate and so I helped him fill out the application, made the phone calls to reassure his landlord that the program was real, and helped get his application online. Marvin was a great sport throughout this, but I could hear and see his exhaustion. After a month of waiting, I made my first phone call to the State to find out the status of Marvin’s application. I was completely stunned when I was told that Marvin did not have an application in with the State. After days of endless phone calls, the State found Marvin’s application in the “test site.” The test site was a prototype website used by the State for training. It was not the live site, but as I found out, applications submitted to the live site were often filed into the test site due to an error in the programming. Left in the test site, Marvin’s application would never have seen the light of day.

The State reviewers were unnecessarily rude about the situation they had created. After Marvin’s application finally made it to a real-life reviewer, another month elapsed, putting Marvin six months behind on rent. His application was reviewed, and Marvin was denied emergency rental assistance. I never dreamed that a person who had been in a month’s long

coma due to COVID and was about to be evicted from his rental apartment would be denied the very financial aid that was designed to help him. Naturally, dozens of phone calls ensued, and no one at the State could tell us why Marvin's application was denied. The denial was devastating to Marvin and he was evicted from his home. The Salvation Army helped Marvin find temporary housing elsewhere and after a reapplication process that took another several months, Marvin did receive minimal rental aid. Marvin will always be a COVID miracle, but he should never have been additionally traumatized by a program designed to help him.

Richard C.

The Butte Rescue Mission houses about fifty-two homeless residents in any given month. In 2020, when COVID hit, Richard was a resident at the Homeless Shelter. Of the fifty-two residents, Richard was the only one to not get COVID. Richard's roommate and best friend, Terry, almost died. Richard, who did have a good job as a painter and was saving for a place of his own, was forced to move out of the Mission and into a Motel 6. Any motel on a nightly basis is expensive and not at all financially feasible. During his time at the shelter, Richard had the support and resources to make great strides in a life-long fight against alcoholism. After he lost his place at the Mission and loved ones began to fall ill with COVID, Richard relapsed. He came to The Salvation Army looking for help of any kind. Meeting Richard in the state he was in was eye opening for me. He was a capable man of about fifty that had found a place in the world, had the addiction controlled, and was contributing to society when a pandemic up-ended everything. Before I could talk with Richard about the Emergency Program, I had to deal with the addiction that was making him sick. He had attempted to quit cold turkey and had not had a drink for three days, but he was extremely sick. I spoke with an addiction counselor who

advised getting him some beer, as Richard was prone to violent seizures during periods of withdrawal. I took the drinks to his room in the Butte Motel 6 where he stabilized, and I drove him to The Salvation Army where we talked about the ERA Program. His depressed countenance started lifting and he saw hope.

The first problem was that Richard had to have a place with a lease agreement to qualify for the Program. He still intended to move into an apartment but struggled to find an affordable place. Because he needed a roof over his head as soon as possible and the shelters in Butte were quarantined with COVID patients, Richard was forced to look for another motel. Like Brenda and Gary, Richard accepted a long-term room at the Red Lion motel who, to their credit, were doing their part in response to the pandemic. The Red Lion did not have long term lease documents but did allow the Butte Salvation Army to develop month-to-month leases.

Richard set about trying to pull the extensive list of required paperwork together while at the same time caring for ill family and friends, experiencing withdrawals, and continuing to work. Because he was currently unhoused, Richard had to move into his room at the Red Lion before his application had been approved by the State. He had been living at the Red Lion for three months when a reviewer at the State denied Richard for the program. There was no feasible way that Richard could afford to pay the Motel for three months without help from the emergency program. Like Brenda and Gary, the State had denied Richard because they did not think motels qualified as they do not have kitchens. The requirement for a kitchen comes from the housing rules followed by the State Housing and Urban Development (HUD) in assigning Section 8 vouchers. Nowhere in the *Emergency Rental Assistance Program* qualifications is there a requirement for a kitchen.

Advising State reviewers to make their own personal interpretations on the rules and requirements of the program turned out to be a huge problem throughout the administration of the program, as I will discuss at length later. After several applicants had been denied for lacking a kitchen, several (admittedly heated) phone calls were made by myself and others at the Salvation Army to the review committee. The State did then decide, because of the emergency nature of the program, to qualify motels with long term leases. Watching a person's face as they learn that they will likely become homeless while knowing how much money sat in the program unused is infuriating to say the least. By the time Richard got the first three-month disbursement he was four months behind on rent and had to start the application process over again.

