

# Mayor and Council Communication

DATE: 03/09/21

M&amp;C FILE NUMBER: M&amp;C 21-0174

LOG NAME: 19EMERGENCY MORTGAGE ASSISTANCE AMENDMENT

**SUBJECT**

(ALL) Approve Amendment to Mayor and Council Communication 20-0330 and 20-0471 to Add Mortgage Assistance as an Allowable Expense, Authorize a Change in the Terms of Emergency Rental Assistance from Three Months to Six Months, Authorize Reallocation of \$200,000.00 in Coronavirus Aid, Relief and Economic Security Act Community Development Block Grant Funds to Housing Channel, Tarrant County Samaritan Housing, and The Salvation Army for the Emergency Rental Assistance Program, and Authorize Amendments to Related Contracts

**RECOMMENDATION:**

It is recommended that City Council:

1. Approve Amendment to Mayor and Council Communication 20-0330 and 20-0471 to add emergency mortgage assistance as an allowable expense for all agencies listed in Table 1 below;
2. Authorize a change in the period of emergency rental assistance from three months to six months;
3. Authorize reallocation of \$200,000.00 of Coronavirus Aid, Relief and Economic Security Act Community Development Block Grant funds to Housing Channel, Tarrant County Samaritan Housing, Inc., and The Salvation Army for Emergency Rental Assistance; and
4. Authorize amendment of related contracts as listed in Table 1 below.

**DISCUSSION:**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020 to respond to the many impacts of the COVID-19 public health emergency. The CARES Act included additional allocations of formula grant funds under the Community Development Block Grant (CDBG) program to help local communities prevent, prepare for, and respond to the coronavirus. The City was notified by the United States Department of Housing and Urban Development (HUD) on April 9, 2020, of its initial award of \$4,360,291.00 in CDBG-CV funds. These funds were subsequently awarded to eligible activities and programs through M&C 20-0330 and M&C 20-0471 on May 19, 2020 and June 23, 2020, respectively. Three key activities were approved by the Community Development Council (CDC) for the use of CARES Act funds, including emergency rental assistance, services for the elderly, and employment related services. Initial allocation of funding stated all emergency rental assistance programs funded with CDBG-CV CARES Act funds would provide up to three months rental payments for income-eligible applicants, and would require tenants pay no more than 30 percent of their income towards their rent.

The City also funded emergency housing assistance for income-eligible residents through the FWCARES program, which used Coronavirus Relief Fund (CRF) funding and offered emergency mortgage payment assistance as well as emergency short-term rental assistance. The FWCARES program continues to receive applications but the limited balance of funds remaining in this program as of February 2021 is likely to be exhausted within the next few months. Based on requests from social service providers and inquiries from citizens, there will be a continuing need for mortgage assistance due to the pandemic. Also, more recent guidance from HUD (CDBG-CV Notice FR-6218-N-01 published August 20, 2020) extended the time period that CDBG-CV funds may be used to provide individuals or families impacted by coronavirus with emergency rental or mortgage assistance from up to three months, to up to six consecutive months. Therefore, staff is recommending that existing CDBG-CV contracts with subrecipients be amended to include emergency mortgage assistance as an eligible program expense, and to extend the period of all emergency housing assistance to be up to six months.

CDBG-CV funds were allocated through M&C 20-0471 on June 23, 2020 to a public service agency, Sixty and Better, for a Meal Delivery program in the amount of \$200,000.00. Due to program implementation issues, the agency was unable to utilize these funds or execute a contract, resulting in unprogrammed funds. These funds are recommended to be reallocated to the three public service agencies listed in Table 1 below to provide additional support to their emergency housing assistance programs. These agencies are also partnering with the City to implement another emergency housing assistance program, the Texas Emergency Rental Assistance Program (TERAP) and the Texas Eviction Diversion Program (TEDP), which will be funded locally with a \$1,800,000.00 grant from the Texas Department of Housing and Community Affairs.

**TABLE 1: CDBG-CV Agencies Recommended for Additional Rental Assistance Funds**

AGENCY NAME	CURRENT DESCRIPTION	REVISED DESCRIPTION	CURRENT ALLOCATION	PROPOSED CHANGE	REVISED ALLOCATION
Housing Channel	Emergency Rental Assistance	Emergency Rental and Mortgage Assistance	\$700,000.00	\$67,000.00	\$767,000.00
Tarrant County Samaritan Housing	Emergency Rental Assistance	Emergency Rental and Mortgage Assistance	\$200,000.00	\$66,500.00	\$266,500.00
The Salvation Army	Emergency Rental Assistance	Emergency Rental and Mortgage Assistance	\$250,000.00	\$66,500.00	\$316,500.00
<b>TOTALS</b>			<b>\$1,150,000.00</b>	<b>\$200,000.00</b>	<b>\$1,350,000.00</b>

This program serves ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations, funds will be available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. The Neighborhood Services Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, the Neighborhood Services Department has the responsibility to validate the availability of funds. This is a reimbursement grant.

**Submitted for City Manager's Office by:** Fernando Costa 6122

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