

City Council – Action Request Form

Date: October 11, 2021

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

From: Patrice Y. Toney, Assistant City Manager
Marla Y. Newman, Community Development Director

Council Action Requested:

Resolution Authorizing Execution of Agreements to Implement a Second Round of the Emergency Rental Assistance Program (ERAP-2)

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 was 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), was created to meet this need.

The City of Winston-Salem received a second allocation of Emergency Rental Assistance

Committee Action:

Committee	Finance 10/11/21	Action	Approval
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For	Unanimous	Against	
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Remarks:

Program funds (ERAP-2) in the amount of \$5,917,275.50 on May 11, 2021. Forsyth County received \$3,206,299.60.

Funding Priorities and Administration

ERAP provides 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
- Qualify for unemployment
- Experienced a reduction in household income (furlough or reduction in hours)during COVID-19
- Incurred significant costs or financial hardships during COVID-19
- Are behind in utility or rental payments.

Assistance for rent or utility payments may include past due, current, and future payments for a total of up to 18 consecutive months, based on an assessment of need.

Rent and utility assistance is 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 are limited to essential utilities, such as electricity, water, sewer/wastewater, natural gas, propane, and internet services. Households with eviction notifications, are 50% AMI or lower, or who have been unemployed for 90 days or more due to COVID-19 are prioritized.

Program Administration

Community Development Department staff (CDD), in collaboration with DSS, issued a request for proposals from qualified third-party program administrators who have sufficient public benefit program administration experience to distribute the ERAP funds. Tetra Tech was subsequently selected to administer the program, and has submitted a proposal to amend the existing contract to administer ERAP-2.

CDD and DSS utilize a common tenant application and process, creating a one-stop system to simplify tenant access to rent and utility assistance. An Interlocal Agreement was executed to codify the working agreement between the City and Forsyth County, and an amendment to that agreement is proposed for ERAP-2.

Action Request

The accompanying resolution authorizes the City Manager to execute agreements with Forsyth County for continued collaborative implementation of ERAP-2; execute agreements with the third-party ERAP administrator Tetra Tech for administration of ERAP-2 in an amount not to exceed

the regulatory fifteen-percent (15%) administrative cap (an increase of 5% over ERAP as per Treasury regulations for ERAP-2); and submit periodic progress reports to Treasury.