



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 7

Agenda Date: March 18, 2022

In Control: Audit and Accountability Committee Meeting

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor report AU21-002 of the Neighborhood and Housing Services Department Emergency Housing Assistance Program

SUMMARY:

Determine if the Emergency Housing Assistance Program (EHAP) is effective and efficient and follows Council direction and/or grantor guidelines.

BACKGROUND INFORMATION:

Background

In response to the COVID-19 pandemic, the EHAP was created, using reallocated budget from various local funds and existing federal Community Development Block Grant (CDBG) programs, as well as new federal funding. In fiscal year (FY) 2021, EHAP received additional funding from the federal government, the State of Texas, and Bexar County.

The rules for the EHAP program have evolved over the course of the pandemic to simplify processing of applications and to accommodate new requirements imposed by outside funding sources. EHAP assists with rent or mortgage payments; utility payments for water, electricity, and internet; and provided direct cash assistance during some phases of the program. No assistance is provided unless the applicant needs rent or mortgage assistance.

Assistance can be provided using federal funds if the applicant falls at or below 80% of area median income (AMI), as defined by the US Department of Housing and Urban Development (HUD). Local funds were used for applicants earning between 80% and 100% of AMI in some phases of the program.

Applicants who filed electronic applications that were approved and paid since the inception of EHAP (April 2020) received assistance totaling \$93,159,415 through April 30, 2021.

Scope & Methodology

The audit scope included electronically submitted applications that were processed by the City between August 1, 2020 and April 30, 2021, and their associated payments. Additionally, data from the inception of the EHAP program through October 1, 2021 was used for generating background information for the report and for calculating average processing times.

We reviewed policies and procedures and grant agreements. We tested approved applications to determine if the supporting documentation was complete, income levels were accurately calculated, household size was supported, council district (or Bexar County status) was accurate, the eviction flag was correctly set, the source of funds was appropriate, and the total amount awarded complied with City, County, State, or Federal guidelines or grant rules (as applicable). We tested denied applications to determine if the application was denied for an appropriate reason and the reason was accurately recorded. We analyzed data to determine the length of time between submission and NHSD decision dates for applications with determinations. We also reconciled approved applications to payments listed in the City's accounting system (SAP), and vice versa. Testing criteria included policies and procedures, federal rules, and grant agreements.

Conclusions

Overall, the EHAP is being operated in an efficient and effective manner. NHSD is ensuring approved applications are being paid the assistance due, that payments are made only for approved applications, and that ineligible applicants are rejected from the program in accordance with City policies, federal rules, and grant agreements. NHSD has internal controls in place to detect duplicate applications, comply with grant agreements, and record payments accurately.

However, we noted some areas for improvement regarding compliance with grant agreements and recommended that NHSD obtain written clarification of grant terms with respect to the number of months of assistance awardable from each grant and any allowable exceptions.

NHSD Management agreed with the audit findings and has developed positive action plans to address them.

ISSUE:

This item is for briefing only.

FISCAL IMPACT:

This item is for briefing only.

ALTERNATIVES:

This item is for briefing only.

RECOMMENDATION:

Staff recommends acceptance of the audit.