Problems with the Program

I chose to include these applicant's accounts because they each have interesting stories and I got to know each of them well. It is important to note, however, that while their stories are interesting, they are not unique. They were let down by the program for interesting reasons, but they represent a slight fraction of the Butte, and by extension, the Montana community who share very similar backgrounds and similar experiences with this program. Even with an excess of funds, so many applicants who both deserved aid and needed it badly never received any relief. These are some reasons why.

- **Slow Administration:** The program required two reviews of each application. This standard was designed to catch fraudulent applications, but during rental and power emergencies caused by a pandemic, this two-review requirement made the disbursement of money far too slow. Many people were threatened with eviction and

many landlords had to carry renters (facing foreclosures) for months at a time before money flowed to them.

- **Application Itself Too Difficult:** A large percentage of this program's target demographic lacks access to technological services. It became an unreasonable expectation that this population be able to gather the necessary documents, find access to a computer, printer, scanner, etc., and teach themselves how to navigate the State's convoluted website which was faulty at the best of times. For example, to prove an applicant's financial eligibility, that person must (among other things) submit two months of pay stubs. If an applicant worked at Taco Bell, for instance, their pay stubs were only found online and most applicants had trouble accessing them, let alone printing them. Most of the people I worked with did not have a working computer and the State's refusal to issue physical copies of the applications made it difficult for this population to get qualified. At the Salvation Army, we quickly learned to print our own hard copies for applicants to fill out, and then take the time later to input the information into the website.
- **Use of HUD Rules:** Program reviewers (without being instructed to) improperly attempted to follow guidelines employed by the US Department of Housing and Urban Development to determine qualification for the program. HUD standards require things like a kitchen, which disqualifies emergency options like long-term motel leases. The program was intended to be applied emergently during this pandemic and HUD regulations were designed for normal times. At the Salvation Army, we did eventually convince the reviewers that a long-term motel lease, even without a kitchen, was appropriate during the pandemic. However, other HUD rules

- are still being applied, severely hampering the program's usefulness in an emergency setting.
- **Prohibition Against Room Rentals:** In relation to the use of HUD rules, applicants were denied when renting a room in a house. In addition to the emergency concept needing to be again realized, towns like Butte have a storied tradition of providing workers with rooms to stay in. Renters in these situations paid their portion of every bill, similar to a tenet in an apartment, but the State deemed this practice inappropriate during a crisis. Because of their insistence on utilizing HUD guidelines, State reviewers became nothing less than hostile whenever I submitted applications for room rentals or argued for their inclusion. Nevertheless, after countless intense phone calls with Federal implementers, it was agreed that room rentals were appropriate.
 - **No Inclusion of Water:** Every person I first assisted in applying for the program initially applied for water assistance as well as power and rental assistance. All of them were turned down for water and received hostile treatment because of the water request. After many phone calls, we soon discovered that it was, in fact, an oversight that water was not included as a utility on the application. Instead of adding water to the program, the State eventually created an entirely separate program for water assistance, creating a whole new process for applicants to suffer through.
 - **No Congressional Read Out:** Because there was so much confusion and faulty personal interpretation among program reviewers, there was a great deal of unnecessary angst created for people trying to get qualified. A public Congressional record, both at the Federal level concerning the funds and the State level concerning

the program, with an emphasis on the spirit of the program and behind the funding, would have alleviated much distress. Unfortunately, one was never provided.

Other factors that limited applicants' ability to access the program came from outside the program itself. As I have mentioned, much of the population applying for assistance is not technologically proficient, or even involved. The State was given a large budget to promote knowledge of the program, but they advertised on mediums like the internet and social media. Even that information was sparse and hard to find. As a result, most of the people who the program was designed to help never even heard about it until they came into the Salvation Army looking for help. Another factor that made life harder for applicants was an inability to deal with angry landlords. During this pandemic, landlords have had to go without receiving any rent for extended periods of time. As one might expect, they frequently became upset and unwilling to work with tenants during the long application process. This program's target population does not necessarily have the diplomacy skills to deal with angry landlords and this often became a major issue. The Salvation Army, and other organizations like it, had to handle most of the communication with landlords and frequently had to calm them down so there was enough time for a tenant's application to be processed.

All of these issues were realized through my own work with real people at the Salvation Army, as well as many conversations with other individuals functioning as proxies and their shared experiences within the program. One such person, Joby McCarthy, perhaps helped more people apply than any other individual or organization in the state. I sat down with Joby and asked her to share with me her experience with the program.

