



## AGENDA MEMORANDUM

First Reading for the City Council Meeting of November 9, 2021  
Second Reading for the City Council Meeting of November 16, 2021

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**DATE:** October 25, 2021

**TO:** Peter Zaroni, City Manager

**THRU:** Andrea Gardner, Assistant City Manager  
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**Accepting and Appropriating \$7,808,211 in Grant Funds from the U.S. Department of the Treasury for Emergency Rental Assistance and Authorizing the Grant Administrator Service Agreement for Administration**

### **CAPTION:**

Ordinance accepting and appropriating a grant in the amount \$7,808,211.00 from the U.S. Department of the Treasury and authorizing a one-year service agreement for Grant Administrator Services of Emergency Rental Assistance in an amount not to exceed \$1,170,565.00, with Hagerty Consulting Inc. of Evanston, Illinois, effective upon issuance of a notice to proceed; and amending the budget.

### **SUMMARY:**

This Ordinance accepts the second allocation of Emergency Rental Assistance (ERA) from the U.S. Department of the Treasury (the Treasury) and authorizes a service agreement with Hagerty Consulting Inc. for grant administrative services. The service agreement will allow for the implementation of the program to assist renters who are behind on their rent and utility payments as a result of COVID-19.

### **BACKGROUND AND FINDINGS:**

On March 11, 2021 President Joe Biden signed the American Rescue Plan Act of 2021. The Act includes the Treasury's \$21.55 billion ERA2 program. The Treasury has allocated \$7,808,211.00 to the City of Corpus Christi for residential rental assistance. The City of Corpus Christi will undergo a competitive process to procure for grant administration services.

ERA makes assistance available to eligible renter households in which at least one or more individual (a) qualifies for unemployment or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic; (b) demonstrates a risk of experiencing homelessness or housing instability; and (c) has a household income at or below 80 percent of the area median. Eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median are to be prioritized for assistance. The aggregate amount of financial assistance an eligible household may receive must not exceed 18 months under ERA2. The City of Corpus Christi is required to prioritize the payment of existing housing-related arrears that could result in the eviction of an eligible household. The Treasury has allowed up to 15 percent of the ERA2 funds for administration. When making the ERA2 allocations, the Treasury recognized that the 10 percent administration cap on ERA1 was insufficient and increased the administration cap for ERA2 to 15 percent. Administrative funds from ERA2 can be used for the implementation of ERA1.

This is the second allocation of ERA funds from the Treasury. ERA1 funds were authorized by City Council on May 25, 2021 in the amount of \$9,868,157.30 including a service agreement for administrative services in the amount of \$980,680.00. The Corpus Christi Emergency Rental Assistance Program launched on July 1, 2021. As of October 25, 2021, 922 households have been approved for \$4,702,851.69 from ERA1.

A grant administration contractor is necessary to meet program requirements and meet program demand. To be successful, the program implementation must include an online platform, call center, application processing, quality assurance, and processes to maintain compliance with program rules and regulations. The City does not have the staff capacity to administer this program without hiring additional full-time employees. Contracting with a firm experienced in emergency programs and that has a built online platform is critical to the program's success. The Neighborhood Services Department will oversee and manage the service agreement. Hagerty Consulting Inc. was awarded the service agreement for ERA1 administration and built the online application management system and has policies and procedures in place and case managers in working with applicants.

### **PROCUREMENT DETAIL:**

This procurement falls under a statutory exception within Local Government Code 252.022(a)(4) as these services are for personal, professional and/or planning services.

Hagerty Consulting, Inc., is currently providing grant administrative services for the City of Corpus Christi along with clients at the state and county levels including Nueces County in the implementation of Emergency Rental Assistance Programs. By way of this procurement, it is believed that Hagerty is the best choice for this work.

### **ALTERNATIVES:**

The City could hire additional full-time staff to administer the grant, run a call center, develop the online platform, and process applications.

### **FISCAL IMPACT:**

The City is receiving a grant to fund this program and service agreement.

**FUNDING DETAIL:**

Fund: 1089

Organization/Activity: 890104F

Mission Element: 132

Project # **(CIP Only): NA**

Account: 570040

**RECOMMENDATION:**

Staff recommends approval of the Ordinance accepting and appropriating the grants funds and authorizing a one-year service agreement with Hagerty Consulting Inc. as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance

Service Agreement

PowerPoint