Committee: Directly to Council
Committee Review: N/A
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: Receive briefing and have discussion – no vote expected
Keywords: Rent, CRRP, eviction

AGENDA ITEM #3
October 5, 2021
Discussion

Montgomery
County Council

SUBJECT

COVID Rental Assistance and Eviction Prevention

EXPECTED ATTENDEES

Dr. Raymond Crowel, Director, Department of Health and Human Services (DHHS)
Aseem Nigam, Director, Department of Housing and Community Affairs (DHCA)
The Honorable Darren Popkin, Montgomery County Sheriff
Amanda Harris, Chief, Services to End and Prevent Homelessness, DHHS
Ilana Branda, Deputy Chief, Services to End and Prevent Homelessness, DHHS
Frank Demarais, Deputy Director, DHCA
Rosie McCray Moody, Manager, Landlord-Tenant Affairs, DHCA
Maxwell Uy, Chief Deputy Montgomery County Sheriff
Jonathan Riedel, Supervising Attorney, CASA

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Progress report on the COVID-19 Rent Relief Program expenditures, updates on outreach and assistance efforts to encourage and help residents apply for rent assistance, and updates regarding eviction trends and court process given the ending of protections by the Centers for Disease Control and Prevention (CDC) and Governor of Maryland.

DESCRIPTION/ISSUE

Many households have suffered significant financial hardship due to the COVID-19 pandemic. The COVID Rent Relief Program (CRRP) is funded by the U.S. Department of Treasury. It provides short term rental assistance. Eligible households can receive up to $12,000 for back rent and up to three months of future rent. For households below 30% of area median income some additional assistance may be available. Treasury expects jurisdictions to have obligated 65% of funds received by September 30, 2021. Eviction protections previously in place have ended and so evictions for failure to pay rent are being scheduled by the District Court. The County works in partnership with non-profits to reach and assist residents.

SUMMARY OF KEY DISCUSSION POINTS

- On September 21, the Council received a targeted update on the spending and obligation of rent assistance funds provided directly to the County by the Department of Treasury and to the County as a pass-through from the State.

- The Department of Health and Human Services told the Council that $20.6 million or 66% of the funds received by the County directly from Treasury had been obligated (102% of the 65% target). This includes both expended funds and letters of commitments to landlords which meet the criteria for obligation. The County had meet 44% of the 65% target for funds that came via the State.
- The Department of Treasury provided the following language in its August 30 FAQ document: *ERA1 funds generally expire on September 30, 2022. The Treasury Department may recapture "excess funds" unobligated funds beginning on September 30, 2021 and re-obligate it to other grantees that have spent at least 65% of their funds. The 65% refers to the threshold a grantee must meet to receive additional funds; it is unclear how Treasury will define "excess funds." There is no requirement that Treasury sweep all unobligated funds or even unobligated funds if Treasury believes the grantee will spend it. ERA2 funds expire on September 30, 2025.* Note that the language says that there is **no requirement** for Treasury to sweep unobligated funds.
- As of September 26, 2021, DHHS had received 8,577 unique applications.
- As of September 26, 2021, 2,538 households had been approved for assistance. The average payment per client has been $10,100.
- 83% of households have identified as African American/Black or Hispanic/Latino.
- 64% of payments have been for rent arrears and 36% to assist with up to 3 months of prospective rent.
- DHHS is working directly with landlords to identify tenants who are in arrears and making sure they have applied for assistance. Non-profits are partnering with landlords to hold information and application events.
- The Sheriff is providing information to DHHS and DHCA regarding evictions ordered by the Court so there can be specific outreach to the household to try to prevent the final eviction and loss of housing.
- Expenditures can include up to 10% for administrative costs.
- Minimum eligibility requirements for assistance are: (1) Have experienced a COVID 19 financial hardship; (2) Gross household income at or below 50% of area median income from previous 30 days for 2020 taxes; (3) Have been a Montgomery County resident since at least August 2020; (4) Owe at least $1,000 or more to current landlord.
- Information on how to apply for CRRP and answers to frequently asked questions can be found at: https://montgomerycountymd.gov/HHS-Program/SNHS/rent-relief.html

