



## Legislation Text

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**File #:** 66681, **Version:** 1

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### Fiscal Note

FISCAL NOTE PENDING

### Title

Accepting additional funds from the State of Wisconsin, awarded under the Consolidated Appropriations Act, 2021 (HR 133), to sustain efforts to prevent evictions and promote housing stability for eligible households in Madison and Dane County affected by the COVID-19 pandemic, amending the Community Development Division's 2021 Operating Budget to reflect receipt and use of these funds, and authorizing the Mayor and City Clerk to execute agreements necessary to use the funds for their intended purposes.

### Body

**BACKGROUND:** The proposed resolution authorizes the City to accept \$15,978,000 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 and Dane County. The offer of funding is in addition to nearly \$9.3 million previously made available from the State and formerly accepted by the Common Council on May 24, 2021 via adoption of RES-21-00371 (Legistar File #65271), and nearly \$8 million allocated directly to the City from the U.S. Treasury Department for the same purpose. The State and Federal governments also allocated funds to Dane County, a portion of which has been used to support tenant households residing in the City of Madison. The funds that are the subject of this resolution are meant for use throughout Dane County.

Using funding provided by the Treasury Department, the City and County established an emergency rental assistance program to help tenants meet rent obligations and provide related services designed to promote housing stability. That program goes by the name Dane CORE. Dane County has contracted with the Tenant Resource Center as the sole entity to administer its funds under Dane CORE, and has authorized TRC to use those funds to support tenant households living both within and outside the City of Madison. The City has also contracted with TRC as the primary distributor of its funds under Dane CORE.

The City also contracted with several other agencies to provide housing stabilization services but, in order to avoid potential duplication of benefits with federal funds, those agencies are not currently authorized to use federal dollars to pay for rent assistance. To overcome the risk of duplicating benefits, and with the goal of enabling other community organizations to play a more direct role in administering federal rental assistance dollars, the Common Council directed the Community Development Division to identify a database system that would allow multiple agencies to administer funds with little risk of duplication of benefits. CDD, working with City Information Technology colleagues, settled on the Neighborly System, owned by Benevate Inc., for this use. The Council approved that system and authorized a contract with Benevate Inc. for its use.

As the City and County prepare to transition to a new phase of eviction prevention and housing stability services, to be known as Dane CORE 2.0, each will be contracting with new community agencies to help administer program funds - to fill the role currently played by TRC. Dane County has selected Urban Triage Inc. for that role; the City's Community Development Division is preparing to submit recommendations for Common Council approval for its partners. The Neighborly System must be readied for use to support Dane CORE 2.0, agencies must be trained in its use and data from Dane CORE must be transferred into the new system. Those tasks are expected to take a month or more to complete.

Meanwhile, funding for Dane CORE will soon be depleted. To avoid an interruption in services to tenant households, the City has secured a commitment of additional State funding (\$15,978,000) to enable Dane CORE to continue to operate throughout Dane County until Dane CORE 2.0 is ready to begin accepting applications. This resolution provides the means to do so.

WHEREAS, on December 21, 2020, Congress enacted the Consolidated Appropriations Act, 2021 (HR 133) which included \$25 billion in emergency rental assistance funding to be distributed to state and local governments for use in preventing evictions and promoting housing stability among households affected by the COVID-19 pandemic; and,

WHEREAS, the U.S. Treasury Department, the federal agency charged with administering those funds, awarded more than \$7.7 million to the City of Madison to support local eviction prevention efforts here, and about \$8.5 million to Dane County for the same use, a portion of which Dane County authorized for use to aid renter households living within the City; and,

WHEREAS, on January 25, 2021, the Madison Common Council adopted RES-21-00042 (Legistar File #63792) accepting those funds from the federal government and authorizing a contract with the Tenant Resource Center as the primary distributor of rental assistance dollars, an action that followed a similar decision by the Dane County Board of Supervisors; and,

WHEREAS, on February 15, Dane CORE, the emergency rental assistance program established by the City and County, began accepting applications from tenant households in Madison and Dane County; and,

WHEREAS, RES-21-00042 also directed the Community Development Division to identify a centralized, mobile-responsive web application to support a rental assistance portal that would enable additional community agencies to play a more direct role in administering any future rental assistance funds the City might receive, while minimizing the risk of duplication of benefits; and,

WHEREAS, on May 24, 2021, the Common Council adopted RES-21-00371 (Legistar File #65271) to authorize execution of an agreement between the City and Benevate Inc. to gain access to Benevate's Neighborly Software, a centralized database that could be used to administer funds for a rental assistance program in Madison, and to also accept an award from the State of Wisconsin for up to \$9.3 million in additional funding to support City efforts to prevent evictions and promote housing stability; and,

WHEREAS, the City, with assistance from a broader group of community agency partners, and the County, will use funds received from the State to continue the work begun under Dane CORE to prevent evictions and promote housing stability, and rename the program Dane CORE 2.0; and,

WHEREAS, the Community Development Division is currently conducting a request for proposals (RFP) process to select community agencies to partner with the City to administer Dane CORE 2.0 using funds received from the State and anticipates securing Council approval for recommended partners at the Council's scheduled August 31 meeting; and,

WHEREAS, Dane County, which also received more than \$10 million in additional rental assistance funds from the State, has selected Urban Triage, Inc. as the sole agency to administer those new funds on its behalf; and,

WHEREAS, it appears likely that funding for Dane CORE will run out before Dane CORE 2.0 becomes operational, which could result in a temporary interruption in program services; and,

WHEREAS, the State of Wisconsin has offered to make available an additional \$15,978,000 to sustain the Madison/Dane County programs during the transition from Dane CORE to Dane CORE 2.0, and the Tenant

Resource Center has agreed to continue in its current roles as the primary distributor of City rental assistance dollars, and the sole distributor of County dollars, until such time as Dane CORE 2.0 becomes operational.

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorizes the City of Madison to accept an additional \$15,978,000 in federal rental assistance funds from the State of Wisconsin to support eviction prevention and housing stabilization services for eligible households in Dane County; and,

BE IT FURTHER RESOLVED that the Council authorizes an extension of the City's contract with the Tenant Resource Center as the primary entity responsible for dispersing rental assistance funds under Dane CORE until such time as Dane CORE 2.0 is operational; and,

BE IT STILL FURTHER RESOLVED that the Council directs the Tenant Resource Center to utilize ~~at least~~ up to \$978,000 of State-provided funds to partner with UW Neighborhood Law Clinic, Legal Action of Wisconsin and Community Justice Inc. for expanded eviction defense services for eligible households needing such assistance; and,

BE IT STILL FURTHER RESOLVED that the 2021 Community Development Division Operating Budget is amended to reflect the receipt of \$15,978,000 of revenue from the State and its corresponding expenditure; and,

BE IT FINALLY RESOLVED that the Council authorizes the Mayor and City clerk to execute any agreements, in a form approved by the City Attorney, with the State of Wisconsin and the Tenant Resource Center that are necessary to carry out the intent of this resolution.