



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 4A.

Agenda Date: 2/18/2021

In Control: City Council A Session

DEPARTMENT: City Manager's Office

DEPARTMENT HEAD: Ana Bradshaw, COVID-19 Financial and Performance Liaison

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Accepting a grant award in the amount of \$46,751,961.10 from the United States Treasury for Emergency Rental Assistance, approving the budget within the Recovery and Resiliency Plan, and amending program eligibility requirements.

SUMMARY:

Amendments to the Recovery and Resiliency Plan and the City's ongoing COVID-19 emergency response plan and supplemental initiatives to further the objectives of the plan.

BACKGROUND INFORMATION:

On April 23, 2020, City Council approved the creation of the Emergency Housing Assistance Program (EHAP). The program provides eligible applicants rental or mortgage assistance, utility assistance, and cash assistance. The EHAP is administered by the Neighborhood and Housing Services Department (NHSD).

Currently, the total budget for the EHAP is \$86.8 million. This includes Phases 1-3 of the EHAP as well as administrative costs which includes 38 temporary positions to process applications. As of February 8, the City has approved \$71.9 million in assistance to over 28,770 households seeking emergency rental, mortgage, and utility assistance.

In January 2021, the U.S. Treasury awarded the City an additional \$46.8 million for the Emergency Rental Assistance programs under the Coronavirus Response and Relief Supplemental Appropriations Act of 2021.

Emergency Rental Assistance program funds are provided directly to States, U.S. Territories, local governments, and tribal governments. Grantees must use the funds to help eligible households through existing

or newly created rental assistance programs to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. Not less than 90 percent of awarded funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Remaining funds are available for housing stability services, including case management and other services intended to keep households stably housed, and administrative costs. Funds generally expire on December 31, 2021.

Staff is recommending that the entire award be used to support the EHAP. This would increase the EHAP Budget to \$133.6 million and the program would remain funded through September 2021.

Current eligibility criteria require that applicants:

1. Reside within the City of San Antonio or Bexar County
2. Provide documentation of hardship due to COVID-19
3. Gross household income must be at or below 80% of the AMI

The current assistance allowed is tiered based on the applicant's AMI

- If an applicant's AMI is at or below 50%, the applicant is eligible for 2 months of rental or mortgage assistance, utility (SAWS, CPS, Internet) assistance, and a cash grant (up to \$300). If a third month of assistance is needed, the applicant is eligible for a \$500 cash grant only.
- If an applicant's AMI is between 51% and 80%, the applicant is eligible for 2 months of rental or mortgage assistance. If a third month of assistance is needed, the applicant is eligible for a \$250 cash grant only.

Emergency Housing Assistance Program Allowances Effective October 1, 2020 - Present						
AMI	Months 1 and 2					Month 3
	Rent/Mortgage	SAWS	CPS	Internet	Cash Grant	Cash Grant
<50%	X	X	X	X	Up to \$300	\$500
51% - 80%	X					\$250

ISSUE:

As a result of the additional funding from the US Treasury and the potential for more federal funding, the City is recommending amendments to the EHAP. The recommendations consider feedback from various stakeholders through a variety of methods as well as the funding limitations of the federal funding.

- The US Treasury Funding is for rental and utility assistance for individuals making less than 80% of AMI. The assistance is paid directly to landlords and utility companies and funds must be spent by September 30, 2021.
- The Neighborhood and Housing Services Department in partnership with the Housing Commission developed a survey to solicit feedback on the EHAP from applicants, property managers, and community partners. Over 7,000 responses were received.
- Feedback from applicants through the call center.
- Feedback from the call center employees and Finance and NHSD employees.
- Feedback from our outreach partners to include Domesticas Unidas, COPS Metro, SAGE, TRLA, Catholic Charities, Sacred Heart, and others
- Housing Commission, Cultural and Neighborhood Service Council Committee, and Mayor and City Council.
- Feedback from informal and formal discussions with applicants, property managers and owners, and industry organizations.

The following eligibility criteria is utilized for EHAP applicants and will remain unchanged:

1. Reside within the City of San Antonio or Bexar County
2. Provide documentation of hardship due to COVID-19
3. Gross household income must be at or below 80% of the AMI

Staff is proposing the following amendments to the EHAP:

- Extend the term of eligibility from 2 months of assistance to 6 months of assistance.
- Continue to provide rental, mortgage, and utility assistance (CPS, SAWS, and internet), but eliminate the cash grant.

Proposed Assistance Allowance is tiered based on the applicant's AMI:

- If an applicant's AMI is at or below 50%, the applicant is eligible for up to 6 months of rental or mortgage assistance and the current bill amount for utility bill (SAWS, CPS, Internet) assistance.
- If an applicant's AMI is between 51% and 80%, the applicant is eligible for up to 6 months rental or mortgage assistance, but no utility assistance.