Attachment:

September 21, 2021 presentation slides Status of Rent   1-7
 Relief Efforts in Montgomery County

Montgomery County Council

September 21, 2021

Status of Rent Relief Efforts in Montgomery County

Housing for All = A Stronger Montgomery

Implementation Challenges

Frequent Changes to from Treasury on Program Guidelines and Reporting

- FAQs have changed 6 times
- Changes to reporting requirements

Application Process

- Must have documentation/certifications from resident
- Preventing duplication of benefits
- Complicated application

Limits on Assistance

- No more than 12 months arrears

Landlord Participation

- Must outreach

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2021 COVID-19 RENTAL RELIEF UPDATE: WEEK OF SEPT 13-19

TOTAL C-19 RENTAL ASSISTANCE

The current round of funding adds to two previous rounds of COVID19 assistance.

PROGRAM	PAYMENTS	HOUSEHOLDS
PAST ROUNDS	$17.9M	4,496
CURRENT ROUND	$23.6M	2,334
ALL-TIME	$41.5M	6,803

Federal guidelines call for expending **65%** of the $59M fund (i.e. $38.35M) by **Sep 30** or else risk return of funds. Spending includes an est. $5.0M in admin costs.

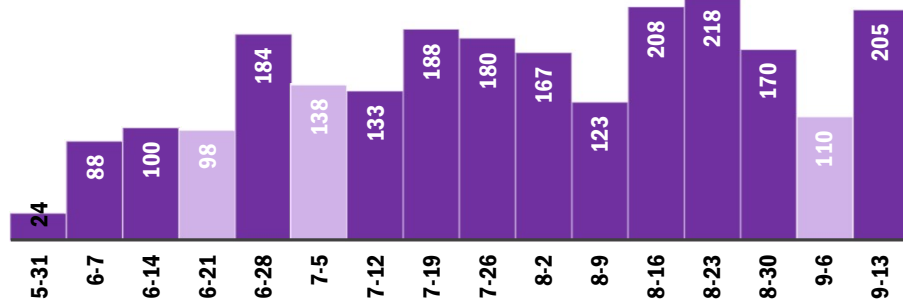| **$28.6M** CURRENT SPENDING	**48%** OF FUNDS	**75%** OF 65% TARGET

2 weeks remaining

APPROVED PAYMENTS

TOTAL	**$23.62M**	CLIENT AVG	**10.2K**

Light purple = 4-day work wk

Bar chart (by week):
- 5-31: 0.25 M
- 6-7: 0.87 M
- 6-14: 1.13 M
- 6-21: 1.05 M
- 6-28: 1.87 M
- 7-5: 1.41 M
- 7-12: 1.23 M
- 7-19: 1.88 M
- 7-26: 1.75 M
- 8-2: 1.72 M
- 8-9: 1.31 M
- 8-16: 2.14 M
- 8-23: 2.23 M
- 8-30: 1.63 M
- 9-6: 1.08 M
- 9-13: 2.07 M

APPROVED HOUSEHOLDS

TOTAL HOUSEHOLDS	**2,334**

Bar chart (by week):
- 5-31: 24
- 6-7: 88
- 6-14: 100
- 6-21: 98
- 6-28: 184
- 7-5: 138
- 7-12: 133
- 7-19: 188
- 7-26: 180
- 8-2: 167
- 8-9: 123
- 8-16: 208
- 8-23: 218
- 8-30: 170
- 9-6: 110
- 9-13: 205

