

Congress of the United States
House of Representatives

SELECT SUBCOMMITTEE ON THE CORONAVIRUS CRISIS

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<https://coronavirus.house.gov>

August 30, 2021

The Honorable Kristi Noem
Governor of South Dakota
Office of the Governor
500 East Capitol Avenue
Pierre, SD 57501

Ms. Lorraine Polak
Executive Director
South Dakota Housing Development
Authority
P.O. Box 1237
3060 East Elizabeth Street
Pierre, SD 57501

Dear Governor Noem and Director Polak:

The Select Subcommittee on the Coronavirus Crisis continues to examine the impact of the coronavirus pandemic on American renters and the effectiveness of state and federal efforts to prevent an eviction crisis. Congress has allocated over \$46 billion in emergency rental assistance funds to state, local, and tribal governments, and the Biden Administration has provided detailed guidance to expedite the distribution of these funds while promoting eviction-diversion efforts and extending, in modified form, the Centers for Disease Control and Prevention (CDC) moratorium on evictions for nonpayment of rent. However, these national efforts to prevent an eviction crisis have been frustrated by the failure of some state and local governments to effectively distribute federal rental assistance funds to aid those in need. The Supreme Court's recent decision to end the protections offered by the CDC eviction moratorium increases the urgent need for states to dramatically improve their distribution of rental assistance funds. South Dakota has been among the slowest states in the nation to disburse emergency rental assistance, putting tens of thousands of families at risk of eviction and homelessness. I write to request information about South Dakota's distribution of federal rental assistance funds and to urge you to improve the performance of the state's rental assistance program.

The pandemic and its economic fallout have put millions of Americans at risk of eviction. The U.S. Census Bureau's COVID-19 Household Pulse Surveys show that half of all renter households lost income during the pandemic, and half of renters—nearly 21 million households—were already paying over 30% of their income for housing before the onset of the pandemic.¹ By mid-December 2020, 10.1 million adults had fallen behind on rent, with 5.2

¹ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2021* (June 2021) (online at www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_State_Nations_Housing_2021.pdf); The Aspen Institute, *The COVID-19 Eviction Crisis: An Estimated 30-40 Million People in America Are at Risk* (Aug.

million reporting that they were very or somewhat likely to be evicted in the next two months. Despite efforts to push out rental assistance payments, approximately 7.4 million adults were still behind on rent payments in July 2021, with 3.6 million believing they may face eviction in the next two months.² More than half of all households that reported a likelihood of eviction in the next two months included children.³ Housing instability is particularly harmful to children, causing long-term health, social, and economic consequences.⁴ Renters of color have been disproportionately impacted, with Black and Hispanic renters more than twice as likely to report risk of eviction during the pandemic as white renters.⁵

Facing this risk of a devastating eviction crisis, Congress took unprecedented action. The Consolidated Appropriations Act, 2021, provided \$25 billion for emergency rental assistance grants to be distributed by state, local, and tribal governments, and the American Rescue Plan added an additional \$21.55 billion in emergency rental assistance funds to be distributed by state and local governments.⁶ To ensure effective distribution of rental assistance funds, Congress allowed states to use up to 10% of the first tranche of funds, and 15% of the second tranche, for staffing and other administrative costs.⁷ By June 24, 2021, over \$33.6 billion of these funds had been disbursed by the Treasury Department (Treasury) to the distributing jurisdictions.⁸ Treasury has released extensive guidance to answer frequent state and local program questions, has highlighted “Promising Practices,” and has identified over a dozen exemplar certification forms that successful programs have used to streamline the application process.⁹ The White

7, 2020) (online at www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/).

² U.S. Census Bureau, *Week 21 Household Pulse Survey: December 9–21* (Jan. 6, 2021) (online at www.census.gov/data/tables/2020/demo/hhp/hhp21.html); U.S. Census Bureau, *Week 32 Household Pulse Survey: June 9–21* (June 30, 2021) (online at www.census.gov/data/tables/2021/demo/hhp/hhp32.html).

³ U.S. Census Bureau, *Week 21 Household Pulse Survey: December 9–21* (Jan. 6, 2021) (online at www.census.gov/data/tables/2020/demo/hhp/hhp21.html).

⁴ National Low Income Housing Coalition, *Costs of Covid-19 Evictions* (Nov. 19, 2020) (online at <https://nlihc.org/sites/default/files/costs-of-covid19-evictions.pdf>).

⁵ Joint Center for Housing Studies of Harvard University, *Black and Hispanic Renters Face Greatest Threat of Eviction During the Pandemic* (Jan. 11, 2021) (online at www.jchs.harvard.edu/blog/black-and-hispanic-renters-face-greatest-threat-eviction-pandemic).

