

September 7, 2021

Congressman James E. Clyburn Chairman U.S. House Select Subcommittee on the Coronavirus Crisis 2157 Rayburn House Office Building Washington, DC 20515

Chairman Clyburn and members of the Select Subcommittee on the Coronavirus Crisis:

I am disheartened by the recent letter from the Select Subcommittee on the Coronavirus Crisis ("Subcommittee") regarding Wyoming's Emergency Rental Assistance Program ("ERA"). The Subcommittee has based its conclusions on unreliable data and arbitrary performance metrics and, in so doing, has grossly misinterpreted and misrepresented the efficacy of Wyoming's ERA program.

Contrary to the Subcommittee's allegations, the Wyoming Department of Family Services ("Department") has administered the State's ERA program efficiently, effectively, and equitably.

The Subcommittee's claim that the State's roll-out has been "sluggish" ignores Wyoming's inability to administer this new, federal program absent state legislation. That legislation, which charged the Department with program administration, was adopted on April 21, 2021. While the relevant bill worked its way through our state legislature, the Department partnered with other state agencies to build and staff an entirely new division, as Wyoming did not have an existing housing agency. At the same time, the Department crafted all necessary program policies, developed an online application portal, set up a phone assistance line and call center, recruited and trained a statewide network of non-profit organizations to provide direct assistance to applicants, and funded much-needed housing stability services. Because of this upfront effort, the Department accepted its first ERA application just five days after the authorizing legislation went into effect. I would not classify this as "sluggish."

Since then, the Department has issued \$8.5 million to local non-profit organizations, tenants, and landlords in just four months, a feat that is unheard of within Wyoming's social safety net. For local context, this is higher than annual benefits payment rates from longstanding federal programs administered by the State of Wyoming, including Temporary Assistance for Needy

<sup>&</sup>lt;sup>2</sup> I issued Executive Order 2021-02 authorizing the Department of Family Services to engage in all necessary activities to stand up the ERA program while awaiting passage of the state law necessary to begin distributing benefits.



<sup>&</sup>lt;sup>1</sup> https://wyoleg.gov/Legislation/2021/SF0118

Families, the Low Income Energy Assistance Program, and the Weatherization Assistance Program.<sup>3</sup>

In each month of operation, the Department has increased its rental and utility payouts, which now totals \$4.5 million.<sup>4</sup> Wyoming's August payments were thirty percent higher than those of July and double those issued in June. We anticipate growth to continue at an aggressive rate. At the same time, and on the heels of the rampant fraud discovered in other federal COVID relief programs, Wyoming has implemented reasonable security protocols for each application to protect our state and its coffers against any future audits and to avoid future federal demands for repayment.

Wyoming's success is due to its early implementation of the same best practices that the Subcommittee now asks our program to consider. In fact, Wyoming has been a leader in ERA implementation nationally, including in the development of these same best practices. The State has been vocal on national calls and, as a result, invited to participate in high-level meetings with the White House, HUD, and Treasury staff. Likewise, we have provided input in multi-state and housing association letters to the administration advising on best practices. For example, since day one, Wyoming's ERA program has:

- Partnered with local community organizations so that in-person application and case management assistance is available in every Wyoming county;
- Engaged in extensive outreach to both landlords and tenants, including through town halls, social media campaigns, and direct-mailers;
- Paid tenants directly upon a landlord's refusal to cooperate;
- Accepted self-attestations for all eligibility criteria;
- Directly coordinated program operations, service area identification, and datamanagement protocols with the two Tribal ERA programs in Wyoming;
- Rather than deny deficient applications, we have engaged in extensive outreach to both landlords and tenants with applications in "draft" status, including through outbound call campaigns that provide the opportunity for applicants to provide

<sup>&</sup>lt;sup>3</sup>Appendix A, "2012-2020 Department of Family Services Benefits Programs, Direct Assistance and Caseloads."

<sup>&</sup>lt;sup>4</sup> As of September 3, 2021, \$3.5 million in rental assistance has been issued to landlords, \$760,000 in rental assistance has been issued to tenants, and \$319,000 has been paid in utility assistance.

missing information;

- Funded eviction defense and other civil legal services for all ERA participants; and
- Targeted housing stability services specifically to those populations that are especially vulnerable to the direct and indirect harms caused by COVID, including senior citizens and survivors of domestic violence and sexual assault.

The Subcommittee's assertion that Wyoming should consider implementing the same best practices that Wyoming has advocated for at a federal level highlights the Subcommittee's failure to consult state-specific information in assessing Wyoming's ERA program.

