

Mayor and Council Communication

DATE: 05/04/21

M&C FILE NUMBER: M&C 21-0311

LOG NAME: 19NS CARES ACT TEMAP FUNDS

SUBJECT

(ALL) Authorize Acceptance of Texas Emergency Mortgage Assistance Program Funds in an Amount Up to \$500,000.00 from the Texas Department of Housing and Community Affairs, a Federally Funded Program Sponsored by the United States Department of Housing and Urban Development Designed to Provide Mortgage Assistance for Low to Moderate Income Residents Under the Coronavirus Aid, Relief, and Economic Security Act, Execution of a Certification Electing to Receive the Funds, Adopt Attached Appropriation Ordinance, and Authorize Waiver of Indirect Costs

RECOMMENDATION:

It is recommended that City Council:

1. Authorize acceptance of Texas Emergency Mortgage Assistance Program funds in an amount up to \$500,000.00 from the Texas Department of Housing and Community Affairs under the Coronavirus Aid, Relief, and Economic Security Act;
2. Ratify execution of certification electing to receive the funds;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in an amount up to \$500,000.00 subject to receipt of the grant, for the purpose of funding Texas Emergency Mortgage Assistance Program services and activities; and
4. Authorize a waiver of the Neighborhood Services Department indirect cost rate of 18.78%, estimated total of \$12,207.00.

DISCUSSION:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, was passed to address the economic fallout of the 2020 coronavirus pandemic. The CARES Act included provisions to help local governments prevent, prepare for and respond to the coronavirus pandemic, including providing for additional allocations of Community Development Block Grant (CDBG) funds to both states and cities. The Texas Department of Housing and Community Affairs (TDHCA) administers the state's CDBG CARES Act funds and is making some of those funds available to local jurisdictions to implement the Texas Emergency Mortgage Assistance Program (TEMAP). TDHCA notified the City on January 29, 2021 of its eligibility to receive up to \$500,000.00 in TEMAP funds.

TEMAP provides mortgage assistance to homeowners at or below 80% of the area median income and who have been economically impacted by COVID-19 to help ensure housing stability during the pandemic. The program can pay up to six consecutive months of an eligible household's mortgage payments, including mortgage arrears, with at least one of those months covering a month of future mortgage. Eligible properties may also be referred to the Department's LeadSafe Lead Hazard Reduction and home repair programs.

The program will be administered by the Neighborhood Service Department's Community Action Partners through its network of community centers located in low and moderate income neighborhoods. Recipients of mortgage assistance may also be able to receive help with utility payments and case management. It is estimated that a total of 60 homeowners will be assisted by the program.

Indirect costs totaling approximately \$12,207.00 could be charged to this grant, as the Neighborhood Services Department indirect cost rate is 18.78% in the City's most recent Cost Allocation Plan. A waiver of these costs is requested to allow allocation of these funds to further support the programs and services to assist low-to-moderate income citizens impacted by the coronavirus.

It is recommended that \$500,000.00 of TEMAP funds be allocated as follows:

General Administration: \$65,000.00 - costs of planning for, administering, reporting on, and monitoring all activities paid for with TEMAP funds

Mortgage Assistance: \$435,000.00

This program is available in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Texas Department of Housing and Community Affairs

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, 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.

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