



Committee: Directly to Council
Committee Review: N/A
Staff: Essie McGuire, Senior Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: #ERAP, Emergency Rental Assistance

AGENDA ITEM #4(D)
May 10, 2022
Introduction

SUBJECT

Special Appropriation #22-85 to the Fiscal Year 2022 Operating Budget, Montgomery County Government, Department of Health and Human Services, Maryland Department of Housing and Community Development – Emergency Rental Assistance Program, \$6,488,000 (Source of Funds: State Grant)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Introduction – No Council vote required

DESCRIPTION/ISSUE

The County Council will introduce a Special Appropriation to the FY22 Operating Budget, Montgomery County Government, Department of Health and Human Services, for the Emergency Rental Assistance Program. The source of funds is a State grant.

SUMMARY OF KEY DISCUSSION POINTS

- The County Executive transmitted a request for this appropriation on May 4, 2022.
- This funding continues the County's ability to implement the Federal Emergency Rental Assistance Program. The Council has received updates from the Department of Health and Human Services (DHHS) throughout the implementation of this program.
- DHHS was awarded \$6,488,000 in funding as a sub-grantee from the Maryland Department of Housing and Community Development. 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 as a result of the COVID-19 pandemic. 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.
- The Council is tentatively scheduled to hold a public hearing and consider action on this special appropriation on May 17.

This report contains:

County Executive Transmittal (May 4, 2022)
Draft Special Appropriation Resolution

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

M E M O R A N D U M

May 4, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #22-85 to the Fiscal Year 2022 Operating Budget
Montgomery County Government
Department of Health and Human Services
Emergency Rental Assistance Program 2
\$6,488,000 (Source of Funds: State Grant)

I am recommending a Special Appropriation to the Fiscal Year 2022 Operating Budget of the Department of Health and Human Services (DHHS) in the amount of \$6,488,000 for Emergency Rental Assistance Program 2. DHHS was awarded \$6,488,000 in funding as a sub-grantee from the Maryland Department of Housing and Community Development. 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 as a result of the COVID-19 pandemic. 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.

This funding is needed because the pandemic has forced many businesses to temporarily or permanently close, reduction in childcare, and death of wage earners causing Montgomery County residents to suffer income loss and an inability to pay rent and utility expenses.

I recommend that the County Council approve this Special Appropriation in the amount of \$6,488,000 and specify the source of funds as State Grant funds.

I appreciate your prompt consideration of this action.

ME:dl

Attachments: Special Appropriation #22-85

- c: Raymond L. Crowel, Psy.D., Director, Department of Health and Human Services
 Jennifer R. Bryant, Director, Office of Management and Budget
 Victoria Buckland, Chief Operating Officer, Department of Health and Human Services
 Amanda J. Harris, Chief, Services to End and Prevent Homelessness

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Special Appropriation #22-85 to the FY22 Operating Budget
Montgomery County Government
Department of Health and Human Services (DHHS); \$6,488,000
Maryland Department of Housing and Community Development Grant –
Emergency Rental Assistance Program 2 (Source of Funds: State Grant)

Background

1. Section 308 of the Montgomery County Charter provides that a special appropriation: (a) may be made at any time after public notice by news release; (b) must state that the special appropriation is necessary to meet an unforeseen disaster or other emergency or to act without delay in the public interest; (c) must specify the revenues necessary to finance it; and (d) must be approved by no fewer than six members of the Council.
2. The COVID-19 public health emergency has resulted in the immediate loss of income for many households as businesses have been required to close and people have been told to stay home. This creates a financial crisis for many County residents and businesses.
3. The American Rescue Plan Act of 2021 was passed by Congress and signed into law by the President on March 11, 2021. The bill includes a \$1.9 trillion COVID relief package with \$21.55 billion allocated to the Department of Treasury for Emergency Rental Assistance.
4. The Department of Health and Human Services was awarded \$6,488,000 in funding as a sub-grantee from the Maryland Department of Housing and Community Development. The 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 as a result of the COVID-19 pandemic. Funds must be prioritized for households with income at or below 50% of Area Median Income (AMI) and those who have been unemployed for more than 90 days.

5. The County Executive has requested the following FY22 Operating Budget appropriation increase for the Department of Health and Human Services

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$6,488,000	\$0	\$6,488,000	State Grant

6. This increase is needed because the COVID-19 pandemic has forced many businesses to temporarily or permanently close, reductions in childcare opportunities, and death of wage earners causing Montgomery County residents to suffer income loss and an inability to pay rent and utility expenses.
7. The County Executive has requested a special appropriation to the FY21 Operating Budget in the amount of \$6,488,000 for the Maryland Emergency Rental Assistance Program 2 and specifies that the source of funds will be State Grant.
8. Notice of a public hearing was given, and a public hearing was held.

Action

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

1. A special appropriation to the FY22 Operating Budget of the Department of Health and Human Services is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$6,488,000	\$0	\$6,488,000	State Grant

2. The County Council declares that this action is necessary to act in response to a public health emergency and to act without delay in the public interest.

This is a correct copy of Council action.

Judy Rupp
Clerk of the Council