The Subcommittee has based its incorrect conclusion that Wyoming's ERA ranks last in the country upon an inherently flawed comparison of each state's expenditures against its allocation. However, Wyoming's allocation was not based on Wyoming's population, income levels, rental rates, or any other demographics of need. Instead, Wyoming, like 15 states with higher populations than Wyoming,<sup>5</sup> received the minimum allocation of \$200 million. As a result of this allocation model, Wyoming's ERA award represents the highest per income-eligible renter award of any state.<sup>6</sup> By contrast, New York received the lowest.<sup>7</sup> Of course, Wyoming's perrenter-need does not exceed New York's, a state with a higher cost of living<sup>8</sup> and a higher unemployment rate.<sup>9</sup> Plainly, allocation is a poor metric to use in a state-to-state comparison of performance, as it is wholly disassociated from whether each state's ERA program is meeting the needs of that state's renters.

Likewise, the data set used by the Subcommittee to conclude that 25,000 Wyoming renters are at risk of eviction is unreliable. Specifically, the Subcommittee pulled data from the U.S. Census Bureau's Household Pulse Survey, which because of Wyoming's small data set, has a margin of error that exceeds the Census Bureau's stated reliability threshold. Thus, according to the Census Bureau, the Wyoming survey set poses "potentially serious data quality issues." In fact, there is

<sup>&</sup>lt;sup>5</sup> Alaska, Rhode Island, Nebraska, West Virginia, South Dakota, Maine, North Dakota, Montana, Idaho, New Hampshire, New Mexico, Delaware, Vermont, Kansas, and Mississippi

<sup>&</sup>lt;sup>6</sup> Appendix B, State ERA1 Allocations Compared to Need

<sup>&</sup>lt;sup>7</sup>Appendix B, State ERA1 Allocations Compared to Need

<sup>&</sup>lt;sup>8</sup> According to the Council for Community and Economic Research Survey's Composite Cost of Living Index for Q2 of 2021, in which states are ranked from lowest cost to highest cost of living, Wyoming ranks 21st and New York ranks 49th. Available for purchase at: <a href="https://www.c2er.org/">https://www.c2er.org/</a>. Published at <a href="https://www.c2er.org/">www.meric.mo.gov/data/cost-living-data-seriew</a>.

<sup>&</sup>lt;sup>9</sup> According to the U.S. Bureau of Labor Statistics, Wyoming's unemployment rate in July 2021 was 5.2% and New York's was 7.6%. www.bls.gov/eag

<sup>&</sup>lt;sup>10</sup> The US Census Bureau provides the following footnote to its Household Pulse Survey, relied upon by the Select Committee in its letter: "The Census Bureau considers estimated coefficients

so much deviation week-to-week in the Wyoming-specific data collected and reported by this survey, that concurrent weeks have estimates that vary by more than 17,000 renter households.<sup>11</sup>

In total, there are only 44,870 renter occupied households in Wyoming that fall within the ERA income thresholds. <sup>12</sup> It is simply not the case that more than half of those households presently face eviction, as the Subcommittee has alleged. In fact, eviction filings across the entire state amount to approximately 1,000 annually, including during the pandemic. <sup>13</sup> Wyoming's ERA program has issued benefits to nearly 1,400 households, even in these early programmatic stages. Plainly, then Wyoming ERA's progress matches the actual need of our State's renters.

Given the inaccurate data and problematic metrics used in its initial ERA program assessment, I would ask the Subcommittee to reconsider its rank of Wyoming and to revise its state-by-state analysis. Rather than compare a jurisdiction's expenditures against that jurisdiction's allocation, the Subcommittee should compare expenditures against each jurisdiction's number of incomequalified renter-occupied households. This would provide an accurate picture of how each ERA program is progressing in meeting its residents' needs.

A revised, performance-to-need analysis would allow the Subcommittee to target and address the overall underspending problem identified in the Subcommittee's letter. As noted by the Subcommittee, only \$4.9 billion of over \$46 billion allocated has gone out to American renters in need. Frankly, I find it unfair that the Subcommittee has pinned this nationwide problem on Wyoming, a state with fewer residents than many cities.