Emergency Housing Assistance Program Allowances (Recommended)				
AMI	Up to 6 months			
	Rent/Mortgage ¹	SAWS	CPS	Internet
<50%	X	X	X	X
51% - 80%	X			

1. Subject to fund availability.

Residents are eligible for a total of 6 months of assistance; prior assistance will be counted towards 6-month total.

In addition to the proposed amendments to increase EHAP program allowances, the EHAP survey results pointed to the need to improve referral services for residents seeking food, childcare, job training, transportation, and other federal benefit enrollment. Neighborhood and Housing Services and the Department of Human Services (DHS) currently staff the Financial and Housing Recovery Center at the Central Library. The Center employs several Benefits Navigators that work with individuals and families and provide them the necessary referrals to meet their specific needs. The EHAP application will be amended to include a section on referral services. If an applicant shares that they need other services in addition to rental, mortgage, or utility assistance, they will receive a phone call from a Benefits Navigator who will then perform the assessment and connect them to the necessary services. Additionally, any applicant that calls the current EHAP call center line 210-207-5910 will be asked at the conclusion of their call if they need other services that are not rental, mortgage, or utility assistance. DHS and NHSD will add additional Benefits Navigators to address the increase in demand.

NHSD also proposes to develop an application assistance program for those families that lack access to a computer or need assistance gathering the necessary documentation for program eligibility. Residents that call the EHAP call center for application assistance will be assigned an application assistant for completing the online application who will be their point of contact throughout the process.

To support these amendments staff is recommending that the staffing model be expanded to include 45 additional temporary positions to bring the total temporary staffing complement to 83. This includes the addition of five Benefits Navigators to assistance applicants with accessing other services. Also included are three additional temporary positions to provide relocation assistance in situations where leases are not renewed or residents have decided to leave current until without securing another lease. Contractual funding is also allocated to work with community partners, to include Domesticas Unidas, COPS Metro and SAGE, to provide application assistance program for clients that do not have regular access to a computer or need assistance gathering documentation for submission.

The proposed amendments were presented to the Housing Commission on January 27 for their feedback and

staff will facilitate another public comment opportunity on February 9 and will present a recommendation to City Council on February 18. The majority of the Housing Commissioners complimented staff on the analysis and expressed support for staff's recommendations. The Housing Commission approved to advance the recommendations to the Culture and Neighborhood Services Committee and directed staff to share the feedback provided by the Housing Commission with the Council Committee. The majority of the comments focused on the following:

The referral system process must be embedded in the online application process and call center. The process must be seamless and staffed appropriately. Staff assured the Commission that the process will be seamless, and that an additional five Benefits Navigators will be hired and more will be hired if necessary. The Benefits Navigators will perform an assessment on each client and identify and connect them to the resources they may need. Examples include workforce training, food, childcare, pet care supplies, transportation, SNAP enrollment, and others.

Cash assistance remains a need for families. Staff explained the rationale for eliminating the cash assistance program: (1) Direct cash assistance is not eligible under the federal guidelines for the recently awarded \$46.8 million in U.S. Treasury funding and the remaining general funds must be dedicated to those families not eligible to receive federal funding and mortgage assistance; (2) The Family Independence Initiative (Fii) recently informed the City they will not authorize another extension to operate the cash assistance program as they are returning to their primary mission to facilitate financial independence through financial counseling and mentorship; (3) The cash assistance program is a short term solution and the proposed referral system will connect individuals to long term benefits that will help with food security, job training, childcare, and other services they may need. But if through an assessment it is determined that cash assistance is the only tool available to help meet a specific need, a gift card can be provided.

The proposed amendments were presented to Culture and Neighborhood Services Council Committee (CNSC) on February 12. The CNSC approved to advance the recommendations to the full City Council with consideration of the feedback and requests from each Committee member. Primary feedback included the following:

- Expand utility assistance to the families making between 51% to 80% AMI.
- Extend the term of eligibility from 2 months of assistance to 12 months of assistance.
- Further clarify that cash assistance is still available through the referral program.
- Coordinate rereferral system with the Foodbank.

Staff will evaluate these requests and will communicate any revisions to staff's recommended amendments to City Council prior to the February 18th Council consideration.

ALTERNATIVES:

Should City Council not approve the proposed EHAP amendments, the program assistance allowances will remain unchanged and residents will be eligible for up to two months of rental and mortgage assistance and NHSD will be required to identify an alternative method for distribution of direct cash assistance, as the current contractor can no longer support additional increases to the EHAP budget for direct cash assistance.

Should City Council not approve the implementation and development of an improved referral and application assistance program, rent, mortgage, utility assistance, food, childcare, job training, transportation, and other Federal Benefits enrollment may be delayed for residents.

FISCAL IMPACT:

Funds in the amount of \$46,751,961.10 are appropriated within the Emergency Housing Assistance Program

RECOMMENDATION:

Staff recommends accepting the grant award of \$46,751,961.10 from the United States Treasury, approving the budget and amending the guidelines within the Emergency Housing Assistance Program.