

## Legislation Text

File #: 15-16177, Version: 1

### Emergency Rental and Utility Assistance in Response to COVID-19

#### **Action:**

- A. Adopt a budget ordinance appropriating \$28,841,640.10 from the U.S. Department of Treasury for Emergency Rental and Utility Assistance in the American Rescue Plan Act Fund, and**
- B. Authorize the City Manager to negotiate and execute any necessary contracts and agreements related to the Emergency Rental and Utility Assistance Program.**

#### **Staff Resource(s):**

Pamela Wideman, Housing and Neighborhood Services

#### **Explanation**

- To help address the ongoing economic impacts of the COVID-19 pandemic, Congress included funds for emergency rental and utility assistance in H.R. 1319, the American Rescue Plan Act of 2021 (Act).
- As a result of the Act, the city is estimated to receive a total of \$28,841,640.10 in federal funding to provide emergency rental and utility assistance.
  - This funding is being dispersed in tranches (separated portions). The city has received 40 percent (\$11,536,656) of the total allocation. The remaining funding will be dispersed in subsequent tranches according to a schedule being developed by the U.S. Department of Treasury.
  - This funding is in addition to \$26,714,160 in federal funding the city received for emergency rental and utility assistance from H.R. 133, the Fiscal Year (FY) 2021 Consolidated Appropriations Act.
- The proposed uses for this funding are restricted by guidance from the U.S. Department of Treasury.
- A minimum of 85 percent of the funds (\$24,515,394) must be spent on direct financial assistance.
- To help avoid extensive evictions and maintain stable housing for city residents, the proposed funding uses are:
  - Utility Assistance (electric, gas, and water): Up to \$7,934,105 to aid approximately 15,000 households across the three utilities. The utilities assistance will be allocated as follows:
    - Approximately \$2.6 million for Duke Energy, \$3.6 million for Charlotte Water, and \$1.3 million for Piedmont Natural Gas, with the flexibility to adjust these amounts based on usage and demand.
  - Rental Assistance: \$16,581,289 to aid approximately 5,300 households.
- Assistance may be provided for up to 18 months, including any assistance provided using emergency rental and utility assistance funding appropriated by the FY 2021 Consolidated Appropriations Act.
- Eligible households are defined as renter households that:
  - Have a household income not more than 80 percent of Area Median Income (AMI);
  - Have one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and
  - Have one or more household members who qualify for unemployment benefits or

experienced a reduction in household income, incurred significant costs, or experienced financial hardship due, directly or indirectly, to the pandemic.

- Of the eligible households, the city must prioritize households whose incomes do not exceed 50 percent of AMI and renter households that include an individual who is currently unemployed and has been unemployed for 90 or more days.
- Landlords and property owners can assist renters in applying for assistance or, with consent, apply for rental assistance on behalf of renters.
- No more than 15 percent of the funds (\$4,326,246) will be used for program administration.
- Any unobligated funds are subject to a yet-to-be determined recapture and reallocation process after March 31, 2022. Funds generally expire on September 30, 2025.
- The project will leverage the existing RAMPCLT program administered by DreamKey Partners on behalf of the city and the existing utilities assistance program administered by SocialServe on behalf of the city. These organizations are currently working to help residents find and maintain stable, affordable housing.

**Fiscal Note**

Funding: American Rescue Plan Act Fund

**Attachment(s)**

Budget Ordinance