I would also respectfully suggest that the Subcommittee consider making certain programmatic adjustments at the federal level in order to support local jurisdictions and to increase payment rates:

of variation (standard error divided by the estimate times 100) over 30 percent to indicate potentially serious data quality issues related to sampling error." The coefficient for the variation for the Wyoming estimates cited is 37%.

https://www.census.gov/data/tables/2021/demo/hhp/hhp35.html

<sup>&</sup>lt;sup>11</sup> The Week 35 Household Pulse Survey: August 4-August 16 does indeed estimate that 24,429 (not 25,000) Wyoming renter households are not current on their rent payments. <u>The same survey</u> conducted in Week 34: July 21-August 2, reports only 6,803 renter households were not current on their rent payments in Wyoming.

<sup>&</sup>lt;sup>12</sup> Comprehensive Housing Affordability Strategy (CHAS) 2013-2017 American Community Survey (ACS) 5-year average data. U.S. Department of Housing and Urban Development (HUD). Retrieved from: <a href="https://www.huduser.gov/portal/datasets/cp.html#2006-2017\_data">https://www.huduser.gov/portal/datasets/cp.html#2006-2017\_data</a>
<sup>13</sup> From July 1, 2019 through June 30, 2020, 1,165 evictions were filed in Wyoming circuit courts. From July 1, 2020 through June 30, 2021, 1,019 evictions were filed.

- Replace the current restrictive framework for ERA 1, ERA 2, and the Homeowners Assistance Fund ("HAF") with one that broadly addresses homelessness. Although the needs of Wyoming renters will never justify the \$200 million allocated to the State under ERA 1 or the \$152 million allocated under ERA 2, Wyoming desperately needs this funding to cure severe shortages in affordable housing across the state. We also need this funding to supplement the relatively low allocation provided to Wyoming in mortgage assistance, as the majority of Wyoming households 70% are owner-occupied. While we appreciate receiving assistance, Congress, unfortunately, did not consider what Wyoming residents actually need mortgage assistance and affordable housing development when it allocated \$352 million in funding exclusively for rent. The stated purpose of these programs is to prevent homelessness, but ERA 1, ERA 2, and HAF will never achieve that goal in any jurisdiction under their current restrictions.
- Do not claw back unspent funds under the first ERA program (authorized in December 2020), especially when every jurisdiction has access to additional funds under the second ERA program (authorized in March 2021). Doing so only hampers the efforts of local governments as they simultaneously develop and administer a brand new program. Under applicable federal legislation, the first ERA program does not expire until September 2022 and the second ERA program does not expire until September 2025. There is no benefit to taking ERA 1 funds back from any jurisdiction until other jurisdictions need it, which will not be the case until substantial portions of ERA 2 are spent down.
- Raise the income eligibility threshold for rental assistance to 100% of Area Median Income.
- Hinge household eligibility on income-requirements alone. All households have been
  impacted by COVID and any household falling under the statutory income threshold
  would benefit from financial support to retain housing stability. These additional
  eligibility requirements are unnecessary and hold up payments to those who need it.
- Alternatively, permit applicants to self-attest eligibility criteria without requiring an explanation as to how each applicant's specific circumstances fit into that criteria. To make applicants describe how their financial hardship has a downline relationship to COVID or why specifically they are at risk of housing instability is overly burdensome, and runs contrary to U.S. Treasury's stated purpose behind allowing self-attestations. If these eligibility criteria continue to apply, it should be sufficient for applicants to simply self-attest that they have been financially impacted by COVID and that they are at risk of housing instability.

My hope is that this response prompts the Subcommittee to reconsider its assessment of Wyoming's and other states' rental assistance programs. Every jurisdiction is working toward

the same goal of protecting housing stability for as many of our constituents as possible. I understand that the Subcommittee was working toward that very goal in sending its letter to Wyoming and its sister states. Unfortunately, however well-intended the Subcommittee's letter was, it has made it more difficult for recipient jurisdictions to achieve our shared goal of efficient, effective, and equitable program administration. Unfortunately, I fear that the Subcommittee's letter may ultimately dampen internal support for this much-needed program and discourage participation by landlords and tenants alike.

Sincerely,

Mark Gordon

Governor of Wyoming

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**Enclosures:** 

Appendix A. 2012-2020 Department of Family Services Benefits Programs,

Direct Assistance and Caseloads

Appendix B. State ERA1 Allocations Compared to Need

cc: Congresswoman Liz Cheney

U.S. Senator John Barrasso

U.S. Senator Cynthia Lummis

## Appendix A. 2012-2020 Department of Family Services Benefits Programs, Direct Assistance and Caseloads

The Wyoming Department of Family Services' (DFS) administers a variety of community-based programs to assist low-income families and children with basic necessities essential to family stability. This chart identifies the annual caseload and funding distributed to eligible persons and families in Temporary Assistance for needy Families (TANF) cash assistance, Low Income Energy Assistance Program and the Weatherization Program.

