



Talking Points - HB 196 & Proposed Changes to Statewide Emergency Rental Assistance

With hundreds of thousands of North Carolinians already many months behind in rent and at-risk of eviction, speed in the delivery of rental assistance is the most important factor. The changes the GA is attempting to impose only serve to slow the process down.

For the following reasons we request that the Sections 5.(e), 5.(f), 5.(g), and 5.(h) be removed from House Bill 196 due to the following issues:

Prohibiting the use of an automated formula in calculating award amounts:

- These changes drown landlords in red tape and will slow down emergency aid.
 - Forcing NCORR to calculate individual award amounts and thereby requiring the receipt of individual lease agreements are part of what made the last round of funding move so slowly.
 - These changes force the state to repeat the same mistakes made in the first round.

Limiting administrative costs to 3% is insufficient to fund the staffing and technology necessary:

- We need more staff to administer a larger program, not fewer. Cutting funding for staff will slow down the process and make the agency less responsive to tenants and landlords.
- 3% for administrative costs is not sustainable to fund the capacity needed to administer a program several times larger than the existing one.

County Allocation Limits:

- Mandating county limits for aid will slow down distribution of aid. A flexible program does not need to be county-specific and can eliminate the extra administrative burden of county level tracking & accounting.
- County Limits force inefficient use of public funds. If a county with a high need runs out of funds, those tenants & landlords would be penalized even while other counties have unspent funds.

Timeline & Clawback:

- These changes not only slow down the distribution of aid, but also could lead to aid being clawed back and wasted if not spent fast enough.
- This is the policy equivalent of slashing your tires and then firing you for being late to work.

Confusion & Contradicting Federal Guidance:

- These changes create additional confusion with localities that have already begun standing up local programs that follow the guidance and awards amounts dictated by the U.S. Treasury Department. Adding the changes in county allocation amounts slows down such programs.
- Congress and the Treasury Department sought to make rental assistance faster and less cumbersome to administer. These changes go against federal guidance.
- NCORR has already begun to implement changes, some public facing, to incorporate the guidance and suggestions from the federal government to speed up the process. These changes add confusion to what the public already knows and has experienced while also adding even further delay.