

Mayor and Council Communication

DATE: 02/16/21

M&C FILE NUMBER: M&C 21-0111

LOG NAME: 19TREASURY DEPARTMENT RENTAL ASSISTANCE

SUBJECT

(ALL) Accept the Award of Grant Funds from the United States Department of the Treasury Provided through Section 501 of the Consolidated Appropriations Act of 2021 in the Amount of \$27,484,117.00 for Emergency Rental Assistance, Execution of a Certification Electing to Receive the Funds, Adopt Ordinance Amending City Code to Provide Delegated Authority for Legal Instruments Funded from this Source, and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Accept the Emergency Rental Assistance Award from the United States Department of the Treasury in the amount of \$27,484,117.00;
 2. Ratify execution of certification electing to receive the funds;
 3. Adopt the attached ordinance amending Section 2-9(d)(11) to provide delegated authority for execution of legal instruments funded from the Consolidated Appropriations Act of 2021; and
 4. Adopt the attached ordinance increasing the estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$27,484,117.00 for allowable expenses related to assisting eligible households with rental assistance.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with receipt and administration of federal funds provided under the Consolidated Appropriations Act of 2021 (CA2021 or the Act).

CA2021 was signed on December 27, 2020 and authorized expenditure of significant additional federal funds to help communities and businesses respond to economic and other impacts of the coronavirus pandemic. The Act included authorization of \$25 billion for an emergency rental assistance program to be administered by state and local governments with funds distributed based on population in a manner consistent with the methodology used for allocating funds under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Title V of the Act provides funds for financial assistance and housing stability services to eligible households.

To receive their proportional allocation, local governments with a population over 200,000, were required to submit applications by January 12 and to submit a certification signed by the chief executive to the United States Treasury Department by January 26, 2021. Approval of this M&C would formally ratify the application and certification actions that were taken to comply with these deadlines. Funds will be available through December 31, 2021. Grantees must obligate (place under contract) all funds by September 30, 2021, or funds not obligated may be subject to recapture.

Eligible renter households must meet the following criteria:

- Documentation of household Income under 80% of area median;
- One or more persons in the household has qualified for unemployment benefits, or has experienced a reduction in income or other financial hardship due to the pandemic; and
- Household can provide evidence of housing instability or risk of homelessness such as a past due utility or rent notice, or other evidence of such risk.

Grantees must prioritize assistance to households that meet either of the following – household income at or below 50% of the area median or one or more household member is unemployed at the time of application and has been unemployed for 90 days or longer. Landlords can apply for assistance on behalf of their tenants if they obtain written authorization from the tenant and provide the tenant with a copy of all application materials. Assistance may be provided for up to 12 months, with income recertification required every three months.

Given the large volume of funds, the Neighborhood Services Department proposes to administer the program through a wide network of program partners, including nonprofit organizations already administering similar rental assistance programs through grants from the United States Department of Housing and Urban Development, and other housing providers as appropriate. Up to 10% of the funds may be used for the City's administrative costs and for direct services delivery costs such as intake, case management, and the like.

Staff recommends that program partners be selected through a process similar to the CARES Act nongovernmental organization (NGO) program which assisted nonprofit social service providers in coordination with Tarrant County. A rental assistance program partner application will be used to screen potential subrecipients and contractors for financial capacity, experience in administering rental programs, ability to coordinate services with other entities, and compliance history.

To provide maximum flexibility and efficiency in administering the program and making adjustments to contracts as needed to ensure funds are deployed for their intended use as quickly as possible, staff is requesting that the City Council adopt the attached ordinance to amend Section 2-9 of the City Code and provide delegated authority for the City Manager (or a designated deputy or assistant city manager) to execute legal

instruments funded from the Act. This delegated authority would mirror what was done with CARES funding. Having this authority would allow staff to make rapid adjustments as needed if some of the selected subrecipient administrators or program partners are not sufficiently efficient or challenged in getting this funding out to eligible households, with a goal of ensuring all awarded dollars benefit residents of Fort Worth who are in need and that none of the funding allocated to the City is subject to reallocation to another jurisdiction. Staff will provide ongoing updates to City Council via informal reports regarding selection of program partners and program status.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: United States Department of the Treasury

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, receipt of the grant and adoption of the attached appropriation ordinance, funds for operation will be available in the current operating budget, as appropriated, of the Grants Operating Fund. The Neighborhood Services Department shall be responsible for identifying funding sources to cover expenses incurred in the event the grant funds are not received. This is an advance grant.

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