Table 1. Average Program Monthly Caseloads and Annual Amount Spent in Benefits

	TANF					
Average Monthly Caseload Annual Amount Spen						
FFY 2012	352	\$1,688,069.00				
FFY 2013	398	\$2,023,342.00				
FFY 2014	400	\$2,056,030.00				
FFY 2015	375	\$1,973,707.00				
FFY 2016	462	\$2,491,751.00				
FFY 2017	528	\$2,895,459.00				
FFY 2018	538	\$2,978,082.00				
FFY 2019	515	\$2,815,896.00				
FFY 2020	498	\$2,875,520.00				
FFY 2021*	483	\$2,380,622.00				
October 2020 - July 2021						
	LIEAP					
	Seasonal Caseload	Annual Amount Spent				
FFY 2012	11410	\$5,836,012.00				
FFY 2013	10125	\$5,126,135.00				
FFY 2014	9871	\$6,420,146.00				

FFY 2015	9455 \$6,	121,800.00
FFY 2016	9402 \$5,	140,597.00
FFY 2017	9675 \$4,9	921,064.00
FFY 2018	9010 \$4,7	724,364.00
FFY 2019	8092 \$4,4	161,418.00
FFY 2020	9328 \$5,6	629,173.00
FFY 2021*	9760 \$5,5	530,892.00

<sup>\*</sup>October 2020 - July 2021

Includes seasonal benefit & crisis payments; Season runs 7 months in winter & all intake and processing & payments occur within that season.

WEATHERIZATION					
	Yearly Caseload Annual Amount Spent				
FFY 2012	1,394	\$5,146,113.00			
FFY 2013	1,825	\$3,854,623.00			
FFY 2014	896	\$5,698,623.00			
FFY 2015	890	\$4,042,524.00			
FFY 2016	881	\$4,871,786.00			
FFY 2017	851	\$4,451,053.00			
FFY 2018	822	\$3,637,997.00			
FFY 2019	825	\$4,633,944.00			
FFY 2020	867	\$5,151,888.00			
FFY 2021*	838	\$4,479,964.00			
% Change	-39.89%	-12.94%			

<sup>\*</sup> October 2020 - July 2021

Once per lifetime benefit; Caseload represents total homes weatherized & furnace repair/replacements for fiscal year.

## Appendix B. State ERA1 Allocations Compared to Need

Using Comprehensive Housing Affordability Strategy (CHAS) data on the number of renter-occupied households with household income less than eighty percent (80%) of area median income (AMI), we can arrive at a reasonable assessment of the equity of the initial distribution of ERA1 funds by state. In the table below, we compare each state's share of the ERA1 funds to its share of the nation's renter households that are income-eligible for emergency rental assistance. States with a ratio less than one received a smaller share of ERA1 funds than expected, while states with ratios higher than one received a greater share of funds than expected. State ratios range from a low of 0.66 (New York) to a high of 5.01 (Wyoming). Three of the five states addressed by the Subcommittee (Wyoming, North Dakota, and South Dakota) have ratios above 3.

Table 1. ERA1 Funding Allocations Compared to Income-Eligible Renter Households, by State

State	A: ERA1 Funding Allocation	B: Number of Renter-occupied Households with Income <80% AMI	C: Percent of Nation's Renter Households with Income <80% AMI	D: Percent of ERA1 Awarded	E: Ratio of ERA1 Funding to Renter- occupied Households with Income <80% AMI (D divided by C)
Alabama	\$326,358,801.20	380,970	1.43%	1.37%	0.96
Alaska	\$200,000,000.00	49,695	0.19%	0.84%	4.52
Arizona	\$492,131,217.20	509,720	1.91%	2.07%	1.08
Arkansas	\$200,961,311.80	249,880	0.94%	0.84%	0.90
California	\$2,610,593,356.20	3,544,070	13.26%	10.98%	0.83
Colorado	\$385,124,024.50	446,510	1.67%	1.62%	0.97
Connecticut	\$235,873,751.10	309,110	1.16%	0.99%	0.86
Delaware	\$200,000,000.00	61,745	0.23%	0.84%	3.64
District of Columbia	\$200,000,000.00	85,180	0.32%	0.84%	2.64
Florida	\$1,441,188,973.40	1,553,330	5.81%	6.06%	1.04
Georgia	\$710,207,372.20	821,420	3.07%	2.99%	0.97
Hawaii	\$200,000,000.00	116,250	0.44%	0.84%	1.93
Idaho	\$200,000,000.00	119,775	0.45%	0.84%	1.88
Illinois	\$834,709,842.60	1,067,610	4.00%	3.51%	0.88
Indiana	\$447,937,423.40	527,605	1.97%	1.88%	0.95
Iowa	\$209,783,452.70	245,990	0.92%	0.88%	0.96
Kansas	\$200,000,000.00	239,180	0.90%	0.84%	0.94

