



Legislation Text

File #: 21-0410, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 2, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of an Amendment to the FY 2021 Annual Action Plan for Housing and Community Development to Include Funding for Utility Assistance.

ISSUE: Consideration of an amendment to the City's FY 2021 Annual Action Plan for Housing and Community Development to include funding for utility assistance to qualified households, and authorization for staff to provide an increased level of rental assistance to prevent eviction.

RECOMMENDATION: That City Council:

- (1) Hold a public hearing on December 12, 2020 and receive comments on the proposed amendment of the City's FY 2021 Annual Action Plan for Housing and Community Development to include funding for utility assistance to qualified households, and additional funding for rental assistance; and
- (2) Following public hearing, approve the Amendment; and
- (3) Authorize the Office of Housing (Housing) and the Department of Community and Human Services (DCHS) to provide amounts above the \$5,000 cap authorized by City Council in September, to supplement other City resources to keep families, who are at risk of eviction due to nonpayment, and would likely face homelessness as a consequence, remain housed.

BACKGROUND: In March 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which allocated three rounds of Community Development Block Grant COVID-19 (CDBG-CV) funds to be distributed to states and entitlement communities to help them prevent, prepare for, and respond to impacts of the coronavirus. As an entitlement community, the City of Alexandria received \$671,500 from the first round of funding, which is being used to provide rental assistance to low- to moderate-income tenants experiencing income loss related to the pandemic, who reside in non-profit and ARHA sponsored affordable

housing developments. The second round of CARES Act funding was distributed to states directly: of the City's allocation, a total of \$5 million has been designated by City Council for a Citywide Emergency Rental Assistance Program. These funds have been obligated and will serve more than 2,000 households. DCHS additionally received \$450,000 in funds from the State to provide housing assistance pursuant to the State's Rent and Mortgage Relief Program (RMRP). The City was recently notified that it will receive another \$946,356 in CDBG-CV funding as part of the third round of allocations to entitlement communities.

City Council adopted the FY 2021 Annual Action Plan for Housing and Community Development (Annual Plan) in April 2020. While the Annual Plan provided for the use of CDBG-CV funds for rental assistance, it did not contain a provision for utility assistance. Since adding this use would introduce a new CDBG-funded program not established in the FY 2021 Action Plan or the 2016 to 2021 Consolidated Plan, it would be considered a substantial amendment to the Action Plan and requires a public hearing and comment period as well as City Council approval to be implemented.

DISCUSSION: The new program proposes to provide \$300,000 of the \$946,356 CDBG-CV allocation for utility assistance to low- and moderate-income households who have experienced income loss due to the pandemic. The initiative is proposed to be administered by the DCHS Services as part of its constellation of eviction and homelessness prevention assistance programs. The \$300,000 would be used for payments on behalf of households with account arrearages to utility providers. Since utility shutoffs are considered good cause for eviction, the provision of utility assistance will prevent potential homelessness and will allow households to maintain safe and sanitary conditions in their units during the winter months, which is especially important during the current public health emergency.

The remaining \$646,356 is proposed for other eviction prevention services, with \$50,000 designated to the existing Transitional Assistance Program, which provides security deposits and first months' rent payments for households in need, and the balance to be used for continuing rental assistance programs and for temporary staff support for programs administered by the Housing and DCHS, as supplemental assistance is needed. For the past several months Housing and DCHS have been coordinating and consolidating their efforts to leverage all available resources to prevent eviction, and Housing will continue to support DCHS' pandemic response leadership on this issue. Decisions on higher amounts of assistance will be based on a joint assessment by Housing and DCHS and within funding source program guidelines.

The proposed eviction prevention programs will be available to all income-eligible city residents, with priority given to households who are currently in the eviction process or at imminent risk of receiving notice of eviction. Those facing homelessness resulting from eviction will be further prioritized. CDBG-CV funds can be used to assist income-qualified household regardless of their legal status.

Staff requests some discretion to flex the amount of funds used within these three categories, subject to the City Manager's review, so that the funds can be applied to be most responsive to need and the goal of maintaining housing security.

FISCAL IMPACT: \$946,356 in new CDBG-CV funding: \$300,000 for utility assistance, \$50,000 for security deposit and first months' rent payment, and \$596,356 for other eviction prevention activities, including some administrative expenditures. Flexibility is proposed among uses within the overall funding amount.

ATTACHMENT:

Proposed amendment to the FY 2021 Annual Action Plan for Housing and Community Development

STAFF:

Emily Baker, Deputy City Manager

Kate Garvey, Director, Department of Community and Human Services

Lesa Gilbert, Director, Office of Community Services, DCHS

Helen S. McIlvaine, Director, Office of Housing

Eric Keeler, Deputy Director, Office of Housing

Kim Cadena, Housing Analyst