



Legislation Text

File #: 63792, Version: 2

Fiscal Note

The proposed resolution amends the 2021 Adopted Operating Budget for the Community Development Division (CDD) - Affordable Housing and authorizes the City to accept up to \$8 million from the U.S. Treasury for use in preventing evictions and promoting housing stability among eligible households. Most of the awarded grant funding will be disbursed through community agency contracts with the Tenant Resource Center (TRC), and other designated community agencies, to utilize available funds to assist renter households impacted by the COVID pandemic. CDD's other grants fund purchased services will be amended to authorize the \$8 million of granted revenue and associated expenses.

The proposed resolution authorizes up to \$1.1 million from CDD's grant and general funding sources to 11 agencies/collaborations to assist eligible households secure rental assistance and to provide or support services and activities designed to help reduce the incidence of eviction and promote housing stability in the rental market. This resolution also authorizes up to \$50,000 for 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 by June 30, 2021.

Title

SUBSTITUTE - Accepting funds from the U.S. Treasury Department, to be awarded to the City of Madison 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 agreements with the Tenant Resource Center and other community partner agencies to implement a program to deliver that relief **as well as a no-bid contract for a mobile responsive rental assistance web application.**

Body

This resolution authorizes contracts with the Tenant Resource Center (TRC), and other designated community agencies, to utilize available funds to assist renter households impacted by the COVID pandemic. Efforts will be supported through a combination of federal funds to be awarded to the City and City funds authorized by the Common Council in the 2021 Adopted Operating Budget for a COVID Relief Fund.

The City's 2021 Adopted Operating Budget authorized a \$725,000 COVID Relief Fund, to be administered by the Community Development Division, for use in assisting City residents impacted by COVID-19. The budget further directed that at least half of the authorized funds be used for housing assistance. **The Community Services Committee at its December 16, 2020 meeting unanimously recommended that \$500,000 of the \$725,000 COVID Relief Fund be used for eviction prevention for a total of \$750,000 in eviction prevention assistance (Refer to legistar#63426 and CSC 12/16/20 minutes).** On December 27, 2020, federal legislation was enacted to help offset the impacts of the COVID pandemic. It included \$25 billion for emergency rental assistance, to be allocated to local governments with populations of 200,000 or more residents. Though the U.S. Treasury has not yet released specific allocations, the City is projected to receive more than \$7.5 million, and Dane County about \$8.5 million.

WHEREAS, the COVID-19 pandemic has, and continues to, cause widespread economic and social disruption

both locally and across the country; and,

WHEREAS, one of the most serious consequences of the pandemic has been its impact on housing stability, particularly for households that have suffered a loss or reduction in employment which, for many, has impacted their ability to pay their rents; and,

WHEREAS, last summer, Congress passed the CARES Act, which made available \$10 million to help struggling households pay their rents and avoid eviction, a sum that was consumed within a few short months, but which delivered financial assistance to nearly 6,000 households in Dane County, two-thirds of them living in Madison; and,

WHEREAS, despite the relief provided through the CARES Act, the pandemic continues to plague households in Madison and Dane County and poses ongoing challenges to their housing stability, as well as to the financial well-being of owners and managers of rental housing properties; and,

WHEREAS, late last year, Congress passed additional stimulus legislation which included authorization of a \$25 billion emergency rental assistance program and an extension, through January 31, 2021, of a partial moratorium on evictions; and,

WHEREAS, though final program guidelines and allocation totals have not yet been released by the federal government, the rental assistance program is expected to award over \$7.5 million to the City of Madison, and about \$8.5 million to Dane County; and,

WHEREAS, based on preliminary information, the program guidelines for the new program are expected to be considerably more prescriptive than those governing the CARES Act with respect to program design and grantee accountability; and,

WHEREAS, Dane County officials have signaled their intent to allocate all of the federal funds expected to be awarded to the County, including approximately \$3 million to be designated for use within the City of Madison, to the TRC which will function as the sole dispenser of rental assistance benefits; and,

WHEREAS, the federal program authorizes grantees to set aside up to 10% of awarded funds **(estimated at \$750,000)** for use to support services and activities that promote housing stability, and offset administrative expenses; and,

WHEREAS, the Common Council, in the City's 2021 Adopted Operating Budget has authorized \$725,000 for a COVID Relief Fund and directed that at least half of those funds be used to support housing services; and,

