



City of Homer

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Homer City Council

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Memorandum 20-170

TO: Mayor Castner and Homer City Council

FROM: Councilmember Aderhold

DATE: October 12, 2020

SUBJECT: Mortgage and Rent Relief Grant (MARRG) Program through Alaska Housing Finance Corporation to Compliment Household Economic Relief Grant

I received a call from Kenai Peninsula Borough Assembly Member Tyson Cox regarding the use of CARES Act funds for a program to pay for household rents and mortgages up to \$1,200/month through Alaska Housing Finance Corporation (AHFC). The program was initiated by the State of Alaska last spring, in which the State paid for one month of rent or mortgage expenses to qualified households through AHFC. The State program ended this summer. Since that time, the City of Soldotna has implemented a rent/mortgage program with AHFC and Assembly Member Cox is bringing a resolution to the Kenai Peninsula Borough Assembly for consideration at their meeting on October 13. He is interested in cities having similar programs so rent and mortgage relief is equally available throughout the Borough.

When Homer City Council began the process of distributing CARES Act funds into our community, the AHFC program was one that we discussed and did not pursue. I've brought it forward formally now as a compliment to the Household Economic Relief Grant (HERG) program and to provide similar support to what Borough residents will likely receive.

If we authorize the MARRG program the City will enter an agreement with AHFC. AHFC will run the program with no administrative costs. For households that apply for rent/mortgage support, AHFC will pay landlords and mortgage holders directly as they have done for the State and other municipalities. The resolution includes funds for up to 4 months of rent/mortgage relief payments (September through December) with September paid retroactively.

AHFC provided data to the City based on the approximately 90 households in Homer that applied and qualified for the State sponsored rent/mortgage relief program that was used to determine funding for the program proposed in the resolution (please see the table on the next page). The average request was for \$848. Assuming 100 households apply and qualify to the City program for 4 months, the total needed for the program is \$339,200 (\$848 x 100 households x 4months).

Recommendation: Discuss and approve authorizing the MARRG program and \$339,200 expense

Enc:

-Draft agreement with AHFC which will be modified for the City of Homer jurisdiction.

Borough	Kenai Peninsula Borough
City	Homer

Housing Type	Applications	People Living in Applicant's Home	Average Income Prior to COVID-19	Average Income After COVID-19	Average Monthly Housing Payment	Average Monthly Housing Relief Requested	Average Date COVID Income Loss Took Place	Total Housing Relief Requested
Own	50	140	\$50,258	\$26,125	\$1,313	\$915	4/3/2020	\$45,755
Rent	43	88	\$34,177	\$16,336	\$973	\$770	4/2/2020	\$33,131
Total	93	228	\$42,659	\$21,499	\$1,152	\$848	4/3/2020	\$78,886