



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 42

**Agenda Date:** June 23, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Interim Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

An ordinance authorizing an amendment to the Interlocal Grant Agreement with Bexar County to add two grant amounts including \$364,102.00 and up to \$6,000,000.00 in U.S. Treasury Emergency Rental Assistance (ERA-2) grant funds for rental and utility assistance.

**SUMMARY:**

This ordinance authorizes an amendment to the Interlocal Grant Agreement with Bexar County to add two grant amounts including \$364,102.00 and up to \$6,000,000.00 of federal funding, conditional upon approval by Bexar County, for the purpose of providing rental and utility assistance to eligible Bexar County residents.

**BACKGROUND INFORMATION:**

On April 23, 2020, City Council approved the creation of the Emergency Housing Assistance Program (EHAP) to help cover the unmet rent and utility expenses of low-income households affected by the economic consequences of the COVID-19 pandemic. Neighborhood and Housing Services Department (NHSD) administered EHAP, which provided eligible applicants rental, mortgage, and utility assistance. 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 June 5, 2022, the City has approved approximately \$206,129,697.00 in emergency housing

assistance to 171,617 household members seeking rental, mortgage, and utility assistance. While

EHAP was intended as a temporary emergency program, the City launched the new Housing Assistance Program (HAP) on April 29, 2022, to keep future housing stability services in place for low-income households in San Antonio and any current funds not expended on the EHAP applications were transitioned to the HAP.

In March 2022, City Council approved an Interlocal Grant Agreement with Bexar County to have the City distribute rental assistance in Emergency Rental Assistance (ERA-2) federal funding to eligible Bexar County residents in the amount of \$3,747,692.00. The total budget for emergency housing assistance, as of June 5, 2022, is \$221,165,068.00, which includes a variety of allocations including the U.S. Department of Housing and Urban Development, U.S. Department of the Treasury, Texas Department of Housing and Community Affairs, Bexar County, and the City's General Fund.

The proposed amendment to add two grants to bolster rental assistance program funds will be utilized to support Bexar County applicants who applied for the EHAP and HAP. The grants combined may provide up to \$6,364,102.00 in total funding. This infusion of funding may increase the total housing assistance budget up to \$227,529,170.00.

The first grant, which totals \$364,102.00, will be utilized to support approximately 73 Bexar County applications outside of the city limits who applied for the Emergency Housing Assistance Program (EHAP). The second grant, which totals up to \$6,000,000.00, conditional upon approval by Bexar County, will help process Bexar County applications under the HAP. In addition to helping process HAP applications, this grant will also help award approximately 234 Bexar County households outside of the city limits that applied under the EHAP.

#### **ISSUE:**

The infusion of two grants totaling an amount of up to \$6,364,102.00 in ERA-2 federal funds would support additional at-risk households in Bexar County with rental and utility assistance. The first grant, which totals \$364,102.00, will be utilized to support Bexar County applicants outside of city limits who applied for the Emergency Housing Assistance Program (EHAP). The second grant, which totals up to \$6,000,000.00, conditional upon approval by Bexar County, will help process Bexar County applications under the HAP. In addition to helping process HAP applications, this grant will also help award approximately 234 Bexar County households outside of the city limits that applied under the EHAP.

Households with incomes in the lowest income brackets are at the greatest threat of displacement or eviction and, therefore, in the greatest immediate need of rental assistance. The Bexar County funds would help serve applicants who meet the EHAP and HAP eligibility requirements per the program and federal guidelines. As of June 5, 2022, there are 4,345 HAP applications in processing.

#### **ALTERNATIVES:**

Without the proposed amendment, the City will not be authorized to accept two grants in ERA-2 federal funding from Bexar County in an amount up to \$6,364,102.00. This will impact the City's capacity to financially assist Bexar County households in need of rental and utility assistance. The acceptance of funding is conditional upon approval by Bexar County.

**FISCAL IMPACT:**

This ordinance authorizes an amendment to the current Interlocal Grant Agreement with Bexar County to add two grant amounts including \$364,102.00 to provide rental and utility assistance to Bexar County residents residing outside COSA city limits, and up to \$6,000,000.00 of federal funding, conditional upon approval by Bexar County, for the purpose of providing rental and utility assistance to all Bexar County residents, including those residing within COSA city limits. With this action the total housing assistance budget will increase from \$221,165,068.00 to an amount up to \$227,529,170.00.

**RECOMMENDATION:**

Staff recommends approval of the amendment to the Interlocal Grant Agreement with Bexar County for the acceptance of two grant amounts including \$364,102.00 to provide rental and utility assistance to Bexar County residents residing outside COSA city limits, and up to \$6,000,000.00 of federal funding, conditional upon approval by Bexar County, for the purpose of providing rental and utility assistance to all Bexar County residents, including those residing within COSA city limits.