APPLICATIONS RECEIVED

UNIQUE APPLICANTS	**8,605**

Excludes 2,160 duplicates, shown in gray

Bar chart (by week, blue = unique, gray = duplicates):
- 4-12: 698 / 287
- 4-19: 1,539 / 418
- 4-26: 762
- 5-3: 601
- 5-10: 437
- 5-17: 368
- 5-24: 328
- 5-31: 279
- 6-7: 243
- 6-14: 262
- 6-21: 262
- 6-28: 274
- 7-5: 220
- 7-12: 212
- 7-19: 226
- 7-26: 235
- 8-2: 276
- 8-9: 268
- 8-16: 252
- 8-23: 206
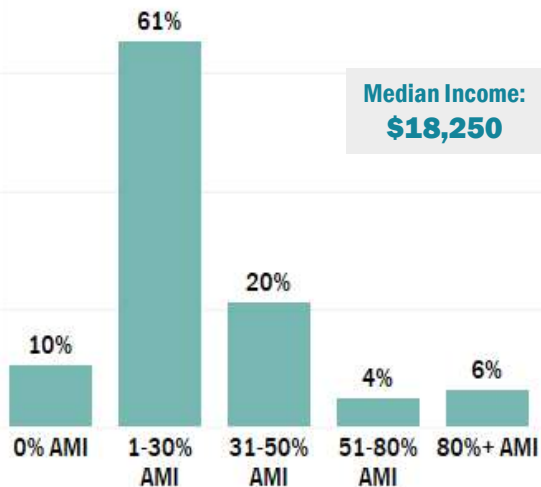- 8-30: 245
- 9-6: 198
- 9-13: 214

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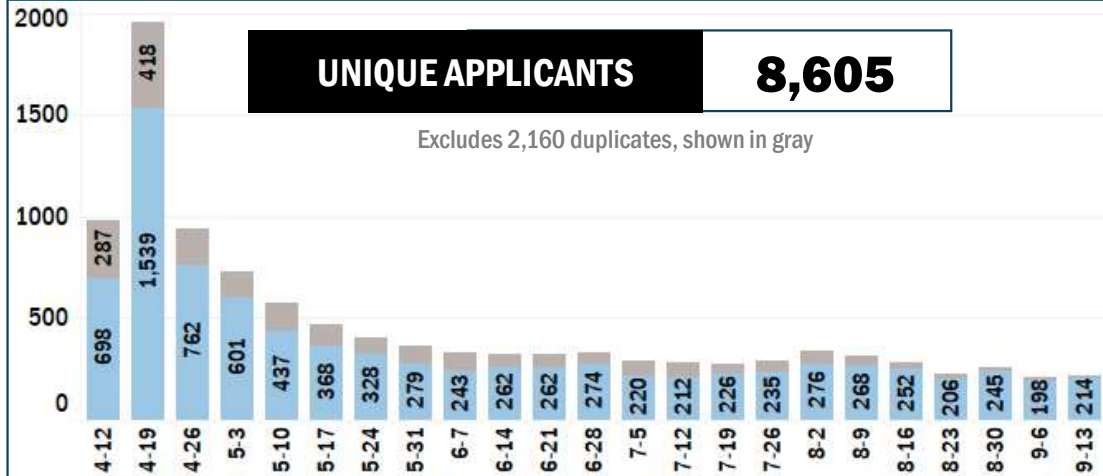
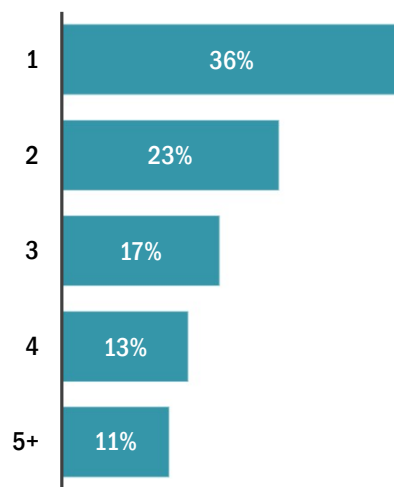# 2021 COVID-19 RENTAL RELIEF UPDATE: APPLICANT & RECIPIENT DETAILS

