

Information Item

Date: March 16, 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

Subject:

Status report on implementation of the U.S. Department of Treasury (Treasury) funded (\$7,478,359) Emergency Rental Assistance Program (ERAP) to prevent loss of housing for eligible households unable to pay rent and utilities due to the financial impacts of the COVID-19 pandemic

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Expand Housing Assistance Programs

Strategic Plan Action Item: No

Key Work Item: No



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), has been developed to meet this need.

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.

Prioritization

- **Households that are 50% AMI or lower**
- **Households that have been unemployed for 90 days or more due to COVID-19**

HUD INCOME LIMITS FOR EACH INCOME CATEGORY FOR HOUSEHOLD SIZES 1 TO 8:							
<i>Household Size</i>	30%	50%	60%	65%	80%	100%	120%
1	\$14,050	\$23,400	\$28,080	\$31,210	\$37,400	\$48,020	\$56,100
2	\$16,050	\$26,750	\$32,100	\$35,670	\$42,750	\$54,880	\$64,150
3	\$18,050	\$30,100	\$36,120	\$40,130	\$48,100	\$61,740	\$72,150
4	\$20,050	\$33,400	\$40,080	\$44,590	\$53,400	\$68,600	\$80,150
5	\$21,700	\$36,100	\$43,320	\$48,160	\$57,700	\$74,090	\$86,550
6	\$23,300	\$38,750	\$46,500	\$51,720	\$61,950	\$79,580	\$93,000
7	\$24,900	\$41,450	\$49,740	\$55,290	\$66,250	\$85,060	\$99,400
8	\$26,500	\$44,100	\$52,920	\$58,860	\$70,500	\$90,550	\$105,800

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, sought proposals from third-party qualified program administrators with sufficient public benefit program administration experience to distribute the ERAP funds. Tetra Tech was selected as the program administrator, along with Neighborly Software for development of the cloud-based application, data management and storage.

Tetra Tech was deemed to have the capacity to perform the required tasks, including tenant/client intake, eligibility determination, assessments of need for assistance, counseling and case management, record-keeping and reporting. Tetra Tech also demonstrated the capacity to manage an initial high volume of applicants and the ability to downsize to an optimal level needed for maintaining the program.

Program Status and Implementation Plan

The goal is for the ERAP program to start taking applications on April 5th, 2021. The City's Marketing Department will employ a variety of strategies to advertise the opening of the program, including radio, television, print, social media, and engaging a local MWBE firm to perform direct community outreach in targeted areas of the community. City and County staff

plan for the program—staffed by Tetra Tech and DSS temporary employees—to start with a large call center that will decrease in staff over time.

Applications will be accepted on the Emergency Rental Assistance application web portal, which will be linked to the City’s website; over the telephone with a dedicated ERAP phone number; and in-person by appointment with the Department of Social Services.

Landlords will also be required to complete an application in order for assistance to be provided to the tenant.

This approach will provide:

- Fast, accurate, and consistent service
- High quality customer service
- Communication to renters and landlords on resources that are available

The average rent amount in the City of Winston-Salem is \$944. Based on the requirement to spend 90% of the Treasury allocation for rent and utilities, it is projected that an estimated 2,500 households will be served with approximately four and a half months of assistance. Due to the limited number of households that can be assisted, applications will likely be accepted for a limited period of time.

Stipulations

As part of the application process, Landlords must agree to, among other requirements still under development, at a minimum the following:

- Provide a W9
- Confirm ownership of the property through the County Tax Assessor
- Not evict the tenant after payment of rent has been provided
- Not charge late fees for rent owed that was paid on behalf of the tenant

Under Department of Treasury guidelines, if an owner/landlord is unable to be reached to accept payment, after 14 days the payment can be provided to the tenant who is then responsible for paying the owner.