



AGENDA DATE:

September 14, 2020

SUBJECT:

Provide a briefing and seek feedback on proposed program changes to the Collin CARES Emergency Housing and Living Assistance Program.

CITY REPRESENTATIVES:

Erin Jones, City of Allen
Sarah Carroll, City of Frisco
Janay Tieken, City of McKinney
Shirletta Best, City of McKinney
Shanette Eaden, City of Plano

Background

On or about May 19, 2020 Collin County entered an interlocal agreement (ILA) with the cities of Allen, Frisco, McKinney and Plano to administer the County's COVID-19 Emergency Housing and Living Assistance Program, referred henceforth as the Collin CARES Program, in the amount of \$30,000,000.

Item "7. *Use of Funds*" in the ILA states that the funds must be used for "*applicants who have, as a result of the COVID-19 public health emergency, suffered lost income [emphasis added] that has placed them in default or in immediate risk of default on utilities for their housing unit; and/or has placed them in the position of not being able to purchase adequate, nutritional food for their family.*"

The County tasked the cities with administering the program within the limited policies provided in the ILA and CARES ACT. At the time of the initial program setup, there were many unknowns and a need to expedite the program. The cities proposed a 25% income loss to qualify for the program and limited assistance to four months. Based on the demand for assistance, the December 31st deadline to expend funds, new Center for Disease Control (CDC) prohibition on evictions until December 31st, and to bring the program in line with the guidelines of other CARES Act funded programs, such as Community Development Block Grant Covid-19 (CDBG-CV) funds, the cities recommend the following changes to best serve the residents of Collin County:

1. Lowering or eliminating the 25% requirement.
2. Extending the program to up to six months of assistance.

Reducing/Eliminating 25% Loss of Income

As of August 27, 2020, there were 1,740 declined applications in ZoomGrants, of that 288 cited failure to meet the 25% income reduction as the reason for denial, which means that a portion of Collin County residents expressing need are not receiving assistance. In some cases, they may have just missed the cut off with a 20-24% decline in income, may have qualified as “low income” based on HUD’s standards, or present other valid factors indicating that assistance is needed. However, due to the 25% requirement they were declined. There are limited Community Development Block Grant (CDBG) funded programs that can provide aid to some of these residents; however, if they do not reside in Allen, Plano, McKinney or Frisco, then options are limited. These applicants are referred to local food pantries and faith-based organizations that may be able to provide one-time assistance, but most do not have the resources to provide the amount of assistance needed to provide stability for families in crisis.

Based on the information available in ZoomGrants, it is estimated that reducing the qualifying percentage to 15% would result in approximately 80 additional applications currently in the system being approved. Requiring that applicants show *any* COVID related income loss (i.e. eliminating a set percentage) would result in approximately 288 current applications being approved. This is a rough estimate as some of the applicants currently in the system may no longer need assistance and/or be disqualified for other unknown reasons. In addition, the number is likely to increase based on new applications received in the future.

The 25% reduction in income is not a requirement of the CARES Act and was imposed by the cities to help those most in need before knowing firsthand what the demand for the program would be. To reduce this requirement would allow the program to aid more Collin County residents and bring the program in line with other CARES Act programs that do not impose a specific percentage of loss.

Extending Aid from Four Months to Six Months

As mentioned above, there were very few guidelines provided initially with the CARES Act funds. As other CARES Act funded programs, such as CDBG-CV, release more policies, the cities deem it wise to bring Collin CARES in line with those programs. For example, CDBG-CV only requires applicants to show a loss of income (no set percentage) and allows up to six months’ worth of aid. While there are a portion of applicants who have been able to return to work, there are others who have not been able to find jobs or have had to return to a reduced salary and still require assistance. Furthermore, the CDC released new eviction moratorium guidelines on September 4, 2020. While at first glance this is a useful tool for people in need as it places a moratorium on evictions through December 31, 2020, the cities are concerned that it will cause some residents to procrastinate seeking help through Collin CARES, which will further slow the submittal rate of applications.

Reducing the percentage of income loss and extending payments for six months will allow Collin CARES to serve more Collin County residents for longer and expend funds in a more expedited manner to meet the December 31, 2020 funding deadline.

Transparency/Advertising

As with any change midway through a program, transparency and advertising the change will be of utmost importance. The cities will contact all potentially qualified applicants already in the ZoomGrant system via email. Each applicant will receive an email informing them of the program changes and encouraging them to contact their case manager to request that their case be reopened if they think they may qualify for assistance under the new guidelines. This is a common occurrence for the non-profit case managers as applicants contact them to reopen their case if any changes have occurred to their financial situation that may qualify them for the program.

As for new applicants, the change will be posted on all the cities' websites and anywhere the Collin CARES Program is advertised.

It should be noted that if the percentage of loss requirement is eliminated, then an applicant will only have to show a loss of any amount. The case managers will compare pre-March 1, 2020 income to current income, and if the income is less than pre-COVID, and the applicant meets all other program guidelines, they would be qualified for assistance. This will significantly expedite the review process as percentages will not need to be calculated.

The positive aspects of this change are that it will allow the program to help more Collin County residents and expedite review time. On the negative side, some applicants may take advantage of the reduced requirement and qualify when they have the means to support their families. However, that is a possibility in every aid program, and keeping guidelines in place such as the asset test helps limit those instances. In this case, the cities believe that the rewards of modifying the two guidelines outlined above outweigh the potential for a limited number of applicants to misuse the program.

Conclusion

The goal of the Collin CARES program is to assist as many Collin County residents as possible who are in need due to a COVID related income loss. These program changes will allow the cities to do that more effectively.