



Legislation Text

File #: 65271, **Version:** 1

Fiscal Note

The proposed resolution authorizes the City to accept \$9.3 million of Federal Emergency Rental Assistance Program funding, from the State of Wisconsin Department of Administration, to help prevent evictions and promote housing stability among eligible households in Madison. This resolution also authorizes a 12-month, \$90,000 purchase of services contract with Benevate, Inc for the use of the Neighborly Software to implement rental assistance program. The Community Development Division will undertake an open application process to select one or more community partners to help with the administration of the rental assistance funds and to return to the Council with recommendations. The 2021 adopted operating budget will be amended to appropriate the \$9.3 million of intergovernmental revenue for grants and purchased services in the Community Development Division-Affordable Housing.

Title

Accepting funds from the State of Wisconsin, awarded under the Consolidated Appropriations Act, 2021 (H.R. 133), to help prevent evictions and promote housing stability for eligible households affected by the COVID-19 pandemic, amending the Community Development Division's 2021 Operating Budget to reflect receipt of those funds, and authorizing the Mayor and City Clerk to execute an agreement with Benevate Inc. to gain access to its Neighborly Software, a centralized database, for use in implementing a rental assistance program in the City of Madison.

Body

Background:

On January 19, 2021, the Common Council adopted RES 21-00042, Legistar File #63792, to accept the first allocation of Emergency Rental Assistance (ERA) funds from the United States Treasury Department awarded to the City of Madison under the Consolidated Appropriations Act, 2021 (H.R. 133). The funds are for use to help prevent evictions and promote housing stability for eligible households affected by COVID-19 pandemic. These funds were used, in concert with those allocated to Dane County, to establish the Dane CORE (COronavirus REntal) assistance program. Those funds, per RES 21-00042, are being administered by the Tenant Resource Center, with some support from designated community partner agencies. RS-21-00042 also directed City staff to develop or acquire a centralized database system that would enable additional community partners to help administer any future funds that might become available, while ensuring compliance with federal administrative requirements. A centralized database is critical for the City to be able to meet reporting requirements to the U.S. Treasury.

One key feature of the federal program is an emphasis on avoidance of duplication of benefits. In part to prevent the existence of multiple, federally funded programs, which would increase the risk of such duplication, the State of Wisconsin Department of Administration (the State) has opted to pass through a portion of funds it has received from the U.S. Treasury to local governments that have received their own ERA allocations. Thus, the State has allocated \$9,250,443.14 to the City of Madison to support continuation of its rental assistance program.

The City needs use of a centralized database to utilize funds made available from the State. The Community Development Division (CDD) and Information Technology (IT) worked to develop the parameters of a centralized database. Staff evaluated two options that would have used existing "in-house" platforms and three 3rd party alternatives. Among the key criteria considered in that evaluation were how quickly a system could be ready and the level of ongoing maintenance required from City IT.

The Neighborly Software, operated by Benevate, Inc., emerged as an attractive option to use to help administer future ERA funding. The system is in wide use throughout the country supporting rental assistance programs in at least 60 communities and 5 states.

Benevate is conversant with federal program structures generally and has developed an application portal specific to the ERA program and responsive to published US Treasury guidelines. Benevate's approach to developing and supporting software is very strong, and their security measures are strong as well. The company offers level one support, assisting users (residents and property owners) with account creation and access to the system with little or no need for support from City's IT. Fees for use of the system are a function of the level of program funding the system will be asked to administer, specifically .9% of funds under contract. Benevate has provided product demonstrations to City IT and CDD staff as well as a group of community partners that are interested and currently involved in the Dane CORE Program. Staff is recommending the City use the product for administration of future rental assistance funds.

Action:

WHEREAS, The State of Wisconsin Department of Administration has allocated to the City of Madison \$9,250,443.14 of Emergency Rental Assistance (ERA) funds authorized under the Consolidated Appropriations Act, 2021 (H.R. 133), to help prevent evictions and promote housing stability for eligible households affected by the COVID-19 pandemic; and

WHEREAS, the Common Council on January 19, 2021, adopted RES-21-00042, Legistar #63792, which allocated \$50,000 to Community Development Division for use to select, by June 30, 2021, a no-bid contractor for the creation of a centralized mobile-responsive web application that will serve as a resident and agency rental assistance portal and database; and

WHEREAS, Staff from the City's Community Development Division (CDD) and Information Technology (IT) developed a set of criteria to evaluate database options, emphasizing the timeliness of securing the system and level of ongoing maintenance required of City IT staff, and reviewed several in-house and third-party options; and,

WHEREAS, the most attractive option to emerge was Neighborly Software, supported by Benevate, Inc, a firm that has created an online tool, which is already built out, for use in distributing emergency rental assistance funds made available through the U.S. Treasury; and,

WHEREAS, Benevate staff bring considerable regulatory knowledge and experience working with a variety of Federal programs, and has acquired particular familiarity and expertise around the US Treasury guidelines published around the ERA Program; and,

WHEREAS, Benevate's has a proven approach to developing and supporting usable software with strong security features, and will provide level one support, assisting users (residents and property owners) with account creation and access to the system; and,

WHEREAS, Benevate staff provided a product demonstration to City IT and CDD staff and, later, to staff of community partner organizations that are involved and/or interested in current efforts to provide rental assistance and prevent evictions in the City of Madison; and,

WHEREAS, Benevate's Neighborly Software is a Software-as-a-Solution offering, with a fee model based on a percentage (0.9%) of the funds being managed, which will translate to approximately \$85,000, plus a \$5,000 implementation fee.

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorizes the Mayor and the City Clerk to accept up to \$9.3 million from the State of Wisconsin Department of Administration from Federal

Emergency Rental Assistance Program funds, to use to help prevent evictions and promote housing stability among eligible households in Madison, and amends the Community Development Division's 2021 Operating Budget accordingly; and

BE IT FURTHER RESOLVED, that the Mayor and the City Clerk are authorized to sign an agreement with the State of Wisconsin Department of Administration to accept Emergency Rental Assistance Program funds; and

BE IT STILL FURTHER RESOLVED that the Mayor and City Clerk are authorized to execute a 12 month Purchase of Services contract not to exceed \$90,000.00 with Benevate, Inc for the use of Neighborly Software to implement rental assistance program; and,

BE IT FINALLY RESOLVED, that the Council directs the Community Development Division to undertake an open application process to select one or more community partners to help with the administration of the rental assistance funds, and to return to the Council with recommendations.