Joby is a member of the North Missoula Community Development Corporation, a non-profit organization that develops permanently affordable homeownership opportunities for the

Missoula community. She is also the lead organizer for CREW (Community Rising for Equality and Wellbeing), and lately has been primarily working with the unhoused populations on the Westside of Missoula, securing opportunities for them through legislation. Joby first became aware of the ERA Program when she herself applied for relief. Joby's son Quinn was born prematurely, at only three pounds nine ounces. At thirteen, his lungs are still severely underdeveloped and Joby had to make the decision to leave her work where she was at high risk for contact with COVID. Joby's computer skills and experience working for social groups made her own application process fairly straightforward, but she quickly realized that she would be one of the lucky ones.

People that Joby had worked with began approaching her for information about the ERA Program, saying that they had heard about it through the Butte Salvation Army. Joby then approached us about working together and the Salvation Army hired Joby as a designated proxy. With help from her CREW organization, she got to work assisting people across the state through the painful application process.

When I asked Joby about her experience working with the State in this program, she summed it up as a "nightmare." Though she was quick to acknowledge the extreme stress State officials were under while trying to implement the program, she expressed that the majority of her time was spent haggling with and pleading with implementors over unnecessary issues with people's applications. Eventually, the State refused to communicate with her and ceased to send her information about updates to the program after removing her designation as a proxy. Unfortunately, we saw this happen more and more frequently to proxies who showed an effort at getting an applicant qualified. The number of proxies around the state dropped, and the resulting burden added to social groups like the Salvation Army caused a lot of them to drop the program

altogether. It became too difficult to manage the program on top of the work their organization was already dedicated to. Despite the lack of support from the State, Joby continued to help people apply and has helped over 150 people and counting find emergency relief.

Opportunities to Improve the Program

The federal legislation that provided the base for programs like the ERA Program included stipulations that stated that if a particular state did not get the funds out to its qualified citizens, the funds allocated to that state would have to be returned to the Federal Government for reallocation. The idea seemed to be that if a state was not using up its allotted funds, that state did not have a high enough population of people in need to justify the millions that state received. The allocation of funds was based on records from each state documenting how many of its citizens were unhoused, in unstable housing, unemployed, living below the poverty guidelines, etc. In late November 2021, the Department of Treasury began assessing whether each state had effectively administered the COVID-19 rental funds. The Department of Treasury guidelines dictated that states demonstrate a 30% expenditure ratio. Due largely to the reasons already discussed, Montana had an expenditure ratio of 10.5% according to the State Department of Commerce and was set to lose \$20 million of its emergency rental funding to other states.

Representative Kim Abbott, the Montana Democratic Minority Leader, is a member of the Economic Transformation, Stabilization, and Workforce Development Advisory Committee that has been overseeing the implementation of the ERA Program. She has been active in demanding accountability from the Department of Commerce and the Department of Housing, focusing on why the State was in danger of losing such large sums of relief funding. I contacted

Representative Abbott and she agreed to meet with me to discuss potential revisions that would improve the efficiency of the program. She also pointed me in the direction of Hannah VanHoose, the Montana Democratic Party Director of Policy and Communications, who was gathering similar information for the purposes of presenting to the Federal Government a plan to improve the distribution of emergency funds. I had a tremendous opportunity to communicate the frustrations of those using the program to the people in charge. The meeting was immensely productive, and both Representative Abbott and Director VanHoose afforded me great interest and consideration. I relayed the information about problems that social groups and proxies were experiencing with the program and used most of my time to offer the following ideas for improving the function of the program.

- **Paper applications:** I stressed the need for physical, paper applications so that applicants without access to a computer or the know-how to operate one could still apply. We experienced much more success with applicants at the Salvation Army once we began printing copies of the application and entering the information digitally later.
- **Making program information available at locations that make sense:** Paper applications and information about the program needed to be available to potential applicants at locations frequented by the target demographic (especially Butte's target demographic). The Butte Rescue Mission, social service organizations (Salvation Army, Action Inc., HRDCs), low-income housing projects (Section 8, subsidized housing), with landlords and property managers, long term motels, churches, United Way, etc. As it was, most of the information about the program could only be found on social media, an occasional news article, or their own website.

- **Employing an outside, professional tech company to manage the program**

website: The State should never have overseen the development and operation of the computer program/ website. The website was, at best, unreliable and at worst, completely unusable. Endless glitches required “work-arounds” that were not in the cards for much of the intended population. It would have been beneficial to designate some of the unused funds to hire a competent computer company, or perhaps a national nonprofit or NGO. The glitches prevented many people from ever completing an application and delayed many others, resulting in evictions and/or very angry landlords. The State unfortunately never took responsibility for the problems with the website, often blaming the incompetence of proxies and applicants.

