

Emergency Rental Assistance Sub-recipient Agreement



Housing & Community Services Department

February 15, 2022



Background



- The Consolidated Appropriations Act, 2021 included \$25 billion in Emergency Rental Assistance funds administered by the Department of the Treasury
- Minimum of \$200 million per state based on population
- 45% of a state's allocation may be accessed by local governments with a population above 200,000
- By formula the City of Wichita received \$12,046,219.50



Background



- At least 90% of funds had to be used for rent & utility payments for eligible households
- 10% of funds may be used for administration and housing stability services
- Funds were available through 9/30/22 however 65% of the funds had to be obligated by 9/30/21 or were subject to recapture by the Department of the Treasury
- The City's Wichita Emergency Rental Assistance Program (WERAP) launched 2/22/21 and had 100% of its round one funds obligated by 9/30/21 and fully expended by 12/31/21



Background



- Included in the American Rescue Plan Act (ARPA) was an additional \$21 billion for Emergency Rental Assistance
- As a local government with a population greater than 200,000 the City received \$9,208,560.70 from ARPA
- Up to 15% of the funding is eligible for administrative expenses with an additional 10% available for housing stability services.



Background



- Fifty percent of the ARPA funding must be obligated by 3/31/22 or be subject to recapture with the remaining funds expended no later than 9/30/25
- 100% of the ARPA program funds were obligated as of 2/1/22
- On 11/30/21 WERAP requested reallocated funds from the Department of Treasury
- On 12/30/21 the program was awarded \$943,151.79 in funds recaptured from other under-performing programs. The grant agreement and funding have not yet been received.



Background



- On 1/19/22 the Kansas Housing Resource Corporation (KHRC), the agency that administers the State's Kansas Emergency Rental Assistance (KERA) program and the Kansas COVID-19 Response & Recovery Office met with the WERAP management staff to discuss the City entering into a sub-recipient agreement with KHRC to assist in expending the State's emergency rental assistance funds



Analysis



- KHRC proposed allocating \$15 million to the City of Wichita from its round one funding as WERAP has been expending \$2 million per month
- The funding is subject to the Department of Treasury regulations associated with round one funding including that up to ten percent of the funds can be used for administrative expenses
- The sub-recipient agreement allows the funds be administered in accordance with established WERAP procedures
- Funds must be expended by 9/30/22



Financial Considerations



- The funding is exempt from any match requirements
- There is no impact to the General Fund



Legal Considerations



- The Law Department has reviewed and approved the sub-recipient agreement as to form



Recommendation



- It is recommended that the City Council approve the sub-recipient agreement with the Kansas Housing Resource Corporation and authorize the necessary signatures



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