Kentucky	\$296,897,443.50	376,355	1.41%	1.25%	0.89
Louisiana	\$308,042,376.60	376,435	1.41%	1.30%	0.92
Maine	\$200,000,000.00	105,395	0.39%	0.84%	2.13
Maryland	\$401,575,013.80	413,660	1.55%	1.69%	1.09
Massachusetts	\$457,129,720.30	623,220	2.33%	1.92%	0.82
Michigan	\$660,906,592.10	745,650	2.79%	2.78%	1.00
Minnesota	\$375,152,158.50	415,975	1.56%	1.58%	1.01
Mississippi	\$200,000,000.00	219,310	0.82%	0.84%	1.02
Missouri	\$407,924,164.80	520,765	1.95%	1.72%	0.88
Montana	\$200,000,000.00	90,255	0.34%	0.84%	2.49
Nebraska	\$200,000,000.00	169,845	0.64%	0.84%	1.32
Nevada	\$208,105,615.30	255,255	0.96%	0.87%	0.92
New Hampshire	\$200,000,000.00	98,165	0.37%	0.84%	2.29
New Jersey	\$589,011,704.40	707,480	2.65%	2.48%	0.94
New Mexico	\$200,000,000.00	149,665	0.56%	0.84%	1.50
New York	\$1,282,268,820.90	2,182,305	8.17%	5.39%	0.66
North Carolina	\$702,966,451.50	834,975	3.13%	2.96%	0.95
North Dakota	\$200,000,000.00	74,095	0.28%	0.84%	3.03
Ohio	\$775,405,764.40	1,048,900	3.93%	3.26%	0.83
Oklahoma	\$263,975,438.50	317,040	1.19%	1.11%	0.94
Oregon	\$281,264,683.40	356,370	1.33%	1.18%	0.89
Pennsylvania	\$847,688,778.80	1,026,925	3.84%	3.56%	0.93
Rhode Island	\$200,000,000.00	111,480	0.42%	0.84%	2.02
South Carolina	\$346,020,970.50	362,905	1.36%	1.45%	1.07
South Dakota	\$200,000,000.00	74,260	0.28%	0.84%	3.03
Tennessee	\$456,682,774.50	533,805	2.00%	1.92%	0.96
Texas	\$1,946,983,603.80	2,103,695	7.87%	8.19%	1.04
Utah	\$215,507,410.00	178,535	0.67%	0.91%	1.36
Vermont	\$200,000,000.00	50,570	0.19%	0.84%	4.44
Virginia	\$569,661,203.50	579,040	2.17%	2.40%	1.11

TOTAL	\$23,785,000,000.00	26,718,080	100.00%	100.00%	
Wyoming	\$200,000,000.00	44,870	0.17%	0.84%	5.01
Wisconsin	\$386,777,591.50	515,905	1.93%	1.63%	0.84
West Virginia	\$200,000,000.00	132,655	0.50%	0.84%	1.69
Washington	\$510,182,193.10	594,280	2.22%	2.14%	0.96

- 1. ERA1 Funding Allocation is the total ERA1 funding allocated to the state before amounts for eligible local governments were removed. This better reflects the total funding available to the population of interest. Retrieved from: <a href="https://home.treasury.gov/system/files/136/Emergency-Rental-Assistance-Data-and-Methodology-1-11-21.pdf">https://home.treasury.gov/system/files/136/Emergency-Rental-Assistance-Data-and-Methodology-1-11-21.pdf</a>
- CHAS data is also available at the county and municipal level, allowing the possibility for more detailed geographic analysis beyond the state level. <a href="https://www.huduser.gov/portal/datasets/cp.html#2006-2017">https://www.huduser.gov/portal/datasets/cp.html#2006-2017</a> data

Figure 1, below, displays the same data in graphic form in order from highest to lowest ratio, by state.

Figure 1. Ratio of ERA1 Funding to the Income-Eligible Renter Households, by State

