



Committee: Directly to Council
Committee Review: N/A
Staff: Tara Clemons Johnson, Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: #ERAP

AGENDA ITEM #15
June 13, 2023
Public Hearing/Action

SUBJECT

Supplemental Appropriation #23-102 to the FY23 Operating Budget Montgomery County Government Department of Health and Human Services Emergency Rental Assistance Program 2, \$6,000,000 (Source of Funds: State Grant)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- This supplemental appropriation was introduced on May 16, 2023.
- No Committee recommendation. Action is scheduled immediately after the public hearing.

DESCRIPTION/ISSUE

This appropriation supports the County's ability to implement the Federal Emergency Rental Assistance Program. The U.S. Department of Treasury 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 because of the COVID-19 pandemic. The source of funds is a State grant.

SUMMARY OF KEY DISCUSSION POINTS

- On May 2, 2023, the County Executive transmitted Supplemental Appropriation #23-102 for consideration to the County Council.
- The County is being awarded \$6,000,000 in funding as a sub-grantee from the Maryland Department of Housing and Community Development for the Emergency Rental Assistance Program. Funds must be prioritized for households with income at or below 50 percent of Area Median Income (AMI) and those who have been unemployed for more than 90 days. Additionally, households who have current eviction hearings or judgments, or who live in a high-needs geographic area will be prioritized as well for assistance.
- **Racial Equity Impact Assessment (REIA).** The REIA finds that this appropriation advances racial equity and social justice in the County as it will utilize targeting criteria to provide rental assistance to low-income communities and communities of color.

This report contains:

County Executive Transmittal	© 1-2
Special Appropriation Resolution	© 3-4
Racial Equity Impact Statement	© 5-6

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

May 2, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriation #23-102 to the FY23 Operating Budget
Montgomery County Government
Department of Health and Human Services
Emergency Rental Assistance Program 2, \$6,000,000 (Source of Funds: State Grant)

I am recommending a supplemental appropriation to the FY23 Operating Budget of the Department of Health and Human Services (DHHS) in the amount of \$6,000,000 for Emergency Rental Assistance Program 2. This appropriation will fund rental and utility assistance to households suffering an economic loss due to the COVID-19 pandemic.

This increase is needed to provide financial support for County residents facing hardships resulting from the COVID-19 crisis. The American Rescue Plan Act of 2021 was passed by Congress and signed into law by the President Biden on March 11, 2021. The bill included a \$1.9 trillion COVID relief package with \$21.55 billion allocated to the Department of Treasury for Emergency Rental Assistance Program 2. The State of Maryland received direct funds and the Maryland Department of Housing and Community Development is awarding an additional \$6,000,000 on top of the \$6,488,000 already provided to Montgomery County as a sub-grantee. Specifically, the Department of Treasury 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% Area Median Income (AMI) and unemployed for more than 90 days. The program will be administered by DHHS.

I recommend that the County Council approve this supplemental appropriation in the amount of

Supplemental Appropriation #23-102, Emergency Rental Assistance Program 2, \$6,000,000
(Source of Funds: State Grant)

May 2, 2023

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\$6,000,000 and specify the source of funds as State Grant.

I appreciate your prompt consideration of this action.

ME:dl

Enclosure: Supplemental Appropriation #23-102

cc: James Bridgers, Acting Director, Department of Health and Human Services
Jason Rundell, Acting Chief Operating Officer, Department of Health and Human Services
ILana Branda, Acting Chief, Services to End and Prevent Homelessness, Department of Health and Human Services
Jennifer Bryant, Director, Office of Management and Budget
Deborah Lambert, Senior Fiscal and Policy Analyst, Office of Management and Budget

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #23-102 to the FY23 Operating Budget
Montgomery County Government
Department of Health and Human Services
Emergency Rental Assistance Program 2, \$6,000,000
(Source of Funds: State Grant)

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY23 Operating Budget appropriation increases for the Department of Health and Human Services (DHHS):

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$6,000,000	\$6,000,000	State Grant

3. This increase is needed to provide financial support for County residents facing hardships resulting from the COVID-19 crisis. Congress appropriated \$21.5 billion for the Emergency Rental Assistance Program 2 to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. The State of Maryland received direct funds and the Maryland Department of Housing and Community Development is awarding an additional \$6,000,000 on top of the \$6,488,000 already provided to Montgomery County as a sub-grantee. Specifically, the Department of Treasury 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% Area Median Income (AMI) and unemployed for more than 90 days. The program will be administered by DHHS.
4. The County Executive recommends a supplemental appropriation to the FY23 Operating Budget of the Department of Health and Human Services in the amount of \$6,000,000 for Emergency Rental Assistance Program 2 and specifies that the source of funds will be State Grant.
5. Notice of public hearing was given and a public hearing was held.

