

CITY COUNCIL RESEARCH DIVISION

LEGISLATIVE SUMMARY



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Bill Type and Number: 2021-670

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: September 14, 2021

Committee(s) of Reference: NCSPHS, TEU, F, R

Date of Analysis: September 15, 2021

Type of Action: Appropriation, *Ordinance Code* exception and waiver, agreement authorization, designation of oversight agency and emergency passage upon introduction

Bill Summary: This bill is an appropriation \$30,839,253.40 of American Rescue Plan Act Emergency Rental Assistance grant funds from the U.S. Department of Treasury. The ERA 2 Program Funds will be used to provide emergency rent and utility assistance to eligible households to mitigate the impacts of COVID-19. This bill authorizes the partnership with Civitas, LLC to provide administration of the ERA 2 Program and the distribution of funds, for a contract term commencing September 1, 2021 through September 30, 2022. The exception to Section 126.107(g), *Ordinance Code* is invoked to permit direct contracting with Civitas, LLC. Section 110.112 Part 1 Chapter 110, *Ordinance Code*, is waived to allow for advanced payment to Civitas. The Housing and Community Development Division, Neighborhoods Department will provide oversight. The nature of the emergency for passage upon introduction is that the negative economic impacts of COVID-19 are ongoing and immediate economic assistance is needed to ensure eligible individuals and families can retain their homes.

Background Information: The purpose of this legislation is to provide funds for the ERA 2 Program, to used for payment of rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Civitas will receive a project management fee for delivery of the ERA 2 Program and distribution of the ERA 2 Program funds in accordance with the ARP Act as a flat fee of \$2,312,944.01, which represents 7.5% of the total amount of ERA 2 Program funds awarded to COJ for the ERA 2 Program. The project management fee shall be broken down into monthly installments during the period of performance commencing September 1, 2021 through September 30, 2022. Monthly payments will be \$177,918.77, payable in arrears, with the exception of an initial payment for the period of September 1, 2021 through September 30, 2021 which may be paid in advance. Eligibility for households includes: (1) 1 or more individuals within the household has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the COVID-19 pandemic; (2) 1 or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and (3) the household is a low-income family.

Policy Impact Area: ARP Emergency Rental Assistance – COVID -19

Fiscal Impact: Appropriation of \$30,839,253.40 as initiated by B.T. 21-130

Analyst: Hampsey