- **Hiring nonstate proxies to help gather documents and submit applications:**

Funding could have also been allocated to proxy organizations to hire additional staff to assist with the logistics of the application process. Proxy organizations who received funding to assist applicants should have been required to dedicate staff or hire new staff for this program implementation rather than give existing staff, with already heavy workloads, the additional responsibility of administering this program. Many proxy groups eventually dropped the program all together because they could not handle the additional workload and their requests for funds to hire additional staff were denied.

- **Abandoning HUD rules and DOH employees as reviewers:** It became clear that the model of review laid out by the Department of Housing and Urban Development was not applicable on a mass-emergency basis. I discussed with Abbott and VanHoose the possibility of abandoning the HUD guidelines and instead better

training reviewers in the spirit of the legislation. Montana Department of Housing employees were being utilized as reviewers and often treated applicants poorly when their application did not reflect DOH norms.

- **Better communication from review committee:** Rather than inform applicants that their application was incomplete, reviewers would often ignore the application for weeks without notifying the applicant, resulting in evictions or a need to re-apply for more money. I highly stressed the need for improvement in communication between reviewers and applicants.
- **Administering six months of relief at a time:** I brought up the need for an extension of the blocks of time for which people could apply for relief from three months to six months. The application process was so slow that often by the time an application was approved, the three months that were applied for had passed, and the applicant was forced to start the process over, another three months behind on rent and often facing eviction.
- **Adding water as a utility:** Perhaps the biggest issue I brought up was the omission of water as a utility. A person needs water just as much as they need power if they are to stay in a home and it was nonsensical to not include it on the application for assistance. Both Representative Abbott and Director VanHoose were adamant about making sure this oversight was amended promptly.

I felt as though much was accomplished through my meeting with Representative Abbott and Director VanHoose. They both shared my concerns about the program's ability to distribute funds quickly enough and they confirmed that the problems we were experiencing were not unique to Butte. Abbott explained to me her intentions to bring the points we discussed to

Cheryl Cohen, the Montana Department of Housing Executive Director/ Administrator, to whom the bulk of the program's administrative work fell. Cohen was preparing a presentation for the Department of Treasury with the goal of keeping Montana's relief money in the state. Abbott used the information from our discussion to provide Cohen with suggestions for improvement that she could include in her presentation to the Feds. It soon became clear that a meeting with Cohen would be necessary, and I reached out to her, explaining my position with the Butte Salvation Army as well as the objectives of my capstone project.

Meeting with Cheryl Cohen

The 67th Legislature, which had passed House Bill 632, allowed funding from the American Rescue Plan Act (ARPA) to be used for economic transformation, stabilization, and work force development. Because ARPA funds could be used in a variety of ways, and "economic transformation" was subject to broad interpretation, House Bill 632 also established the Economic Transformation, Stabilization, and Work Force Development Programs Advisory Commission, of which Representative Abbott is a member. The Commission was intended to oversee programs that were being developed, review proposals, and make recommendations to the Department of Commerce. Before Cheryl Cohen could present her proposed improvements to the Feds, she had to first submit them to the Commission. I met with her before her meeting with the Commission and she was extremely open to and interested in the suggestions I had to offer.

I presented the same points that I had presented to Representative Abbott and Director VanHoose as well as several new ones. I discussed the possibility of not requiring two separate

reviews of every application. The double review process was a main contributor to the ever-constant problem of the application process taking more time than applicants had to spare. I also explained that applications that were denied for simple reasons with easy fixes (like a forgotten document), were being reshuffled to the bottom of the pile. This meant that many applicants who were in desperate need of assistance (and who were eligible to receive it) had to wait several more weeks before their completed application was reconsidered. Again, this often led to evictions or eliminated the three-month window of relief for which they had applied in the first place. I brought up the issue of expanding the definition of housing to include long-term motels and individual rooms, to which she acknowledged the necessity of broader interpretations. Director Cohen listened intently during our conversation and took note of several points to present to the Commission. She did express to me, however, that both the Federal legislation and especially the State Commission was “obsessed” with the idea of weeding out fraudulent applications. I asked her how much money they estimated had been awarded to fraudulent applications and she told me it was little enough to make the level of concern irrational. She agreed with me that ultimately it was more important to get the unused funds out to people in need than to let them be reallocated to another state because we were too concerned about a handful of frauds.

