

City Council – Action Request Form

Date: February 8, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Tasha Logan Ford, Assistant City Manager
Marla Y. Newman, Community Development Director

Council Action Requested:

Approve acceptance of \$7,478,359 from the U.S. Department of Treasury (Treasury) for Emergency Rental Assistance Program (ERAP) funds to prevent loss of housing for eligible households unable to pay rent and utilities due to the financial impacts of the COVID-19 pandemic; authorize execution of agreements with Treasury; authorize execution of agreements with Forsyth County for collaborative implementation of ERAP; authorize execution of subgrantee agreements with third-party ERAP administrator(s); and authorize submission of periodic progress reports to Treasury

Strategic Focus Area: Livable Neighborhoods
Strategic Objective: Expand Housing Assistance Programs
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

On January 8, 2021 the U.S. Department of Treasury (Treasury) announced funding allocations for state and local governments under the Emergency Rental Assistance Program (ERAP), in response to the significant impact that the Coronavirus has had on the ability of families to work and have income to pay for rent and basic utilities.

Winston-Salem has been allocated \$7,478,359 in ERAP funds, and Forsyth County \$4,052,179. ERAP is intended to address a public exigency by assisting households who face a high risk of losing their housing due to inability to make rent and utility payments. A program to provide financial assistance to these households, in collaboration with the Forsyth County Department of Social Services (DSS), is proposed to meet this need.

Committee Action:

Committee	<u>Finance 2/8/2021</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

Funding Priorities and Administration

ERAP will provide rent and utility assistance for households that:

- Have been affected by the economic impact of the coronavirus pandemic
- Have a household income that is 80% of the area median income (AMI) or lower
- Are named in a lease or utility account
- Household or individual qualifies for unemployment
- Household or individual has experienced a reduction in household income (furlough or reduction in hours) due to COVID-19
- Incurred significant costs or financial hardships due to COVID-19
- Are behind in utility or rental payments.

At least one month's rent or utilities must be overdue at the time of application. Assistance for rent, or utility payments may include past due, current and future payments for a total of up to twelve (12) consecutive months, based on an assessment of need.

Rent and utility assistance will be paid to the landlord or utility company on behalf of the applicant. Households may apply for utility assistance in addition to rent assistance. Utility payments will be limited to essential utilities, such as electricity, water, sewer/wastewater, natural gas, and propane services. Households with eviction notifications, are 50% AMI or lower, or who have been unemployed for 90 days or more due to COVID-19 will be prioritized.

Program Administration

Community Development Department staff (CDD), in collaboration with DSS, is seeking proposals from third-party qualified program administrators who have sufficient public benefit program administration experience to distribute the ERAP funds.

Agencies selected must have capacity to perform required tasks including tenant/client intake, eligibility determination, assessments of need for assistance, counseling and case management, payment processing, record-keeping and reporting. Agencies selected must have the capacity to manage an initial high volume of applicants and the ability to downsize to an optimal level needed for maintaining the program. A final determination of tasks that will be performed by the third-party administrator and/or CDD/DSS will be made after receipt and review of proposal responses.

CDD and DSS will utilize a common tenant application and process, creating a one-stop system to simplify tenant access to rent and utility assistance. A Memorandum of Understanding will codify the working agreement between the City and Forsyth County.

Action Request

The accompanying resolution authorizes the City Manager to accept the \$7,478,359 from the U.S. Department of Treasury (Treasury) for Emergency Rental Assistance Program (ERAP) funds;

execute funding agreements with Treasury; execute agreements with Forsyth County for collaborative implementation of ERAP; execute subgrantee agreements with third-party ERAP administrator(s) in an amount not to exceed the regulatory ten-percent (10%) administrative cap; and submit periodic progress reports to Treasury.