

Substantial Amendment #2 to the FY 2021 Action Plan & Acceptance of TDHCA Texas Emergency Rental Assistance Program Funds

**City Council “A” Session
Agenda Item #14 (21-1050)
January 21, 2021**



**CITY OF SAN ANTONIO
NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

**Verónica R. Soto, FAICP
Director**

Staff Recommendation

- Approve Substantial Amendment #2 to FY 2021 Action Plan and Budget to program \$10.2 Million in second round of CDBG CARES Act funds and reprogram \$1.3 Million in CDBG entitlement funds
- Accept grant award of \$3.6 Million from State for Texas Emergency Rental Assistance Program (TERAP)
- Approve 2 agreements with Bexar County to administer \$2.2 Million in TERAP funds and Bexar County General Funds for rental assistance



Background

- On August 13, 2020 – City Council approved the \$22.4 Million FY 2021 HUD Action Plan including \$13.3 Million in Community Development Block Grant Funding
- On October 29, City Council approved Substantial Amendment #1 to FY 2021 Action Plan and Budget
 - Amendment #1 redirected \$4.8 Million from CDBG Rental Housing Development and Homeownership Gap funding to the COVID-19 Emergency Housing Assistance Program

FY 2021 Annual Action Plan (Approved August 13, 2020)	Budget
Community Development Block Grant	\$13,351,216
HOME Investment Partnerships Program	5,823,415
Housing Opportunities for Persons w/ AIDS	2,043,971
Emergency Solutions Grant	1,131,767
Total	\$22,350,369



Additional Funding

- On September 11, 2020 HUD awarded the City an additional \$10.2 Million in CDBG CARES funding
- Presents an opportunity to continue to respond to the pandemic by focusing on:
 - Housing services supporting response; and
 - Housing Rehabilitation to keep residents housed



Substantial Amendment # 2 Summary

- Staff recommends programming Second Allocation of Community Development Block Grant CARES funds (CDBG-CV) in the amount of \$10,249,127 and reprogramming FY21 CDBG Entitlement funds in the amount of \$1,325,000
 - \$7.7 Million increase to EHAP Budget (2,970 families)
 - \$159K Eviction Intervention (18 months of staffing)
 - \$189K Housing Counseling and Foreclosure Prevention (18 months of staffing)
 - \$900K Temporary Shelter for Homeless (18 months of support)
 - \$900K Owner Occupied Rehabilitation for older housing (7 homes)
 - \$425K Minor Home Repair (13 homes)



Affordable Housing Programs Revised Budgets (CDBG & CDBG-CV)

Program	Current Budget	Recommended Adjustment	Revised Budget
EHAP	\$5,875,000	\$7,675,127	\$13,550,127
Owner Occupied Rehab	1,799,226	900,000	2,699,226
Minor Repair	500,000	425,000	925,000
Eviction Intervention	–	159,540	159,540
Housing Counseling and Foreclosure Prevention	–	189,460	189,460
Temporary Shelter for Homeless	–	900,000	900,000
Total	\$8,174,226	\$10,249,127	\$18,423,353



Mayor's Housing Policy Taskforce Report

Affordable Housing Rehab and Production

- 10-year goal to rehab and/or construct 18,700 affordable housing units
 - 34% of all households in Bexar County are cost burdened
- Affordable housing production must continue if we are to minimize the long-term impacts of the pandemic. The amendment includes:
 - \$900k for owner occupied rehabilitation
 - \$425k for minor repair
- Initial recommendation included \$3 million for gap funding. Staff has revised the recommendation and the \$3 million will be added to EHAP budget.
 - The affordable housing budget currently includes \$2.5 million in HOME for gap funding.
 - Staff will consider 5 rental housing development proposals and 3 homeownership housing development proposals. Total requested funds is \$8.8M. These 8 proposals would yield approximately 750 units.
 - **Staff will return to the Planning and Land Development Committee with funding recommendations for the proposals and may recommend additional funding sources for consideration to assist with the gap funding requests.**



Texas Emergency Rental Assistance Program

The City awarded \$3.6 million in TERAP

Bexar County awarded \$717K in TERAP funds and will contribute an additional \$1.5 million in County General Funds.
City will administer County funds

10% of TERAP funds must be used for Texas Eviction Diversion Program (TEDP)

Total combined funds will add \$5.3 million to Covid-19 Emergency Housing Assistance Program (EHAP) for rental assistance and \$432K for Eviction Diversion



2021 TDHCA TERAP FUNDING

Fund	EHAP	TEDP	Total
City's TDHCA TERAP	3,242,790	360,310	3,603,100
County's TDHCA TERAP	645,477	71,719	717,196
County's General Fund	1,500,000	-	1,500,000
Total	\$5,388,267	\$432,029	\$5,820,296



