

**Item Title:** Appropriation of Federal Relief Funds Associated with COVID-19 for Emergency Rental Assistance

**Specific Action Requested:**

**That the Board of Commissioners amends the fiscal year 2021 budget to accept and appropriate \$15,248,693.30 of federal Emergency Rental Assistance 2 (ERA2) funds for the cost associated with Wake County's COVID-19 response to evictions prevention and utility assistance.**

**Item Summary:**

**Purpose:** Provide funds to cover the costs of direct financial assistance and housing stability service costs associated with the County's response to COVID-19.

**Background:** In March 2021, Congress appropriated a \$1.9 trillion stimulus package, known as the American Rescue Plan Act of 2021. The package included an array of funding assistance for state and local governments. The aid package allocated approximately \$15.2 million directly to Wake County for Emergency Rental Assistance (ERA2) efforts consisting of direct financial assistance and housing stability service costs. The Board action recognizes and appropriates these funds to respond to the current housing emergency in Wake County resulting from the impacts of COVID-19. The County will use the majority of these funds for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing.

**Board Goal:** This action supports "Community Health and Vitality Goal 5: Create affordable housing opportunities and support efforts to end homelessness"—including continuing rental assistance and eviction prevention programs.

**Fiscal Impact:** This item appropriates \$15,248,693.30 of Emergency Rental Assistance 2 (ERA2) funds. The appropriation allows for the use of these funds through their expiration date of September 30, 2025. The funds will be budgeted in the Housing Affordability and Community Revitalization Special Revenue Fund. Cost sharing or matching funds are not required.

**Additional Information:**

In March 2021, Congress appropriated a \$1.9 trillion stimulus package, known as the American Rescue Plan Act of 2021. This federal aid package includes \$21.55 billion in aid to local governments for Emergency Rental Assistance (ERA2) efforts. The County

will receive approximately \$15.2 million from the US Treasury for direct financial assistance and housing stability service costs associated with the County's response to COVID-19.

At least 90 percent of awarded funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Remaining funds are available for housing stability services, including case management and other services intended to keep households stably housed.

This is the second round of emergency rental assistance funding issued to Wake County. ERA1 was allocated under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, Wake County Housing Affordability is using this funding to continue support of the House Wake! Plan approved in September 2020.

On March 1, 2021 the County contracted with Telamon as a subrecipient to administer the House Wake! Financial Assistance Program. The City of Raleigh also received Emergency Assistance Funds and agreed to partner with Wake County and Telamon to provide uniform Emergency Rental Assistance throughout Wake County. The program is currently operating with ERA1 funds and housing anticipates continuing to utilize Telamon for the ERA2 efforts.

The House Wake! COVID-19 Financial Assistance Program seeks to prevent the displacement of Wake County renter households living in a residential dwelling that suffered a loss of income as a result of COVID-19 by providing public funding to allow them to remain stably housed until they can reestablish their income or secure more affordable quality housing.

Eligible households under ERA2 include:

- Tenant must be a renter household living in a residential dwelling; and
- Tenant must be a resident of Wake County and show proof of residency; and
- Household income must be no more than 80% of the current area median income (AMI). Priority will be given to households with incomes of no more than 50% AMI and households in which one or more member has been unemployed for 90 days. Household income for 2020 or all recurring income at the time of application (not including one-time stimulus payments) will be included in the tenant household income calculation; and
- One or more individual who assists in supporting the household has qualified for unemployment benefits or has experienced a reduction in income, incurred significant costs, or experienced other financial hardship as a direct or indirect result of COVID-19 shutdowns and economic impact; and
- One or more individual in the household can demonstrate a risk of experiencing homelessness or housing instability, by providing: a past due utility or rent notice or an eviction notice.

The House Wake! COVID-19 Financial Assistance Program seeks to prevent the displacement of Wake County renter households living in a residential dwelling that suffered a loss of income as a result of COVID-19 by providing public funding to allow them to remain stably housed until they can reestablish their income or secure more affordable quality housing.

**Attachment:**

1. Budget Memo – Housing Affordability and Community Revitalization Special Revenue Fund
2. Weekly Report from Telamon