Action

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

A supplemental appropriation to the FY23 Operating Budget of the Department of Health and Human Services is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$6,000,000	\$6,000,000	State Grant

This is a correct copy of Council action.

Judy Rupp, Clerk of the Council



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

June 5, 2023

To: Jennifer Bryant, Director
Office of Management and Budget

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-102
Emergency Rental Assistance Program 2 (\$6,000,000)

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that *Supplemental Appropriation #23-102 Emergency Rental Assistance Program 2* is likely to advance racial equity and social justice in Montgomery County. This finding is unchanged from prior REIA's on the Emergency Rental Assistance Program as this SA does not appear to substantively alter programming funded by SA #22-85 Maryland Department of Housing and Community Development Grant: Emergency Rental Assistance Program and #SA 22-86 Additional MD Emergency Rental Assistance Program 1. Like prior SAs this funding will continue to utilize targeting criteria to provide rental assistance to low-income communities and communities of color.
- II. **BACKGROUND:** The Emergency Rental Assistance Program provides funding for low-income County residents facing hardships resulting from the COVID-19 pandemic. The program assists households that are unable to pay rent or utilities. The County was recently awarded additional funding from the MD Department of Housing and Community Development to continue this program. Priority is given to households with income below 50% of the AMI and unemployed for more than 90 days. Additionally, households who have current eviction hearings or judgments, or who live in a high-needs geographic area will be prioritized as well for assistance.

III. **ANALYSIS:** As indicated earlier, ORESJ has previously analyzed the Emergency Rental Assistance Grant Program. Our full analysis can be found in the following REIA's:

- Supplemental Appropriation #22-85 Maryland Department of Housing and Community Development Grant: Emergency Rental Assistance Program and (SA) #22-86 Additional MD Emergency Rental Assistance Program 1
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-85and22-86.pdf>
- Supplemental Appropriation #22-34 Emergency Rental Assistance Program 2
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-34.pdf>
- Supplemental Appropriation #21-527 Covid-19 Rent Relief Program
<https://www.montgomerycountymd.gov/ore/Resources/Files/21-527.pdf>

The Department of Housing and Community Affairs (DHCA) estimates that approximately 10% of renters may be eligible to receive assistance under this program. In total, the COVID-19 Rental Relief Program has approved \$98.6 million in payments for 12,449 households¹. Race and Ethnicity data for tenants shows that 45% of recipients were Black and 23% of recipients were Hispanic. Additionally, 3,734 residents were scheduled for eviction after July 19, 2021, but fewer than 8% of writs typically resulted in eviction. Around 21% of households with a writ have applied for emergency rental assistance².

A study from Eviction Lab and the Russell Sage Foundation found that Covid-era policies at the federal, state, and local levels led to eviction filings being cut by more than half³. It also indicated that eviction filings are beginning to trend back upwards, even surpassing pre-COVID-19 numbers in some locations. This trend underscores the need for the continuation of COVID-19 policies that have assisted households with maintaining housing stability.

cc: Dr. James Bridgers, Acting Director, Department of Health and Human Services
Ken Hartman, Director, Strategic Partnerships, Office of the County Executive

¹ Montgomery County, Maryland Department of Health and Human Services. DHHS Pulse Report. Covid-19 Impact and Recovery. May 17, 2023. Available at: <https://www.montgomerycountymd.gov/covid19/Resources/Files/pulse/DHHS-Pulse-230517.pdf>.

² The DHHS Pulse Report Eviction Tracker notes that records on writs for eviction can include commercial tenants as well as multiple notices for a single household. The stats attempt to capture unique residential households only, but it is not always possible to make such distinctions.

³ Eviction Lab. COVID-era policies cut eviction filings by more than half. Available at: <https://evictionlab.org/covid-era-policies-cut-eviction-filings-by-more-than-half/>