⁶ Department of the Treasury, *Emergency Rental Assistance Program* (online at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>) (accessed July 7, 2021).

⁷ Department of the Treasury, *Emergency Rental Assistance Frequently Asked Questions (FAQs)* (June 24, 2021) (online at https://home.treasury.gov/system/files/136/ERA_FAQs_6-24-21.pdf).

⁸ Department of the Treasury, *Emergency Rental Assistance Fact Sheet: Treasury Announces Further Action to Support Housing Stability for Renters at Risk of Eviction* (June 24, 2021) (online at home.treasury.gov/system/files/136/Treasury_Fact_Sheet_6-24-21.pdf).

⁹ Department of the Treasury, *Emergency Rental Assistance Program* (online at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>) (accessed Aug. 10, 2021).

House has held two summits convening state and local leaders to discuss ways to effectively distribute the funds.¹⁰

Despite these robust federal efforts, as of July 31 only about \$4.9 billion of the over \$46 billion Congress allocated for rental assistance has been distributed to Americans at risk of eviction by state, local, and tribal governments.¹¹ Data released by Treasury shows that out of the \$200 million available for renters in South Dakota, just \$4.4 million had been distributed by July 31.¹² Data compiled by the National Low Income Housing Coalition using a variety of more up-to-date data sources shows your state is ranked 48th in assistance distribution in the nation, putting South Dakota renters at greater risk of losing their homes and South Dakota landlords in greater financial distress.¹³ Although relief payments, tax cuts for families with children, expanded unemployment assistance, and the improving economy appear to have enabled many rental households to make their payments, a significant number are still in jeopardy. A county-level analysis of Census Bureau Pulse Survey data shows that the percentage of renters behind on rent is very high—often over 20%—in the states that have been slowest to distribute rental assistance funds.¹⁴

South Dakota's distribution of federal rental assistance funds has been far too slow. By June 30, the South Dakota state rental relief program had only distributed \$4.1 million of the \$200 million in federal funds the state has received from the first tranche of federal funds allocated to the state by Congress.¹⁵ The program appears to have actually slowed its efforts since that time. As of July 31, South Dakota had still distributed only \$4.5 million to aid renters

¹⁰ The White House, *Readout of White House Eviction Prevention Summit* (June 30, 2021) (online at www.whitehouse.gov/briefing-room/statements-releases/2021/06/30/readout-of-the-white-house-eviction-prevention-summit/); The White House, *Readout of Second Eviction Prevention Convening* (July 21, 2021) (online at www.whitehouse.gov/briefing-room/statements-releases/2021/07/21/readout-of-the-second-white-house-eviction-prevention-convening/).

¹¹ Department of the Treasury, *Press Release: Treasury Announces Seven Additional Policies to Encourage State and Local Governments to Expedite Emergency Rental Assistance* (Aug. 25, 2021) (online at <https://home.treasury.gov/news/press-releases/jy0333>).

¹² *Id.*

¹³ National Low Income Housing Coalition, *NLIHC ERA Spending Tracking: ERA1 Spending by State* (accessed Aug. 25, 2021) (online at [https://docs.google.com/spreadsheets/d/1RnHX7Ld7KJ_jgj8Sk52xjCygYRETwU-OthOGE3uduHM/htmlview?utm_source=NLIHC+All+Subscribers&utm_campaign=c5f8ef30ad-Update_08252021&utm_medium=email&utm_term=0_e090383b5e-c5f8ef30ad-293416298&ct=t\(Update_08252021\)&pru=AAABe6Kaitl*stzfqmnczzWj3gRt7wVUPw#](https://docs.google.com/spreadsheets/d/1RnHX7Ld7KJ_jgj8Sk52xjCygYRETwU-OthOGE3uduHM/htmlview?utm_source=NLIHC+All+Subscribers&utm_campaign=c5f8ef30ad-Update_08252021&utm_medium=email&utm_term=0_e090383b5e-c5f8ef30ad-293416298&ct=t(Update_08252021)&pru=AAABe6Kaitl*stzfqmnczzWj3gRt7wVUPw#)).

¹⁴ *How Many People Are at Risk of Losing Their Homes in Your Neighborhood?*, New York Times (July 28, 2021) (online at www.nytimes.com/2021/07/28/opinion/covid-eviction-moratorium.html?); Surgo Ventures, *Rental Arrears in the Pandemic: Responding to the U.S. Rent Debt Crisis with a Precision County-Level Approach* (July 28, 2021) (online at https://surgo-housing-vulnerability.s3.amazonaws.com/FINAL_SurgoVentures_RentalArrearsinthePandemic+Full+Report_July+2021.pdf).

