



Financial Services Department

Memorandum

To: Honorable Mayor Cheney and City Council Members

Thru: George Purefoy, City Manager
Nell Lange, Assistant City Manager

From: Anita Cothran, Chief Financial Officer

Date: January 19, 2021

Subject: Consider and act upon the ratification of an Agreement with the U.S. Department of the Treasury for the Emergency Rental Assistance Program.

Action Requested: Consider and act upon the ratification of an agreement with the U.S. Department of the Treasury for the Emergency Rental Assistance Program.

Background Information: The City received notice last week that since our estimated population is above 200,000, we are eligible to apply for funds that will assist City of Frisco renters with eligible rents and utilities due to the loss of income because of COVID-19. The Emergency Rental Assistance Program makes available \$25 billion to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. According to the website, the State of Texas is scheduled to receive over \$1.9 billion. The deadline to submit the application was midnight January 12, 2021. The City Manager approved the application and we submitted to the U.S. Department of Treasury. If approved by the U.S. Department of Treasury, the City will receive this funding directly and will work with our local social service agencies to make the funding available to eligible recipient's.

The program provides that payments from the Program may only be used to cover costs for an eligible household, which is defined as a **renter** household in which at least one or more individuals meets the following criteria—

1. Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19;
2. Demonstrates a risk of experiencing homelessness or housing instability; and

3. Has a household income at or below 80 percent of the area median.
(For a family of four in Frisco this would be \$68,950).

Furthermore, rental assistance provided to an eligible household should not be duplicative of any other federally funded rental assistance provided to such household.

Eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median are to be prioritized for assistance.

Households may receive up to 12 months of assistance, plus an additional 3 months if the grantee determines the extra months are needed to ensure housing stability and grantee funds are available. In general, funds will be paid directly to landlords and utility service providers for this assistance.

Financial Considerations: The total amount awarded is unknown, but is formula driven based on population. Ten percent (10%) of the award can be allocated to the agencies for administrative costs of managing the program.

Legal Review: None.

Supporting Documents: Signature Page, HUD Income Limits, Program Details

Staff Recommendation: Staff recommends ratification of the application for the U.S. Department of the Treasury Emergency Rental Assistance Program.