



## City Council

### Approval of a Proposal to Dedicate Affordable and Supportive Housing Funds from HB 1406 to Emergency Rent Assistance

**Agenda Date:** 2/2/2021  
**Agenda Item Number:** 4.G  
**File Number:** 21-0118

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**Type:** decision **Version:** 1 **Status:** Passed

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#### Title

Approval of a Proposal to Dedicate Affordable and Supportive Housing Funds from HB 1406 to Emergency Rent Assistance

#### Recommended Action

##### Committee Recommendation:

Not referred to a committee.

##### City Manager Recommendation:

Move to approve the proposal to contract 2020 Affordable and Supportive Housing Funds (1406) for emergency rent assistance for households below 60 percent AMI.

#### Report

##### Issue:

Whether to authorize staff to proceed to contract with Community Action Council of Lewis, Mason & Thurston Counties to use these funds to provide emergency rent assistance.

##### Staff Contact:

Cary Retlin, Home Fund Manager, Executive, 360.570.3956.

##### Presenter(s):

None - Consent Calendar Item.

#### Background and Analysis:

The Emergency Rent Assistance Program (ERAP) currently administered by the Community Action Council of Lewis, Mason & Thurston Counties is running short of rent assistance. This proposal will result in a contract for rent assistance to support low-income households in our community that are unable to keep up with rent because of employment impacts related to COVID-19 closures.

If this proposal is approved staff will coordinate with Thurston County and Community Action Council on a contract and scope of work focused on providing emergency rent assistance to households at or below 60 percent of area median income. Staff will ensure that funds are consistent with requirements under RCW 82.14.540 and are reasonable for the Community Action Council to deploy

quickly - similar to the existing ERAP program.

Other Thurston County jurisdictions including the County also took action to retain this revenue locally. The Regional Housing Council has discussed this matter and Thurston County is also planning to use 2020 funds for similar emergency rental assistance.

Staff are bringing this proposal to Council now at the request of Councilmember Cooper, our Regional Housing Council representative, prior to having a signed agreement so that funds can reach the Community Action Council rapidly.

#### Background on the Source of these Funds

During the 2019 legislative session, the state approved House Bill 1406 which created a local option to retain existing sales tax revenue locally for specific affordable housing uses under RCW 82.14.540. Council took action to retain that revenue in 2020. The revenue must be used for acquiring, rehabilitating, or constructing affordable housing; operations and maintenance of new affordable or supportive housing facilities; and rental assistance. The funding must be spent on projects that serve persons whose income is at or below 60 percent of the area median income. Cities can also issue bonds to finance the authorized projects.

#### **Neighborhood/Community Interests (if known):**

This is a topic of concern to many in the community since hundreds of lower income households in Olympia have fallen behind on their rent and are at risk of losing their housing or choosing between paying rent and paying other critical household expenses.

#### **Options:**

1. Direct staff to pursue a contract with Community Action Council for emergency rental assistance with 2020 Affordable and Supportive Housing revenue.
2. Direct staff to take other action related to 2020 Affordable and Supportive Housing revenue.
3. Do not approve this proposal.

#### **Financial Impact:**

If approved this proposal would result in the City contracting to use up to \$217,000 in funds accrued under RCW 82.14.540 for Affordable and Supportive Housing for emergency rent assistance.

Note that revenue has not accrued as rapidly as projected by the state Department of Revenue in 2019. At that time 2020 revenue was projected to be \$330,000.

#### **Attachments:**

None