

April 1, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Traci Ratzliff, Analyst
Subject: Council Bill 120018 appropriating \$22.7 million in Federal Assistance for Rental and Utility Assistance

On April 6, the Finance and Housing Committee will discuss and may vote on amendments and a recommendation for [Council Bill \(CB\) 120018](#). This legislation accepts \$22.7 million of funding from the Federal Coronavirus Response and Relief Supplemental Appropriations Act approved in December of 2020 and appropriates this funding for rental and utility assistance for eligible households. This legislation was initially discussed at the March 16 Finance and Housing Committee meeting.

This memorandum (1) provides a brief summary of the bill; and (2) describes potential amendments identified by Councilmembers.

Summary of Bill

The legislation accepts the funding from the federal grant and allocates the \$22.7 million in rental and utility assistance funding as follows:

1. \$8 million to the United Way of King County (UWKC) to support the tenant lottery rental assistance program. Tenants and landlords with up to four tenants in need of assistance, will be eligible to apply for this funding. Up to 10 percent of this funding may be used for administrative costs.
2. \$7 million to the Office of Housing (OH) to assist tenants in publicly subsidized rent- and income-restricted affordable housing units. Housing providers who own and/or operate these projects will be eligible to apply for this funding. Up to 10 percent of this funding may be used for administrative costs, including the purchase of a technology solution that will be used by all partner agencies to process and track program payments.
3. \$6.2 million to community-based organizations that have an established track record of serving communities disproportionately impacted by the pandemic and have a significant need for rental assistance. Up to 10 percent of this funding may be used for administrative costs.
4. \$1.5 million to Seattle Public Utilities (\$500,000) and Seattle City Light (\$1 million) to provide utility assistance to renters who are behind on water, sewer, and/or electricity payments.

For further details on the federal program see the [PowerPoint presentation](#) discussed at the March 16 committee meeting.

Proposed Amendments (as of April 1)

The three proposed amendments described below will be considered at the April 6 committee meeting:

1. Eliminate \$1.5 million in funding for utility assistance and reallocate funding to rental assistance (Councilmember Mosqueda).

This amendment would eliminate the \$1.5 million in funding proposed for Seattle City Light (\$1 million) and Seattle Public Utilities (\$500k) for utility assistance. \$750,000 in funding would be added to the \$8 million proposed for the United Way and \$750,000 would be added to the \$7 million proposed for to increase funding for rental assistance (see Attachment 1 for the specific amendment language).

2. Add internet services as eligible cost to be funded (Councilmember Mosqueda on behalf of Councilmember Pedersen).

This amendment would add “internet services” as an eligible cost that could be funded with rental assistance funding allocated by Community Based Organizations (CBO’s). CBO’s would work directly with clients to determine need for such assistance relative to the need for rental assistance and, as appropriate, make payments to internet providers. A formal U.S Department of Treasury document indicates that internet services costs are eligible for coverage with the rental assistance funding but recognizes this could reduce the amount of funds available for rental assistance and therefore directs grantees to adopt policies that govern in what circumstances covering this cost would be appropriate. OH would develop program guidelines to address this requirement for such policies if this amendment is adopted (see Attachment 2 for the specific amendment language).

3. Require proactive outreach to landlords regarding available rental assistance funding (Councilmember Herbold).

This amendment would add language directing OH, in cooperation with the United Way, to do proactive outreach to landlords of multifamily housing who are struggling with mortgage debt, regarding availability of rental assistance funding. United Way and OH will operate programs that allow landlords to apply for rental assistance on behalf of tenants and are therefore asked to do marketing of this program to landlords who may be in need of assistance, particularly those who may be struggling with paying mortgages (see Attachment 3 for the specific amendment language).

Attachments:

1. Amendment 1
2. Amendment 2
3. Amendment 3

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

Amendment 1 to CB 120018

Sponsor: Councilmember Mosqueda

Eliminate \$1.5 million proposed for utility assistance and reallocate funding to rental assistance

Amend Section 1 to CB 120018 as follows:

Item	Department	Grantor	Purpose	Fund	Amount
1.1	Executive (Office of Housing)	U.S. Treasury – Emergency Rental Assistance	Rental assistance and eviction prevention	Low-Income Housing Fund (16400)	(\$20,522,605) <u>\$22,022,605</u>
1.2	Executive (Office of Housing)	U.S. Treasury – Emergency Rental Assistance	Rental assistance program administration	Office of Housing Fund (16600)	\$700,000
1.3	City Light (SCL)	U.S. Treasury – Emergency Rental Assistance	Emergency utility assistance	Light Fund (41000)	\$1,000,000
1.4	Seattle Public Utilities	U.S. Treasury – Emergency Rental Assistance	Emergency utility assistance	Water Fund (43000)	\$500,000
Total					\$22,722,605

Amend Section 2 to CB 120018 as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
2.1	Executive (Office of Housing)	Low-Income Housing Fund (16400)	Multifamily Housing (BO-HU-3000)	(\$20,522,605) <u>\$22,022,605</u>
2.2	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership & Administration (BO-HU-1000)	\$700,000
Total				(\$21,222,605) <u>\$22,722,605</u>

Amend subsections 3.B and 3.C to CB 120018 as follows:

B. (~~(\$8,000,000)~~ \$8,750,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

On page 4, line 1 after "A" modify the language as follows:

C. (~~(\$6,322,605)~~ \$7,072,605 from item 2.1 and \$700,000 from item 2.2 is appropriated to the Office of Housing for the purposes of rent assistance, homelessness prevention services, and associated administration costs, for publicly-subsidized rent- and income-restricted affordable housing units, and may be spent for no other purpose.

Effect: This amendment would eliminate the \$1.5 million proposed for utility assistance in Seattle City Light (\$1 million) and Seattle Public Utilities (\$500,000) and reallocates \$750,000 to United Way and \$750,000 to the Office of Housing to be used for rental assistance.

Amendment 2 to CB 120018

Sponsor: Councilmember Mosqueda on behalf of Councilmember Pedersen

Add internet services as eligible cost to be funded

Amend subsection 3.A to CB 120018 as follows:

Section 3. Of the appropriations in items 2.1 and 2.2 of this ordinance,

A. \$6,200,000 from item 2.1 will be appropriated to community based agencies that have an established track record of serving communities that 1) have been disproportionately impacted by COVID-19; and, 2) have a disproportionate need for rental assistance; and that have experience in managing rent assistance and/or homeless prevention dollars particularly during the current COVID-19 public health emergency for the purposes of rent assistance and other housing related costs including internet services, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

Effect: This amendment would add “internet services” as an eligible cost that could be funded with rental assistance funding allocated by Community Based Organizations (CBO’s). CBO’s will work directly with clients to determine need for such assistance relative to the need for rental assistance and will, as appropriate, make payments to internet providers. A formal U.S Department of Treasury document indicates that internet services costs are eligible for coverage with the rental assistance funding but recognizes this could reduce the amount of funds available for rental assistance and therefore directs grantees to adopt policies that govern in what circumstances covering this cost would be appropriate. OH would develop program guidelines to address this requirement for such policies if this amendment is adopted.

Amendment 3 to CB 120018

Sponsor: Councilmember Herbold

Proactive outreach to landlords

Amend subsection 3.B to CB 120018 as follows:

B. \$8,000,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose. The Office of Housing, in cooperation with the United Way, will do proactive outreach to landlords who may be struggling with mortgage debt, regarding availability of rental assistance funding.

Effect: This amendment would direct the Office of Housing and the United Way to do proactive outreach regarding available rental assistance funding to landlords who may be struggling with mortgage debt due to rental payment delinquencies.