EHAP Phase 3 Budget

- With additional \$13.1 Million, EHAP Phase 3 budget will increase to \$37.3 Million
 - Funding thru early to mid April
- If actions are approved the total investment in EHAP since April 2020 will increase from **\$76.7 Million** to **\$89.8 Million**

Phase 1:
\$25.6 Million

Phase 2:
\$26.9 Million

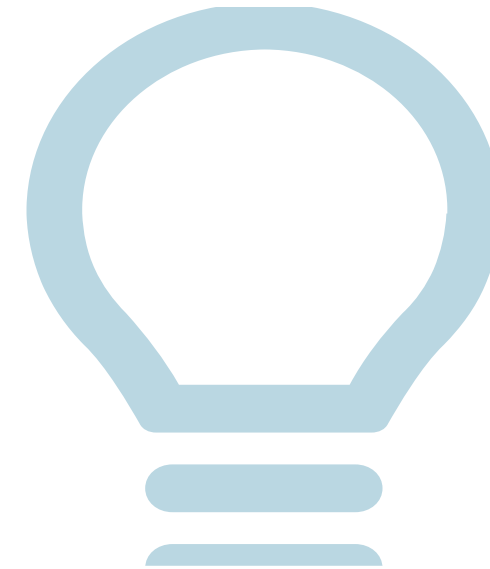
Revised Phase 3:
\$24.2 Million + \$7.7 CDBG
+ \$5.4 TERAP =
\$37.3

*Does not include the additional \$46.7 million from the COVID 19 Emergency Relief Bill. A recommendation for implementation will be developed and brought to the Culture and Neighborhood Services Committee and then to the full City Council.

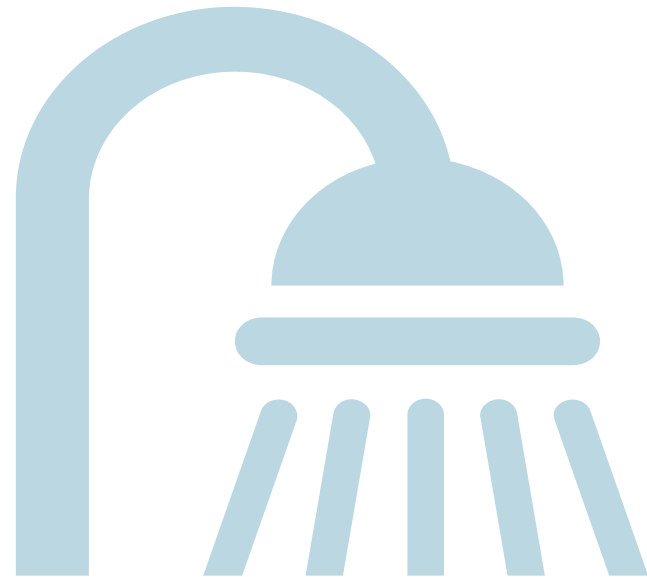




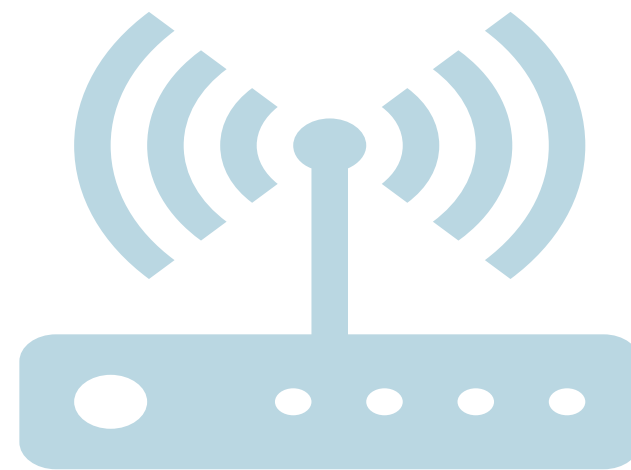
Rent & Mortgage: \$54.7M



CPS: \$5.1M



SAWS: \$0.8M



Internet: \$0.2M



Cash Assistance: \$7.4M

Total: \$68.2 Million



As of January 15, 2021

Requested Action Today

- Approve Substantial Amendment #2 to FY 2021 Action Plan and Budget to program second round of CDBG CARES Act funds and reprogram CDBG entitlement funds
- Accept grant award from State for Texas Emergency Rental Assistance Program (TERAP)
- Approve agreement with Bexar County for City to administer TERAP funds and Bexar County General Funds for rental assistance



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