¹⁵ Department of the Treasury, *Treasury Data: Amount of June Emergency Rental Assistance Resources to Households More than All Previous Months Combined* (July 21, 2021) (online at <https://home.treasury.gov/news/press-releases/jy0284>).

in need from the initial tranche of federal funds.¹⁶ The state’s sluggish distribution of assistance comes in the face of significant need, as Census data shows nearly 16,000 South Dakota renters are behind on rent and thousands are awaiting a response on their rental assistance applications.¹⁷ One reason for South Dakota’s slow distribution may be the burdensome documentation requirements the state program places on applicants, which exceed those required by Treasury guidance.¹⁸

I urge you to take action to speed distribution of rental assistance without delay. Implementing best practices for streamlining rental aid delivery, like the “Promising Practices” that Treasury has identified for simplifying the application process and conducting outreach to renters and landlords, could help improve distribution.¹⁹ Experts who have testified before the Select Subcommittee have also identified best practices for speeding distribution of pandemic rental assistance to those at risk of eviction. The National Low Income Housing Coalition has found that reducing documentation burdens, including by allowing renters to self-certify that they meet certain requirements, can streamline assistance distribution.²⁰ The Coalition has also found that it is important to allow assistance to be distributed directly to tenants when their landlords refuse to cooperate with assistance programs. And the administrators of the successful rental assistance program in Houston–Harris County have found that forming partnerships with community organizations and conducting extensive outreach to renters and landlords is critical to effective assistance distribution.²¹ It is vital that you promptly consider employing these strategies to deliver relief to those at risk of eviction and homelessness.

The Select Subcommittee seeks additional information to understand the reasons for the delays in South Dakota’s distribution of the federal rental assistance funds and to ensure that

¹⁶ Department of the Treasury, *Press Release: Treasury Announces Seven Additional Policies to Encourage State and Local Governments to Expedite Emergency Rental Assistance* (Aug. 25, 2021) (online at <https://home.treasury.gov/news/press-releases/jy0333>).

¹⁷ U.S. Census Bureau, *Week 35 Household Pulse Survey: August 4–16* (August 25, 2021) (online at www.census.gov/data/tables/2021/demo/hhp/hhp35.html).

¹⁸ South Dakota Housing and Development Authority, *General Questions — Rental* (online at www.sdhda.org/social-programs/cares-act-housing-assistance-program/frequently-asked-questions-1) (accessed Aug. 25, 2021).

¹⁹ Department of the Treasury, *Emergency Rental Assistance Program* (online at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>) (accessed Aug. 10, 2021).

²⁰ Select Subcommittee on the Coronavirus Crisis, Testimony of Diane Yentel, National Low Income Housing Coalition, *Hearing on Oversight of Pandemic Evictions: Assessing Abuses by Corporate Landlords and Federal Efforts to Keep Americans in Their Homes* (July 27, 2021) (online at <https://coronavirus.house.gov/subcommittee-activity/hearings/hybrid-hearing-oversight-pandemic-evictions-assessing-abuses>).

²¹ Select Subcommittee on the Coronavirus Crisis, Testimony of Rene Solis, BakerRipley, *Hearing on Oversight of Pandemic Evictions: Assessing Abuses by Corporate Landlords and Federal Efforts to Keep Americans in Their Homes* (July 27, 2021) (online at <https://coronavirus.house.gov/subcommittee-activity/hearings/hybrid-hearing-oversight-pandemic-evictions-assessing-abuses>).

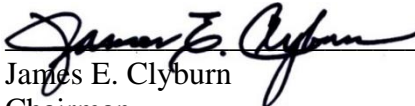
these federal pandemic relief dollars are used efficiently, effectively, and equitably. Please provide the following information by September 7, 2021:

1. What steps is the South Dakota rental assistance program taking to improve and speed its distribution of rental assistance funds?
2. How many applications for rental assistance have been submitted to the South Dakota rental assistance program? Of those applications, how many have been approved for assistance?
3. What share of the federal rental assistance funding has South Dakota dedicated to program administration?
4. How many staff members and contractors are currently employed to review assistance applications or assist renters and landlords in the application process?
5. What actions has the South Dakota rental assistance program taken to streamline application processes or reduce documentation burdens? What further improvements is the program considering?

These requests are consistent with the House of Representatives' authorization of the Select Subcommittee on the Coronavirus Crisis "to conduct a full and complete investigation" of "issues related to the coronavirus crisis," including "the efficiency, effectiveness, equity, and transparency of the use of taxpayer funds and relief programs to address the coronavirus crisis."²²

If you have any questions regarding this request, please contact Select Subcommittee staff at (202) 225-4400.

Sincerely,


James E. Clyburn
Chairman

Enclosure

cc: The Honorable Steve Scalise, Ranking Member

²² H. Res. 8, sec. 4(f), 117th Cong. (2021); H. Res. 935, 116th Cong. (2020).