



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 15

Agenda Date: May 18, 2023

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Housing Assistance Program Grant Funding

SUMMARY:

This ordinance accepts \$5,214,822.97 in Emergency Rental Assistance funds from the U.S. Department of the Treasury. The \$5,214,822.97 grant is being provided to the City directly from the Treasury Department from ERA-2 Reallocated Funds. Funds will be used to provide rental assistance to residents that live inside city limits under the City's Housing Assistance Program (HAP).

BACKGROUND INFORMATION:

On April 23, 2020, City Council approved the creation of the Emergency Housing Assistance Program (EHAP) to help cover 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 the EHAP, which provided eligible applicants rental, mortgage, and utility assistance before closing the portal on March 1, 2022.

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 and utilities assistance to eligible low-income households facing COVID-19 pandemic related financial hardships.

NHSD temporarily reopened the HAP application for rental assistance from October 7 through October 17, 2022 and subsequently from February 1 through February 16, 2023 receiving over 10,000 applications collectively. The City has awarded approximately \$6.9 million to over 2,300 eligible families since October 2022. The HAP rental assistance application portal is set to reopen from May 15 – June 5, 2023, to provide additional rental assistance to nearly 2,000 additional households in need in San Antonio.

To be eligible 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 12 months. Eligible households could receive up to three months of rental assistance not to exceed \$3,500 and may also be eligible for assistance with utilities and internet service up to \$1,500. 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 per eligible household for mortgage payments, past due property taxes, property insurance, homeowner association fees, and utilities.

The U.S. Department of the Treasury Emergency Rental Assistance (ERA) program 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. In April 2023, San Antonio was awarded \$5,214,822.97 in Emergency Rental Assistance (ERA-2) Reallocated Funds (Round 3) from the U.S. Department of the Treasury to be utilized to provide rental assistance under the City's HAP to support at-risk households. This ordinance will accept this funding and allocate it to be used to provide additional rental assistance to eligible families residing in the San Antonio city limits.

ISSUE:

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 funds being provided to the City will bolster existing rental assistance program funds and will be utilized to support eligible applicants who applied for financial housing assistance under HAP.

The total fiscal year 2023 budget for housing assistance including administrative expenses, as of May 2, 2023, is approximately \$13.3 million, which includes a variety of allocations including the U.S. Department of Housing and Urban Development, U.S. Department of the Treasury, Bexar County, and the City's General Fund. The funds accepted under this ordinance will provide up to \$5,214,822.97 in total funding and be utilized to support approximately 2,000 eligible applications under HAP. The funding also brings the total rental assistance budget for fiscal year 2023 to approximately \$18.5 million.

ALTERNATIVES:

If this Ordinance is not approved, the City of San Antonio will not be authorized to accept an additional \$5,214,822.97 in funding from ERA-2 Reallocation (Round 3) from the U.S. Department of the Treasury in Emergency Rental Assistance. This will impact the HAP's capacity to financially assist households in need of rental and utility assistance and require the City to leverage General Fund sources to cover incurred expenses.

FISCAL IMPACT:

This ordinance accepts and allocates grants in the amount of \$5,214,822.97 in Emergency Rental Assistance (ERA-2) Reallocated Funds (Round 3) from the U.S. Department of the Treasury. There is no fiscal impact in the General Fund.

RECOMMENDATION:

Staff recommends adopting this ordinance which accepts funds from the U.S. Department of Treasury, ERA-2 Program, including a \$5,214,822.97 grant from ERA-2 Reallocated Funds, (Round 3) paid directly to the City.