

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

ORDINANCE

ACCEPTING FUNDS FROM THE U.S. DEPARTMENT OF TREASURY, ERA2 PROGRAM, INCLUDING A \$2,468,163.91 GRANT FROM ERA2 REALLOCATED FUNDS, ROUND 1 AND A \$1,971,207.88 GRANT FROM ERA1 REALLOCATED FUNDS, FINAL ROUND, PAID DIRECTLY TO THE CITY; AND A \$500,000.00 GRANT FROM ERA1 FUNDS, AS A SUBRECIPIENT OF BEXAR COUNTY, TO PROVIDE RENTAL ASSISTANCE TO BEXAR COUNTY RESIDENTS LIVING INSIDE AND OUTSIDE THE CITY OF SAN ANTONIO; AND AUTHORIZING AN AMENDMENT TO THE INTERLOCAL AGREEMENT WITH BEXAR COUNTY PROVIDING FOR THE ADMINISTRATION OF BEXAR COUNTY'S RENTAL ASSISTANCE PROGRAM.

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WHEREAS, on April 23, 2020, City Council passed and approved Ordinance No. 2020-04-23-0277, which created the City's COVID-19 Emergency Housing Assistance Program (EHAP). The EHAP was intended to provide rent related and utility expenses for low-income households affected by the economic consequences of the COVID-19 pandemic and was administered by the Neighborhood and Housing Services Department (NHSD); and

WHEREAS, NHSD closed the EHAP application portal on March 1, 2022, as there were thousands of applications in the queue that would utilize most of the available funding. As of October 31, 2022, the City has approved \$206 million in assistance to nearly 66,000 households before closing the EHAP application portal in March 2022; and

WHEREAS, EHAP was intended as a temporary emergency program aimed at providing emergency assistance to families facing eviction due to financial hardships resulting from the COVID-19 pandemic. In May of 2022, the City launched the new Housing Assistance Program (HAP) which is designed to provide rental, utility, and mortgage assistance to eligible low-income households, including, but no longer limited to those facing COVID 19 related financial hardships; and

WHEREAS, the rental assistance application period closed on June 10, 2022 and NHSD processed over 10,000 applications. To date, the City has approved over \$13 million in financial assistance to more than 5,000 households through HAP; and

WHEREAS, the Fiscal Year 2023 adopted budget included \$3.4 million for rental assistance and a Bexar County ERA2 grant of \$2.25 million approved through City Council ordinance in June 2022. NHSD temporarily reopened the HAP application for rental assistance for eleven days from October 7 through October 17, 2022 and received over 4,000 online applications. To be eligible

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for rental assistance, households must have income no greater than 80% of area median income; demonstrate a risk of experiencing homelessness or housing stability; and experience financial hardship due, directly or indirectly, to the COVID-19 pandemic. Additionally, households will not be eligible for an additional rental assistance award if they received previous assistance from HAP within the last twelve months. Eligible households could receive up to three months of rental assistance not to exceed \$3,500.00. Households may also be eligible for assistance with utilities and internet service. Households facing eviction are prioritized for assistance. NHSD also continues to refer families needing mortgage assistance to the Texas Homeowner Assistance Fund, which provides up to \$65,000.00 per eligible household for mortgage payments, past due property taxes, property insurance, homeowner association fees, and utilities; and

WHEREAS, the U.S. Department of the Treasury (Treasury) implemented the Emergency Rental Assistance (ERA) program which was created to help cover the unmet rent and utility expenses of low-income households affected by the economic consequences of the COVID-19 pandemic; and

WHEREAS, the Treasury's ERA Program has two components: ERA1 and ERA2. Each component was created by separate federal legislation. The Treasury has reallocated funds for each component multiple times to allow local governments to continue to provide emergency rental assistance to those families that need it most. The City has received over \$113,453,669.22 of ERA1 and ERA2 funds from the Treasury since the implementation of the Program and continues to apply for and receive funds as they become available. Bexar County has also received ERA funds for their emergency rental assistance program; and

WHEREAS, In June 2021, City Council approved an Interlocal Agreement with Bexar County through which the City agreed to administer the County's allocation of ERA funds to provide rental assistance to eligible Bexar County residents. To date, the County has provided the City over \$14 million to pay rental assistance to Bexar County residents; and

WHEREAS, in September 2022, Bexar County informed the City that it would like to provide \$500,000.00 in ERA1 funding to continue to provide rental assistance to residents of the City of San Antonio as well as residents living outside the city limits, but within Bexar County. This Ordinance will accept the \$500,000.00 in ERA1 funds from Bexar County, allocate those funds to be used to provide additional rental assistance to families residing in Bexar County, both inside and outside the city limits, and will approve amending the Interlocal Agreement to include the additional \$500,000.00 in Bexar County funding for rental assistance. As a condition of providing this funding to the City's rental assistance programs, Bexar County will require the City to prioritize Bexar County applicants in issuing assistance payments. Remaining payments may be used for City of San Antonio residents; and

