

ST. PETERSBURG CITY COUNCIL
Consent Agenda
Meeting of January 5, 2023

TO: The Honorable Gina Driscoll, Chair, and Members of City Council

SUBJECT: A resolution authorizing the Mayor or his designee to accept additional Emergency Rental Assistance (“ERA2”) funding in the amount of \$2,452,502.37 from the U.S. Department of the Treasury (“Treasury”); approving a supplemental appropriation in the amount of \$2,452,502.37 from the increase in the unappropriated balance of the Operating Grant Fund (1720), resulting from these additional revenues, to the Housing and Community Development Department, Administration Division (082-1089); to execute all documents necessary for implementation of the grant; and providing an effective date.

EXPLANATION: On March 11, 2021, President Biden approved the second Emergency Rental Assistance (“ERA2”) program established by section 3201 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (the “Act”). Funding was approved to ensure that one or more persons in the household who qualified for unemployment, experienced a reduction in household income, incurred significant costs or experienced other financial hardship during or due to the Coronavirus (COVID-19) pandemic continued to have the resources to pay their rent and utilities.

On September 9, 2021, City Council approved Resolution No. 2021-408, which authorized the Mayor or his designee to accept the City initial allocation of \$6,339,881.40 in ERA2 funding and appropriated such funds to be used for emergency rental assistance to persons/households under 80% Area Median Income (80%) who were impacted during the COVID-19 pandemic. As of May 13, 2022, all funding was fully expended.

On June 28, 2022, the Treasury announced an in-depth plan to reallocate unencumbered ERA2 funding and, the City immediately applied for additional ERA2 funding on July 15, 2022 and received \$2,452,502.37 on November 18, 2022. The additional ERA2 funding must be obligated by September 30, 2025 and fully expended no later than 120 days after September 30, 2025.

In addition, on July 27, 2022, the Treasury established other eligible affordable rental housing and prevention purposes under the statute establishing ERA2. The Treasury identified that ERA2 funding could be used for: 1) construction, rehabilitation, or preservation of affordable rental housing projects serving very low-income families (under 50% AMI) with an affordability period of at least 20 years, and 2) operation of affordable rental housing projects serving very low-income families that were constructed, rehabilitated, or preserved using ERA2 funds. To be eligible for use of the ERA2 funds for affordable rental housing, in whole or in part, the funds must conform to and meet the program regulations of at least one of the following federal programs: Low-Income Housing Tax Credit (LIHTC), HOME Investment Partnership Program (HOME), HOME-ARP, Section 811 Supportive Housing for Persons with Disabilities, Section 202 Supportive Housing for the Elderly, Housing Trust Fund Program, or Public Housing Capital Fund.

However, prior to obligating any additional ERA2 funding towards affordable rental housing, the City must demonstrate that at least 75% (\$6,594,287.83) of the total amount of ERA2 funding of \$8,792,383.77 was obligated for financial assistance to eligible households and for administrative

costs. To meeting this requirement, the City must commit \$254,406.43 of the additional ERA2 funds for administrative costs to be combined with the fully expended initial allocation of \$6,339,881.40. The balance of the remaining additional ERA2 funding of \$2,198,095.94 would be available to obligate for affordable rental housing.

Because of the high demand for affordable housing, Administration recommends the additional ERA2 funding be used for the production of affordable rental housing units. Once an eligible project is identified, a resolution for approval of a project will be brought back to City Council.

In addition, Administration is requesting a supplemental appropriation in the amount of \$2,452,502.37 in additional ERA2 funding from the increase in the unappropriated balance of the Operating Grant Fund (1720) resulting from the grant funding.

RECOMMENDATION: A resolution authorizing the Mayor or his designee to accept additional Emergency Rental Assistance (“ERA2”) funding in the amount of \$2,452,502.37 from the U.S. Department of the Treasury (“Treasury”); approving a supplemental appropriation in the amount of \$2,452,502.37 from the increase in the unappropriated balance of the Operating Grant Fund (1720), resulting from these additional revenues, to the Housing and Community Development Department, Administration Division (082-1089); to execute all documents necessary for implementation of the grant; and providing an effective date.

