



Legislation Text

File #: 74138, Version: 2

Fiscal Note

The proposed resolution amends the Community Development Division's (CDD) 2022 operating budget to accept up to \$189,000 from Dane County and increase corresponding expenses for purchased services for the use of Benevate Inc.'s Neighborly Software system. The increase reflects the County's portion of administration fees for the use of the Neighborly Software system, which is used to administer Federal Emergency Rental Assistance Funds. The resolution would also authorize the City to amend the contract between the City and Benevate Inc. to reflect increased fees.

Title

SUBSTITUTE: Authorizing an amendment to the contract between the City of Madison and Benevate Inc., which governs the use of Benevate Inc.'s Neighborly Software system in administering Federal Emergency Rental Assistance funds ~~provided to the City and amending the 2022 Community Development Division operating budget to accept up to \$189,000 from Dane County for~~ to pay administration fees for use of that system.

Body

Background

On December 21, 2020, Congress enacted the Consolidated Appropriations Act, 2021 (H.R. 133, Public Law 116-260, a/k/a "COVID Relief Act"), which included \$25 billion in Emergency Rental Assistance Program funding ("ERA1") to be distributed by the U.S. Treasury Department to state and local governments for use in preventing evictions and promoting housing stability among households affected by the COVID-19 pandemic. The City of Madison has received a direct ERA1 allocation of nearly \$7.8 million (RES-21-00042, Legistar File #63792) and a re-allocation of ERA1 funds in the amount of \$35 million (RES-21-00810, Legistar File #68341). The City has also received its final re-allocation of ERA1 funds from the U.S. Treasury Department, approximately \$608,000. The COVID Relief Act requires that these funds be distributed prior to September 30, 2022, though authorizes a possible three month extension.

On March 10, 2021, Congress enacted the American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2), which provided additional funding to respond to multiple areas of need caused by the COVID-19 pandemic. This Act (also known as "ARPA") contained an additional \$21.5 billion in Emergency Rental Assistance Program funding ("ERA2") to be distributed to state and local governments as supplemental support for their ongoing eviction prevention and housing stability efforts. The City of Madison received a direct ERA2 allocation of just over \$6.1 million. Grantees were authorized to request additional (re-allocation) ERA2 funds to the U.S. Treasury, which the City did, in July 2022. Treasury decisions regarding the amount and timing of distributions in response to those requests are pending.

The City of Madison and Dane County have collaborated, and continue to use federal Emergency Rental Assistance Program funds-both ERA1 and ERA2-awarded to each to support a local rental assistance program known as Dane CORE 2.0 Emergency Rental Assistance. This program provides direct assistance to eligible applicants, along with related housing stability services, through vendor contracts with local community organizations as approved, in the City's case, by the Common Council.

The ERA funds awarded to Dane County are used outside of the City of Madison to provide direct assistance to eligible applicants. Federal regulations continue to stress the importance to grantees of avoiding the duplication of benefits in the use of these funds. Therefore, it is essential that the City and County continue to collaborate on program design and delivery to ensure that Dane County residents, including Madison

residents, can access a centralized database to process ongoing rental assistance programs with minimal risk of duplication.

On May 18, 2021, the Council adopted RES-21-00371, Legistar File #65271, which authorized the Mayor and City Clerk to execute an agreement with Benevate Inc. to use Neighborly Software, a centralized database to implement a rental assistance program. To support close collaboration with the Dane County-funded program, administered by Urban Triage Inc., Urban Triage Inc. sought also to use the Neighborly Software platform and the Common Council authorized granting access through the City's contract with Benevate Inc. (via RES-21-00552, Legistar #66526.)

Benevate assesses a fee for the use of its system that is calculated as a percentage of the funds to be managed. That fee totaled approximately \$290,000 for funds managed on behalf of the City and \$189,000 for those managed on behalf of Dane County. The purpose of this resolution is to amend the Community Development Division's 2022 Operating Budget to accept the administrative fees from Dane County, and to amend the City's contract with Benevate's accordingly.

Action Items

WHEREAS, in December 2020, Congress enacted the Consolidated Appropriations Act, 2021 ("COVID Relief Act"), which included \$25 billion in Emergency Rental Assistance Program funding ("ERA1") to be distributed by the U.S. Treasury Department to state and local governments for use in preventing evictions and promoting housing stability among households affected by the COVID-19 pandemic; and,

WHEREAS, in March 2021, Congress enacted the American Rescue Plan Act of 2021 (ARPA), which included \$21.5 billion in additional Emergency Rental Assistance Program funding ("ERA2") to be distributed to state and local governments as supplemental support for their ongoing eviction prevention and housing stability efforts; and,

WHEREAS, in May, 2021, the Common Council adopted RES-21-00371, Legistar File #65271, amending the Community Development Division's 2021 operating budget to accept federal ERA funds and authorizing the Mayor and City Clerk to execute an agreement with Benevate Inc. to permit the City to use its Neighborly Software, a centralized database, to implement a rental assistance program; and,

WHEREAS, Dane County received its own allocation of ERA funds and the Dane County Department of Human Services (DCDHS) Housing Access and Affordability Division (HAA) identified Urban Triage, Inc. as the sole agency to administer them; and,

WHEREAS, in August 2021, the Madison Common Council authorized the City to amend its contract with Benevate, Inc. to allow Urban Triage to use the Neighborly Software system to administer County ERA funds, a change that triggered an increase in the fees charged by Benevate for the use of that system; and,

WHEREAS, the added cost to the City's contract associated with Urban Triage's use of the system totals \$189,000, bringing the total contract cost to \$390,000.

City's Community Development Division's 2022 Operating Budget must also be amended to accept and authorize the added revenue and expenditures associated with Dane County's ERA funds; and,

WHEREAS, the contract with Benevate, Inc must be amended accordingly.

NOW, THEREFORE, BE IT RESOLVED that the Common Council authorizes the Mayor and the City Clerk to amend the contract between the City and Benevate Inc. for the use of the Neighborly Software system and increase the payment of administrative fees to an amount not to exceed, \$390,000, which will include fees

incurred due to Urban Triage's use of the system on behalf of Dane County as well as those attributable to the City's use; and,

BE IT FURTHER RESOLVED, that the Common Council authorizes the Mayor and City Clerk to execute a contract between the City and Dane County for the use of the Neighborly Software system and payment of funds; and

BE IT FINALLY RESOLVED, that the Community Development Division's 2022 Operating Budget is amended to authorized the acceptance of the added revenues from Dane County and corresponding expenditures associated with the added fees resulting from this contract amendment.