ALL APPLICANTS

- **44%** OF TENANT APPLICANTS MATCHED WITH LANDLORD APPLICATION
- **55%** UNEMPLOYED PAST 90 DAYS
- **27%** NEEDED TO CARE FOR SELF/OTHERS
- **26%** RECEIVED EVICTION NOTICE (SELF-REPORTED)
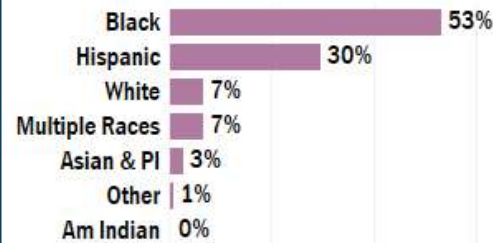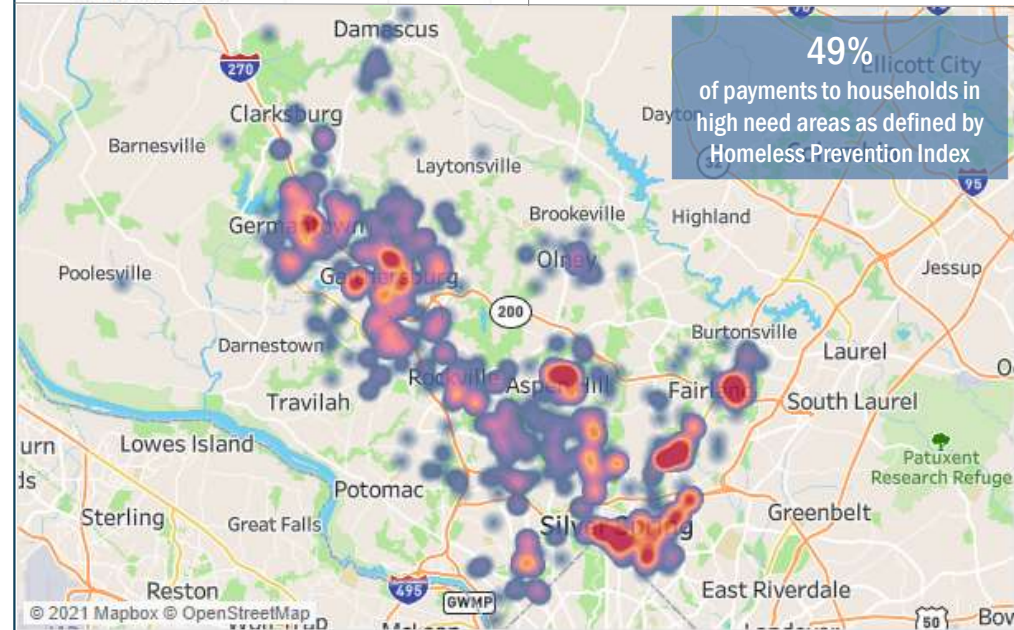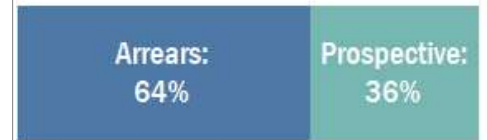
APPLICANTS' % OF AREA MEDIAN INCOME

Median Income: $18,250

- 0% AMI: 10%
- 1-30% AMI: 61%
- 31-50% AMI: 20%
- 51-80% AMI: 4%
- 80%+ AMI: 6%

APPLICANTS' HOUSEHOLD SIZE

- 1: 36%
- 2: 23%
- 3: 17%
- 4: 13%
- 5+: 11%

APPROVED RECIPIENTS

RECIPIENTS' RACE/ETHNICITY

- Black: 53%
- Hispanic: 30%
- White: 7%
- Multiple Races: 7%
- Asian & PI: 3%
- Other: 1%
- Am Indian: 0%

BENEFIT TYPE AWARDED

- Arrears: 64%
- Prospective: 36%

49% of payments to households in high need areas as defined by Homeless Prevention Index

