

Office of the County Auditor
Auditor's Analysis

Council Bill No. 15-2021

Introduced: February 3, 2021

Auditor: Owen Clark

Fiscal Impact:

The fiscal impact of this legislation in Fiscal Year 2021 is an increase of \$9,735,056 in grant appropriations to provide pandemic support as noted in the Purpose. This will increase the County's operating budget (specifically for the Department of Housing and Community Development) by the same amount.

NOTE: There is \$659,017 remaining in the Grant Contingency Fund. Rather than utilizing this available appropriation, the Administration has indicated they intend to save the Grant Contingency Fund for smaller grants that may come up later in FY 2021.

See Other Comments, which shows the FY 2021 use of the Grant Contingency Fund and legislation which increased the Operating Budget.

Purpose:

The purpose of this legislation is to amend and increase the FY 2021 budget in order to receive approximately \$9.7 million Emergency Rental Assistance Program Grant funds from the U.S. Department of the Treasury (Treasury).

Other Comments:

The Administration estimates \$8.7 million will be utilized for rent assistance and \$1 million will be used for utility assistance.

Ninety percent of the Emergency Rental Assistance Program funds must be used for direct financial assistance, such as rent, utilities, home energy costs, and other expenses related to housing. The remaining portion of these funds may be used for housing stability services, such as case management and administrative costs. Program Funding expires December 31, 2021.

According to the Department of Housing and Community Development (DHCD), draft grant agreements with non-profit partners are being developed to expedite funding once legislation is approved. *We have asked DHCD if there are costs associated with this effort.*

Applications for assistance will be filed through these selected non-profit partners. Residents will be eligible for up to 9 months of past due rent (minus any assistance that they have received from prior rental assistance grants). There is no maximum assistance amount per resident.

The non-profit partners will verify past due balances, past assistance received, and provide funds to landlords directly to bring resident accounts current. To protect vulnerable residents, DHCD is also considering direct payments to property owners that provide evidence of residents with past due balances who are unable to apply for assistance on their own.

These funds cannot be used for foreclosure assistance. The DHCD will use a portion of the \$6.7 million in emergency COVID-19 relief from Council Bill 3-2021 for funding foreclosure prevention.

Fiscal Year 2021 Grant Funding:

The Grant Contingency Fund is an appropriation authority which allows the acceptance of Grant Funds during the current fiscal year. For FY 2021, \$5 million was appropriated in the Grant Contingency Fund. Noted below is the use of this appropriation to date:

Beginning Balance	\$ 5,000,000	Description
Less:		
SAO2-2021	(644,475)	DPW Truck Replacement
SAO3-2021	(502,264)	Human Trafficking Prevention
SAO4-2021	(688,226)	Elections - COVID Response
SAO5-2021	(2,506,018)	State COVID-related Relief
Ending Balance	\$ 659,017	

Summary of Grant Funding received that increased the County's FY 2021 Operating Budget:

Beginning Operating Budget	\$ 1,757,513,545	Description
Plus:		
CB10-2021	3,129,502	State Funds for Restaurants/Hotels
CB15-2021	9,735,056	U.S. Treasury Rental Relief
Ending Operating Balance¹	\$ 1,770,378,103	

¹Ending Operating Balance does not include the \$6.5 million transfer from County's Fund Balance approved through CB3-2021.