



Committee: Directly to Council
Committee Review: N/A
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: Final action – vote expected
Keywords: #PreventEviction

AGENDA ITEM #4(I)
November 17, 2020
Introduction/Action

SUBJECT

Amendment to Resolution 19-557; COVID-19 Human Services and Community Assistance Non-Departmental Account (NDA); COVID-19 Response: Rental Assistance and Eviction and Homelessness Prevention

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction and Action to amend Resolution 19-557 to increase amount of funding a household may receive, and fund plans for people to leave the emergency shelter system.

DESCRIPTION/ISSUE

The COVID-19 pandemic has caused severe income loss for many households in Montgomery County. Many households are unable to pay all or part of their rent. Low and moderate-income households have been disproportionately impacted. Prohibitions on evictions are not permanent solutions. More people are entering the homeless shelter system. Rental assistance is needed to help people with rent arrearages and ongoing rent to prevent evictions. Financial assistance is needed to help people who have already become homeless exit the emergency shelter system.

On July 28, 2020, the Council approved Resolution 19-557, which appropriated \$20 million in CARES funding for rental assistance and eviction and homelessness prevention. Amendments are needed to increase the maximum rent assistance from a \$4,000 to \$6,000 per household and to allow up to \$5,000 of assistance per person to help a person exit the emergency shelter system.

SUMMARY OF KEY DISCUSSION POINTS

- Increase maximum amount a household can receive for rent assistance from \$4,000 to \$6,000. Funds can be used for arrearages and ongoing rent.
- Authorize the Department of Health and Human Services to provide up to \$5,000 to support an individual's plan to exit the County emergency shelter system.

Attached:

Resolution to amend Resolution 19-557

1-3

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Resolution No: _____
 Introduced: _____
 Adopted: _____

COUNTY COUNCIL
 FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

SUBJECT: Amendment to Resolution 19-557; COVID-19 Human Services and Community Assistance Non-Departmental Account (NDA); COVID-19 Response: Rental Assistance and Eviction and Homelessness Prevention

Background

1. Section 308 of the Montgomery County Charter provides that a special appropriation: (a) may be made at any time after public notice by news release; (b) must state that the special appropriation is necessary to meet an unforeseen disaster or other emergency or to act without delay in the public interest; (c) must specify the revenues necessary to finance it; and (d) must be approved by no fewer than six members of the Council.
2. Governor Hogan declared a state of emergency and issued several Executive Orders to slow the spread of the COVID-19 pandemic disease that include, but are not limited to the closing of schools, closing all non-essential businesses and limiting the number of people that can gather. These actions along with the health impacts of the pandemic have caused significant unemployment for Montgomery County households, who have lost all or part of their income.
3. Survey data indicates that as many as 15% of all Montgomery County renters were delinquent on rent in June, an increase from about 5% of renters in March. This information indicates that potentially 13,000 (10% of the total 130,000 Montgomery County renters) may be delinquent on rent due to COVID-19 impacts. All households past due on rent face potential eviction as the Courts reopen to hear cases, and the Courts will begin hearing non-payment of rent cases on August 31st. A current Governor's Executive Order providing suspension of evictions for tenants who can demonstrate COVID-19 impact on ability to pay rent provides only temporary and uncertain delay in actions.

4. Providing funding to reduce risk of eviction and homelessness includes past due rent and funds for ongoing rent paid directly to landlords to help maintain housing, and supporting households exiting homelessness. DHHS implemented an integrated set of programs in response to the COVID-19 using special appropriated funds and leveraging existing budgeted funds. These programs provide the infrastructure for expanding the delivery of funding to address the growing risk of eviction, supporting targeting of funds to most at-risk tenants.
5. The County Executive requests the following FY21 Operating Budget appropriation increase for the COVID-19 Human Services and Community Assistance Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$20,000,000	\$0	\$20,000,000	Federal Grant

6. The Federal Grant requires funds address the impact of the COVID-19 emergency, and the programs will require evidence of COVID-19 emergency impact on the ability to pay. The programs provide household assistance levels which will allow for eviction and homelessness prevention funding of \$20,000,000 to support up to 5,000 households through the end of calendar year 2020.
7. The County Executive has requested a special appropriation to the FY21 Operating Budget in the amount of \$20,000,000 funded by the Coronavirus Relief Fund.
8. The public was notified by a news release and a public hearing was held.
9. On July 28, 2020, the Council approved Resolution 19-557, Special Appropriation #21-480 to the FY21 Operating Budget; Montgomery County Government; COVID-19 Human Services and Community Assistance Non-Departmental Account (NDA); COVID-19 Response: Rental Assistance and Eviction and Homelessness Prevention; \$20,000,000 (Source of Funds: Federal Grant Funds). The resolution authorized the Department of Health and Human Services to use the funds to provide eviction and homelessness prevention assistance by helping eligible households with payment of past due rent and ongoing rent. The payments were to average \$4,000 per household.
10. Since the approval, two changes have been recommended by the Department of Health and Human Services to better implement the use of these funds. (1) Increase the amount that a household may receive for the payment of past due and ongoing rent from an average of \$4,000 to a maximum of \$6,000. (2) The Department of Health and Human Services should be authorized to use the funding for an assistance package of up to \$5,000 to support an individual's plan to exit the County's emergency shelter system.

Action

The County Council for Montgomery County, Maryland approves the following actions:

1. A special appropriation to the FY21 Operating Budget of the COVID-19 Human Services and Community Assistance Non-Departmental Account is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$20,000,000	\$0	\$20,000,000	Federal Grant

2. The funds will be administered by the Department of Health and Human Services to implement eviction and homeless prevention programs addressing tenants up to 60% of AMI at risk of eviction or homelessness due to COVID-19 impacts and to help people exit the emergency shelter system. The eviction and homeless prevention programs will provide support [on average of \$4,000] up to \$6,000 per household for payment of past due rent and ongoing rent to maintain housing. Funds will also provide support for households exiting homelessness. The Department of Health and Human Services may use these funds to provide up to \$5,000 in assistance to support an individual's plan to exit the County's emergency shelter system. Funding will prioritize supporting households at greatest risk of eviction and homelessness, evaluated based on COVID-19 impacts on communities, income, and financial capacity.
3. The County Council declares that this action is necessary to meet an unforeseen disaster or other emergency and that this appropriation is needed to meet the emergency.

This is a correct copy of Council action.

Selena Mendy Singletary, Esq.
Clerk of the Council