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EVICTION TRACKER

DHHS and its partners conduct outreach at courts and prioritize applications from tenants with an eviction notice.
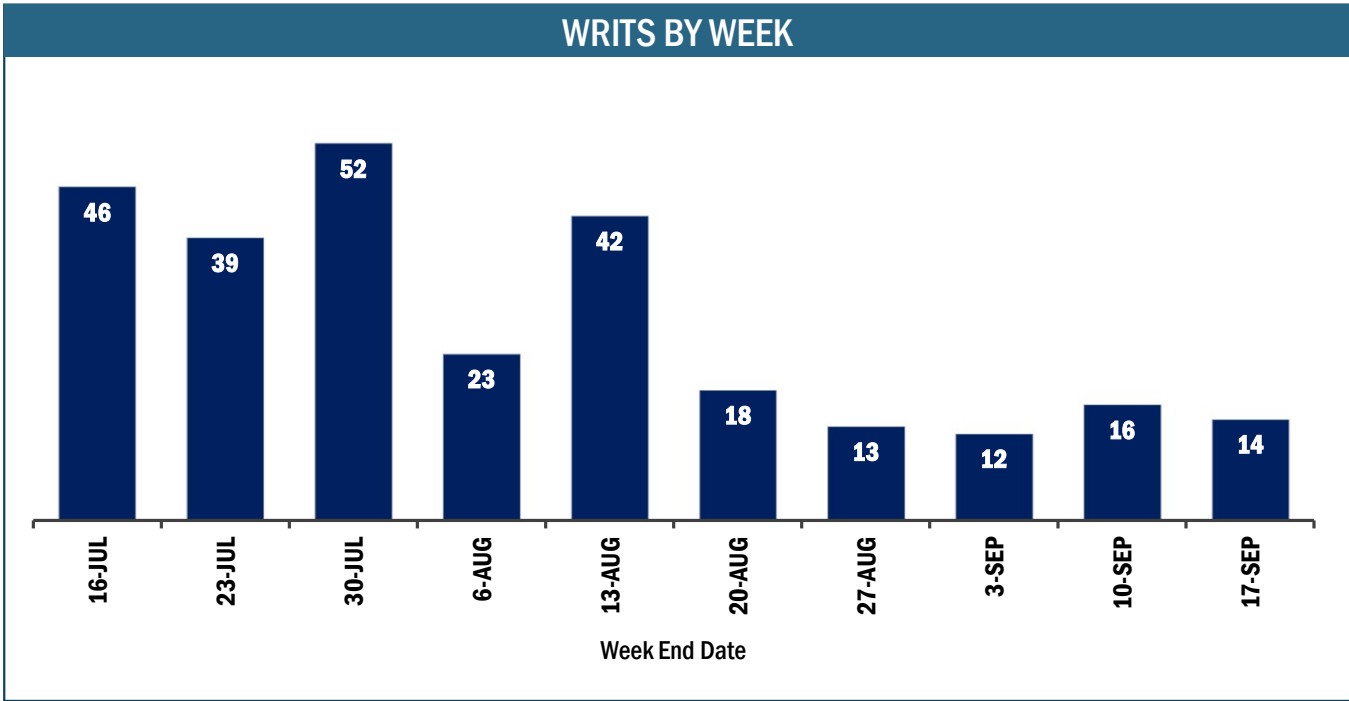
WRITS – UNIQUE RESIDENTIAL	% WITH RENT RELIEF APP	CONTEXT: EVICTION RATE
553 SCHEDULED FOR EVICTION AFTER JULY 19	**42%** OF HOUSEHOLDS W/ WRIT HAVE APPLIED FOR ASSISTANCE	**< 8%** OF WRITS TYPICALLY RESULT IN EVICTION

WRITS BY WEEK

Week End Date	Writs
16-JUL	46
23-JUL	39
30-JUL	52
6-AUG	23
13-AUG	42
20-AUG	18
27-AUG	13
3-SEP	12
10-SEP	16
17-SEP	14

NOTE: Records on writs for eviction can include commercial tenants as well as multiple notices for a single household. The stats above attempt to capture <u>unique residential households only</u>, but it is not always possible to make such distinctions.

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CRRP Focus – Next 90 Days

Commitment Letters

- Properties that have agreed to 10% forgiveness for eligible applicants
- 1st set scheduled to be finalized by September 24, 2021
  - Will encumber an additional $2.93 million
  - Waiting on rent logs from other properties

Advance Payments

- To properties with commitment letters
  - Preparing MOUs and reviewing reconciliation/accounting process

Expanded Staffing

- Six new caseworkers expected by end of September

Continued prioritization of households with red/white notices

- Partnership with Sheriff's office for weekly receipt of new evictions scheduled
- Directed outreach to all households with no application on file