Director Cohen and I discussed two other ideas that we had each previously had and wanted to present to the Commission. First, we discussed the possibility of approaching the Governor about placing a temporary moratorium on NorthWestern Energy and the various water companies around the state, similar to the one keeping landlords from evicting people during the pandemic. This would theoretically prevent power and water companies from shutting off people’s utilities before they had a chance to make it through the relief application process. I

also put forth the possibility of designating State employees to operate as liaisons with power companies and landlords. In theory, they would be well equipped to handle interactions with power companies and landlords so that applicants wouldn't have to while they dealt with the already stressful application process. She stated that she would look into something of that nature and then brought up a proposal that certain State Reps had been passing around. There was over \$220 million left of Montana's ARPA funds that had been designated as rental assistance. The State was struggling to move it out the door, and the idea was to petition the Feds to be able to use it to build affordable housing complexes in each major town in Montana. This would keep the relief money in-state and potentially help ease the same housing crisis the ERA Program was dealing with.

What Was Done About It

The following is information gathered from Director Cohen's reports to the ARPA Economic Commission at the Department of Commerce, a link to which can be found in the bibliography.

Director Cohen last made a presentation of information to the Commission on March 16, 2022, which can be found on the Department website under "Commission Notes." She reported that the total ARPA funds awarded statewide was \$551.5 million and that the total ARPA funds paid out statewide was \$329 million. Within the total ARPA funds awarded and paid out statewide, \$50,101,665 was awarded and paid out in the first round of disbursements in the Emergency Rental Assistance Program. In the second round of funding for the Program (launched January 14, 2022), \$5,561,040 was awarded and paid out.

In a March 14, 2022, memo from Director Cohen to the Commission, Director Cohen reported that the US Department of Treasury issued its Interim Final Rule May 17, 2021, which concluded, among other things, that ARPA funds could be granted to non-profit entities for use in affordable housing projects. ARPA funds used in that manner would be considered “spent” for purposes of the December 31, 2026, expenditure deadline. This accommodation certainly helped to alleviate concerns that ARPA funding not spent in Montana would have to be sent back to the Federal Government.

In the same March 14 memo, Director Cohen reported that \$46.67 million was awarded through Emergency Rental Assistance and that the average assistance per household was \$7,300.00. Of particular interest to me, were the statistics for applications submitted to the State. She reported that there were 13,645 complete applications submitted and 2,897 submitted for continued assistance. Of those completed applications submitted, 8,426 were approved and 2,069 were approved for continued assistance; a 62% approval rate. She also reported that 9% of applications submitted were under review, 21% were ineligible, and 8% were potentially fraudulent and rejected. Director Cohen informed the Commission that a National Equity Atlas Survey estimated that 11,000 households in Montana are behind on rent with a total rent debt of 24.2 million. She reported the good news that Montana’s estimated rent debt is one of the lowest, with only five states having lower estimated rent debt. She also reported that the Department of Housing was embarking on a new marketing campaign to make Montanans aware of the expanded Program eligibility under ERA 2. Finally, she reported that the possible utility assistance increased from \$300 per month up to \$500 per month. Based on the numbers reported by Director Cohen of \$551.5 million in awarded ARPA funds and \$329 million paid out, there remains \$222.5 million available. However, how much of that will be allocated to continued

rental assistance is unknown. Interestingly, a pilot program for the Montana Board of Housing Borrowers has been launched as the Homeowner Assistance Fund (HAF). It is not known how much will be allocated to this fund or if it will come out of ARPA funds. It would seem there is still plenty of funding for rental assistance depending on how much of the ARPA funds are allocated for that purpose.

Conclusion

As an employee of the Butte Salvation Army who continues to work with hopeful applicants within the Emergency Rental Assistance Program, the evolution of the program that I have witnessed has been one of phenomenal improvement. I started this project from a place of contempt, frustrated by the program's shortcomings and skeptical about the possibility of improvement. I finished this project in a state of gratitude for the way the State of Montana has stepped up and kept the best interest of its residents at heart. Substantive changes have been implemented within the program, significantly improving the experience for most applicants. The program now requires a less stringent connection to COVID, and applicants can qualify for aid based on any kind of financial hardship experienced during the pandemic. Water has been added to the application as a utility and applicants are qualifying to have it covered. Long term motel rooms and single rented rooms are now accepted under the program requirements. The Butte Salvation Army was also able to hold a meeting, which forced NorthWestern Energy to develop a power "merit list" system whereby people who were about to have their power shut off but were going through the application system could stop the disconnect process. These changes have been life savers for applicants, who continue to come into the Salvation Army seeking rental assistance. I am honored to have played a small role in the development of these changes,

and I look forward to continuing my work with the Salvation Army by connecting real Montanans with relief they deserve.

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