

# Mayor and Council Communication

DATE: 02/16/21

M&C FILE NUMBER: M&C 21-0106

LOG NAME: 19NS CARES ACT TERAP FUNDS

## SUBJECT

(ALL) Authorize Acceptance of Texas Emergency Rental Assistance Program Funds in an Amount Up to \$1,840,489.78 from the Texas Department of Housing and Community Affairs, a Federally Funded Program Sponsored by the United States Department of Housing and Urban Development Designed to Provide Rental Assistance for Low to Moderate Income Residents Under the Coronavirus Aid, Relief, and Economic Security Act, Authorize Execution of Related Contracts, Adopt Attached Appropriation Ordinance, and Authorize Waiver of Indirect Costs

## RECOMMENDATION:

It is recommended that City Council:

1. Authorize acceptance of Texas Emergency Rental Assistance Program funds in an amount up to \$1,840,489.78 from the Texas Department of Housing and Community Affairs under the Coronavirus Aid, Relief, and Economic Security Act;
2. Authorize the City Manager or his designee to execute related contracts, including any renewals, amendments and extensions with the Texas Department of Housing and Community Affairs;
3. Adopt the attached appropriation ordinance increasing the receipts and appropriations in the Grants Operating Federal Fund in an amount up to \$1,840,489.78 subject to receipt of the grant, for the purpose of funding Texas Emergency Rental Assistance Program services and activities; and
4. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 18.73%, estimated total of \$34,472.00.

## DISCUSSION:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, published on March 27, 2020, is a law meant to address the economic fallout of the 2020 coronavirus pandemic. The CARES Act includes provisions to help local governments prevent, prepare for and respond to the coronavirus pandemic, including providing for an additional allocation of Community Development Block Grant CARES Act funds under the Texas Emergency Rental Assistance Program (TERAP). These funds are available to communities in the state of Texas who have existing COVID-19 rental assistance programs and have indicated an interest to participate in the TERAP. The City was notified on November 23, 2020 as an eligible entity for a possible award up to \$1,840,489.78.

TERAP provides rental assistance to income-eligible households impacted by COVID-19 to help them stay housed during the pandemic. The program can pay up to six months of an eligible household's rent, including rental arrears, with at least one of those months covering a month of future rent. As a set-aside within the program, 10% of funds are officially earmarked to provide the Texas Eviction Diversion Program (TEDP) which provides rental assistance to tenants who have been sued for eviction, providing the landlord and tenant an alternative to eviction.

Indirect costs totaling approximately \$34,472.00 could be charged to this grant, as the Neighborhood Services Department indirect cost rate is 18.73% in the City's most recent Cost Allocation Plan. A waiver of these costs is requested to allow allocation of these funds to further support the programs and services to assist low-to-moderate income citizens impacted by the coronavirus.

It is recommended that \$1,840,489.78 of TERAP funds be allocated as follows:

General administration: \$184,048.98 - costs of planning for, administering, reporting on, and monitoring all activities paid for with TERAP funds

Direct awards to public service agencies: \$1,656,440.80 - contracts are recommended for the following agencies and programs in the following amounts:

**TABLE 1: TERAP AGENCIES**

AGENCY	PROGRAM	AMOUNT
Housing Channel	Emergency Rental Assistance	\$ 552,146.94
Salvation Army	Emergency Rental Assistance	\$ 552,146.93
Tarrant County Samaritan Housing, Inc.	Emergency Rental Assistance	\$ 552,146.93
TOTAL TERAP CONTRACTS		\$1,656,440.80

This program is available in ALL COUNCIL DISTRICTS.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. The Neighborhood Services Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

**Submitted for City Manager's Office by:** Fernando Costa 6122

**Originating Business Unit Head:** Victor Turner 8187

**Additional Information Contact:** Sharon Burkley 5785