WHEREAS, in October 2022, San Antonio was awarded \$2,468,163.91 in ERA2 Reallocated Funds, Round 1; and in November 2022, was awarded an additional \$1,971,207.88 in ERA1 Reallocated Funds, Final Round, from the Treasury to be utilized to provide rental assistance under the City's HAP to support at-risk households. This Ordinance will also accept these funds and

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allocate them to be used to provide additional rental assistance to eligible families residing in the San Antonio city limits; and

WHEREAS, based on the foregoing, staff recommends adopting this Ordinance accepting funds from the Treasury, including a \$2,468,163.91 grant from ERA2 Reallocated Funds, Round 1 and a \$1,971,207.88 grant from ERA1 Reallocated Funds, Final Round, paid directly to the City; and \$500,000.00 from Bexar County, as a subrecipient of Bexar County's ERA1 grant, to provide rental assistance to Bexar County residents living inside and outside the City of San Antonio; and authorizing an amendment to the Interlocal Agreement with Bexar County to accept this additional funding from Bexar County for the administration of emergency rental assistance payments under the HAP to Bexar County residents. **NOW, THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council hereby accepts \$2,468,163.91 in U.S. Department of the Treasury (Treasury) Emergency Rental Assistance 2, Round 1 (ERA2, Round 1) Reallocation Funds for eligible purposes under the Treasury ERA2, Round 1 guidance, and allocates these funds for eligible uses including rental, mortgage, and utility assistance under the City's Emergency Housing Assistance Program (EHAP) as well as emergency rental, mortgage, and utility assistance under the Housing Assistance Program (HAP). Staff's application to the Treasury for this grant is hereby ratified and a copy of said application is on file with NHSD.

SECTION 2. The City Council hereby accepts \$1,971,207.88 in Treasury Emergency Rental Assistance 1, Final Round (ERA1, Final Round) Reallocation Funds for eligible purposes under the Treasury ERA1, Final Round guidance, and allocates these funds for eligible uses including rental, mortgage, and utility assistance under the City's Emergency Housing Assistance Program (EHAP) as well as emergency rental, mortgage, and utility assistance under the Housing Assistance Program (HAP). Staff's application to the Treasury for this grant is hereby ratified and a copy of said application is on file with NHSD.

SECTION 3. The City Council hereby accepts up to \$500,000.00 in Treasury Emergency Rental Assistance 1 (ERA1) funds as a subrecipient of Bexar County's ERA1 grant for eligible purposes under the Treasury ERA1 guidance, and allocates these funds for eligible uses including rental, mortgage, and utility assistance under the City's Emergency Housing Assistance Program (EHAP) as well as emergency rental, mortgage, and utility assistance under the Housing Assistance Program (HAP). The City Council accepts and approves the condition that in exchange for the ability to utilize these funds to provide rental assistance, the City must prioritize applications received from residents of Bexar County who live outside of the city limits of San Antonio. Any remaining funds are hereby allocated for the payment of rental assistance to residents within the city limits.

SECTION 4. The City Manager or designee, or the Interim Director of Neighborhood and Housing Services or designee are hereby authorized to initiate, negotiate, and execute any and all necessary documents, contracts and agreements, including amending the Interlocal Agreement with Bexar County to provide \$500,000.00 to the City, as a subrecipient of the County's ERA1 grant, for the City's administration of emergency rental assistance payments to residents in Bexar

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County and the City of San Antonio as provided in this Ordinance, and to take all necessary actions to effectuate the purposes and intent of this Ordinance consistent with the EHAP and HAP Policies and Treasury ERA1 and ERA2 guidance. Staff may adjust or align budgets and plans as necessary consistent with this Ordinance without further Council action.

SECTION 5. Upon approval of this Ordinance, a new fund and internal order number will be created, upon which the amount of up to \$2,468,163.91 will be appropriated from the Treasury. A formal final budget which will include Internal Order numbers and General Ledger numbers will be submitted by the department upon receipt.

SECTION 6. Upon approval of this Ordinance, a new fund and internal order number will be created, upon which the amount of \$1,971,207.88 will be appropriated from the Treasury. A formal final budget which will include Internal Order numbers and General Ledger numbers will be submitted by the department upon receipt.

SECTION 7. Upon approval of this Ordinance, a new fund and internal order number will be created, upon which the amount of up to \$500,000.00 will be appropriated from Bexar County. A formal final budget which will include Internal Order numbers and General Ledger numbers will be submitted by the department upon receipt.

SECTION 8. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 9. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 10th day of November, 2022.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney