



Committee: Directly to Council
Committee Review: N/A
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: #PreventEviction

AGENDA ITEM #11
June 15, 2021
Public Hearing/Action

SUBJECT

Special Appropriation to the Fiscal Year 2021 Operating Budget; Montgomery County Government; Department of Health and Human Services; Maryland Department of Housing and Community Development – Emergency Rental Assistance Program; \$28,145,367 (Source of Funds: State Grant); Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- This special appropriation was introduced on May 27, 2021.
- No Committee recommendation. A motion is required.

DESCRIPTION/ISSUE

The COVID-19 pandemic has caused severe income loss and economic distress for many households in Montgomery County. Many households are unable to pay all or part of their rent and monthly utilities. Low and moderate-income households have been disproportionately impacted. The District Court has reopened and is now hearing failure to pay rent cases. There are certain protections from eviction through the extension of the Centers for Disease Control Order and the Governor's Executive Order. However, when these protections end there is the potential many households to face eviction because they are behind on their rent. The federal government is providing states and localities with substantial funding to help people pay arrears and prevent evictions. The County is receiving \$28 million in this latest funding program.

SUMMARY OF KEY DISCUSSION POINTS

- Income loss from COVID-19 has disproportionately impacted low and moderate-income households. For the \$20 million of COVID-19 rental assistance (2020), 43% of households identified as Black and 38% as Hispanic. The average age of the applicant was 40 years old. Forty-nine percent (49%) of applications were from areas of the County that were identified as high-need. As of May 16, 2021, 4,182 clients had been approved for assistance.
- There are over 7,000 total tenant applicants/cases for the \$31 million round of COVID-19 rent assistance which opened April 14. As of June 3, 67% of applicants report household incomes of 30% or less of area median income and 57% report one member of the household has been unemployed for 90 days or more.
- This third source of federal funding is distributed through the State of Maryland. It will use the same application process as the \$31 million of approved funds. The State's policy guidance has

three guiding principles: (1) Equitable allocation of funds based on need and prioritizing those most at risk of eviction; (2) Low-barrier, with simplified eligibility and screening; and (3) Locally driven to address housing stability and basic needs of tenants and deploying with trusted community partners.

- The Department of Health and Human Services will administer this new federal aid. Funding can be used for up to 12 months of arrears for qualified expenses accrued after March 13, 2020, and up to 3 months of prospective eligible expenses. An applicant can receive a total of up to \$12,000, including any amount received in a previous round of COVID rent assistance. Applicants must have at least \$1,000 in arrears. Jurisdictions are to prioritize households earning 50% or less of the area median income, those who have been unemployed for more than 90 days, and those in high impact areas.
- Landlords receiving payments directly from the program must, at minimum, waive all late fees, interest, and court fees, cancel existing eviction filings, must offer tenant an option to renew an expiring lease for at least 90 days.
- A portion of the funds can also be used for housing stability services, including counseling, case management, and legal services and, administration, including outreach, marketing, and data collection.
- Link to COVID-19 Rental Relief Program application and frequently asked questions:

<https://montgomerycountymd.gov/HHS-Program/SNHS/rent-relief.html>

- Anyone who has received an eviction notice may also call MC311 and ask for housing stabilization and eviction prevention services.

Attached:

Special Appropriation Resolution and memo
from County Executive

1-3

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

May 19, 2021

TO: Tom Hucker, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #21-527 to the Fiscal Year 2021 Operating Budget
Montgomery County Government
Department of Health and Human Services
\$28,145,367 (Source of Funds: Maryland Department of Housing and
Community Development Grant)

I am recommending a special appropriation to the Fiscal Year 2021 Operating Budget of the Department of Health and Human Services (DHHS) in the amount of \$28,145,367 for the Emergency Rental Assistance Program to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. Specifically, the Maryland Department of Housing and Community Development – Emergency Rental Assistance Program requires that funds be used to provide rental and utility assistance to low-income County residents with a priority given to households with income below 50% of Area Median Income (AMI) and unemployed for more than 90 days. This funding is needed because the pandemic has forced many businesses to temporarily or permanently close causing Montgomery County residents to suffer income loss and an inability to pay rent and utility expenses.

I recommend that the County Council approve this special appropriation in the amount of \$28,145,367 and specify the source of funds as Maryland Department Housing and Community Development Grant.

I appreciate your prompt consideration of this action.

ME:dl

Enclosure: Special Appropriation #21-527

cc: Raymond L. Crowel, Director, DHHS
Jennifer Bryant, Director, Office of Management and Budget
Victoria Buckland, Chief Operating Officer, DHHS
Amanda J. Harris, Chief, Services to End and Prevent Homelessness, DHHS

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Special Appropriation #21-527 to the FY21 Operating Budget
Montgomery County Government
Department of Health and Human Services (DHHS); \$28,145,367
Maryland Department of Housing and Community Development – Emergency
Rental Assistance Program (Source of Funds: State Grant)

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. The COVID-19 public health emergency has resulted in the immediate loss of income for many households as businesses have been required to close and people have been told to stay home. This creates a financial crisis for many County residents and businesses.
3. The FY2021 Omnibus Appropriations bill was passed by Congress and signed into law by the President on December 27, 2020. The bill includes a \$900 billion COVID relief package with \$25 billion allocated to the Department of Treasury for Emergency Rental Assistance.
4. The Department of Health and Human Services applied for and was awarded from the Maryland Department of Housing and Community Development – Emergency Rental Assistance Program \$28,145,367 in State funding. The Maryland Department of Housing and Community Development requires that this funding be utilized to reduce the negative impact of COVID-19 by providing rental and utility assistance to households facing economic hardship as a result of the COVID-19 pandemic. Funds must be prioritized to households with income at or below 50% of Area Median Income (AMI), those who have been unemployed more than 90 days, and those that live in a priority geographic area.

- The County Executive has requested the following FY21 Operating Budget appropriation increase for the Department of Health and Human Services

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$28,145,367	\$0	\$28,145,367	State Grant

- This increase is needed because the COVID-19 pandemic has forced many businesses to temporarily or permanently close causing Montgomery County residents to suffer income loss and an inability to pay rent and utility expenses.
- The County Executive has requested a special appropriation to the FY21 Operating Budget in the amount of \$28,145,367 for the Maryland Department of Housing and Community Development Emergency Rental Assistance Program and specifies that the source of funds will be State Grant.
- The public was notified by a news release and a public hearing was held.

Action

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

- A special appropriation to the FY21 Operating Budget of the Department of Health and Human Services 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	\$28,145,367	\$0	\$28,145,367	State Grant

- The County Council declares that this action is necessary to act in response to a public health emergency and to act without delay in the public interest.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
 Clerk of the Council