COST/FUNDING/ASSESSMENT INFORMATION: Revenues of \$2,452,502.37 were received from the U.S. Department of the Treasury (“Treasury”) and deposited into the Operating Grant Fund (1720). Funds will be available after the approval of a supplemental appropriation in the amount of \$2,452,502.37 from the increase in the unappropriated balance of the Operating Grant Fund (1720), resulting from these additional revenues to the Housing and Community Development Department, Administration Division (082-1089).

Attachments: Resolution

APPROVALS:

Administration: McFoster

Budget: umg

RESOLUTION NO. 2023 - _____

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO (I) ACCEPT ADDITIONAL EMERGENCY RENTAL ASSISTANCE FUNDING IN THE AMOUNT OF \$2,452,502.37 FROM THE U.S. DEPARTMENT OF THE TREASURY AND (II) EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS TRANSACTION; APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$2,452,502.37 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE OPERATING GRANT FUND (1720), RESULTING FROM THESE ADDITIONAL REVENUES, TO THE HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, ADMINISTRATION DIVISION (082-1089); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on March 11, 2021, President Biden approved the second Emergency Rental Assistance program (“ERA2”) established by section 3201 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (the “Act”); and

WHEREAS, ERA2 funding was approved to ensure that one or more persons in a household who qualified for unemployment, experienced a reduction in household income, incurred significant costs or experienced other financial hardship during or due to the Coronavirus (COVID-19) pandemic continued to have the resources to pay their rent and utilities; and

WHEREAS, on September 9, 2021, City Council approved Resolution No. 2021-408, which authorized the Mayor or his designee to accept the City initial allocation of \$6,339,881.40 in ERA2 funding and appropriated such funds to be used for emergency rental assistance to persons/households under 80% Area Median Income (80%) who were impacted during the COVID-19 pandemic; and

WHEREAS, as of May 13, 2022, all initial ERA2 funding was fully expended; and

WHEREAS, on June 28, 2022, the U.S. Department of the Treasury (“Treasury”) announced an in-depth plan to reallocate unencumbered ERA2 funding and the City immediately applied for additional ERA2 funding on July 15, 2022; and

WHEREAS, on November 18, 2022, the Treasury notified the City that it would be receiving an additional \$2,452,502.37 in ERA2 funding; and

WHEREAS, this additional ERA2 funding must be obligated by September 30, 2025 and fully expended no later than 120 days after September 30, 2025; and

WHEREAS, on July 27, 2022, the Treasury established other eligible affordable rental housing and prevention purposes for ERA 2 funding under the Act to include:

- Construction, rehabilitation, or preservation of affordable rental housing serving very low-income families (under 50% AMI) with an affordability period of a least 20 years;
- Operation of affordable rental housing serving very low-income families that were constructed, rehabilitated, or preserved using ERA2 funds; and

WHEREAS, before the City may utilize this additional ERA2 funding for eligible affordable rental housing, the City must demonstrate that 75% of the total amount of ERA2 funding received from the Treasury was used for financial assistance to eligible households and for administrative costs; and

WHEREAS, the City will meet this requirement after committing \$254,406.43 of this additional ERA2 funding for administrative costs and the remaining balance of this additional ERA2 funding (\$2,198,095.94) will be available for affordable rental housing; and

WHEREAS, this additional ERA2 funding will be available after a supplemental appropriation in the amount of \$2,452,502.37 from the increase in the unappropriated balance of the Operating Grant Fund (1720), resulting from these additional revenues, to the Housing and Community Development Department, Administration Division (082-1089); and

WHEREAS, Administration recommends approval of this Resolution.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of St. Petersburg, Florida, that the Mayor or his designee is hereby authorized to (i) accept the additional ERA2 funding in the amount of \$2,452,502.37 from the U.S. Department of the Treasury and (ii) to execute all documents necessary to effectuate this transaction.

BE IT FURTHER RESOLVED that there is hereby approved from the unappropriated balance of the Operating Grant Fund (1720), resulting from these additional revenues, the following supplemental appropriation for FY23.

<u>Operating Grant Fund (1720)</u>	
Housing and Community Development Department	
Administration Division (082-1089)	\$2,452,502.37

This Resolution shall become effective immediately upon its adoption.

LEGAL:



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DEPARTMENT:



BUDGET:



The following page(s) contain the backup material for Agenda Item: Approving an increase in allocation for ammunition with Florida Bullet Inc. in the amount of \$80,000, for a total agreed amount of \$455,000.

Please scroll down to view the backup material.