WHEREAS, the Community Services Committee at its December 16, 2020 meeting unanimously

recommended that \$500,000 of the \$725,000 COVID Relief Fund be used for eviction prevention for a total of \$750,000 in eviction prevention assistance (Refer to legistar#63426 and CSC 12/16/20 minutes); and,

WHEREAS, the City recognizes the need for, and places a high value on, efforts by community partners that support underserved communities in Madison to help ensure that every household eligible to receive assistance under this program has access to it; and,

WHEREAS, given the urgency of need for rental assistance and the quickness with which funds are likely to be used, the County decision to utilize the TRC as its **sole primary** distributor of rental assistance dollars, and the City's limitations in meeting the added administrative obligations that would result from having multiple agencies disperse funds, the City intends to contract with the TRC to fulfill a similar role with respect to federal rental assistance dollars; and,

WHEREAS, the City retains the flexibility to use up to 10% of its federal grant to support services that promote housing stability, and also has City COVID Relief Funds available for similar services and/or to meet housing-related needs not addressed in the federal program,

NOW, THEREFORE, BE IT RESOLVED, that the Common Council authorizes the Mayor and the City Clerk to accept up to \$8 million from the U.S. Treasury for use in preventing evictions and promoting housing stability among eligible households, and amends the Community Development Division (**CDD**)'s 2021 Operating Budget accordingly; and,

BE IT FURTHER RESOLVED, that, pending receipt of a project proposal acceptable to the CDD, the Common Council approves the selection of the Tenant Resource Center to receive up to **\$7M 90% of the City's allocation of** federal rental assistance funds, and approves its designation as the **sole primary** entity responsible for dispersing those funds in accordance with MGO 4.26(4)(a)(1) as the need for assistance is a public exigency; and,

~~**BE IT FURTHER RESOLVED, that, with the goal of ensuring that households within underserved communities in Madison have full access to available resources to help maintain their housing stability, the Common Council authorizes the Community Development Division, through an expedited application process, to allocate up to \$500K federal program funds to support efforts by community partners to provide outreach services aimed at helping eligible households secure rental assistance, and provide related housing services; and,**~~

BE IT FURTHER RESOLVED, that the Council calls on CDD staff to help develop memoranda of understanding, contracts, or other agreements as may be necessary, between the TRC and other City-funded community partners that will provide those partners direct and timely access to current information from the TRC regarding the status and disposition of requests for assistance submitted on behalf of their clients; and,

BE IT STILL FURTHER RESOLVED, that the Council authorizes and directs the CDD staff, **through an**

~~expedited application process~~, to allocate ~~up to \$500K~~ 10% of the federal program funds estimated at \$750,000 and ~~to federal funds not used for outreach services, and up~~ to \$500,000 of City COVID Relief Funds, to the following agencies/collaborations to assist eligible households secure rental assistance and to provideing or supporting services and activities designed to help reduce the incidence of eviction and promote housing stability in the rental market:

- 1) African Center for Community Development: \$80,000
- 2) Dane County Collaboration of Black Service Providers: a total of \$470,000 to be used by the following agencies:
 - FOSTER of Dane County
 - Meadowood Health Partnership (Meadowood Neighborhood Association as fiscal agent)
 - Mount Zion Baptist Church
 - Nehemiah Community Development Corporation
 - Urban Triage
- 3) Freedom Inc: \$80,000
- 4) Latinx Consortium for Action Service Agencies: a total of \$470,000 to be used by the following agencies:
 - Centro Hispano of Dane County
 - Latino Academy for Workforce Development
 - Latino Chamber of Commerce
 - UNIDOS; and,

BE IT STILL FURTHER RESOLVED, that the Council directs CDD staff to report to the Finance Committee at least monthly on the use and outcomes of federal and City funds; and,

BE IT **FINALLY FURTHER** RESOLVED that the Council authorizes the Mayor and the City Clerk to execute agreements with the Tenant Resource Center and other **selected** agencies **designated in this resolution** to carry out the intent of this resolution in a form approved by the City Attorney; **and**

BE IT FINALLY RESOLVED that up to \$50,000 is allocated for the City Development Division to select 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 by June 30, 2021. If additional funds are required for this application, City staff will bring the request to the Council.