



MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Housing and Planning Department

DATE: October 30, 2020

SUBJECT: Relief of Emergency Needs for Tenants (RENT) – Program Updates

This memorandum provides an update on the spend plan for the City's Relief of Emergency Needs for Tenants (RENT) program. The Housing and Planning Department (HPD) launched the \$12.9 million dollar program as a robust response to provide emergency rental assistance to low-income households that have been financially impacted by the COVID-19 pandemic. We have placed a priority on households earning 30% or less of the Median Family Income (MFI) and communities of color, which data has shown have been disproportionately impacted by COVID-19.

Vendor Experience

HPD partnered with The Housing Authority for the City of Austin (HACA) to administer the second iteration of the RENT program after the successful partnership distributing \$1.2 million of rental assistance in May. With the addition of federal dollars to the program, HACA requested to add an additional subcontractor to lead the effort with the increased dollars. CVR Associates, Inc. is a nationwide organization skilled at administering federally funded programs and has knowledge of federal compliance guidelines. CVR has been providing consulting services to public housing authorities, the U.S. Department of Housing and Urban Development (HUD), and the affordable housing industry for the past 25 years. CVR's high level of expertise has been confirmed by the fact that HUD has selected CVR, for the past seven years, as one of only a handful of firms to provide consulting services, technical assistance and training for housing authorities across the country. To that end, we have been rigorous in developing a program that can withstand the financial oversight associated with federally regulated programs.

Progress to Date – Applicants & Applicant Demographics

The program launched on August 19, 2020, with over 1,500 households submitting applications on the first day. As of October 27, 2020, we have received a total of 6,058 applications. Of that total, just over 1,000 applications remain to be randomly selected for eligibility determinations. While 42% of applicants reported an income of 30% MFI and below pre-COVID, over 77% of applicants report current incomes below 30% MFI. Additionally, 58% of applicants reported pre-COVID incomes of 80% MFI, and 22% of households report current incomes at 80% MFI and below, indicating that many families have lost significant income increasing the number of families currently living at 30% MFI and below. The average pre-COVID income is about \$28,000, while the current average income is about half that at \$15,000.



TOTAL APPLICATIONS SUBMITTED	TOTAL ASSISTANCE RECEIVED TO DATE	TOTAL APPLICATIONS REQUIRING ADDITIONAL ACTION (by TENANT or LANDLORD)	TOTAL APPLICATIONS PENDING REVIEW	TOTAL APPLICATIONS DENIED VIA INITIAL SCREENING
6,058	1137	1999	1117	1599

Over 64% of the head of households indicate that they are women and 38% of total head of households identify as Hispanic. When asked if they need support with other services, the largest number, 42%, state that they need utility assistance. Over 50% of applicants are single-person households. Households in need assistance can visit the [RENT website](#) to apply.

Progress to Date – Households Served

To date, we have approved more than \$4.4 million dollars in rental payments representing approximately 2,334 households. While over 11% of households receiving assistance have come from the 78741 zip code, our focused outreach strategies will target 78724, 78702 and 78752 due to the high number of low-income renters in those zip codes and the large number of households identified by the Uprooted Report as vulnerable to displacement. For more information on households that have been served by the program, the [RENT Dashboard](#) is also available.

Nationwide Trends and Data

Best practices and nationwide trends have been identified to better understand both economic and programmatic challenges US cities are facing in implementing rental support programs during the pandemic. What has surprised many housing academics, advocates, and city staff is that cities have not seen the precipitous increase in evictions thus far as originally predicted. Across the country, rental payment rates are down, but only marginally. A recent report by [National Multi-Family Housing Council](#) states that over 90% of renters across the country had paid rent or made a partial payment as of October 20, 2020. Although there are critiques with the methodology used by various organizations reporting rent payment rates, locally, state-wide, and nationally, the payment rate is above 90%. There are some reports that state the rent payment rate in Austin is slightly higher at 92%.

Current Challenges

Households are receiving support from a variety of funding sources through the City and the County, including government and philanthropic support. Additionally, the City has provided financial support to individuals through the RISE program, a relatively low-barrier program designed to assist households that have also been impacted by COVID-19.

There are challenges implementing a program without local partners on the ground. Beginning next month, the program will be supported by 14 nonprofit organizations that Council recently approved for \$400,000 in funding to provide outreach and assist applicants completing applications. The greatest challenges we face include: 1) getting households to submit the correct documents; 2) delays in households submitting required documentation; and 3) response time



and willingness of landlords to submit information. The challenge is not the capacity of the vendor. CVR has more than 50 staff available to support households and process documentation. CVR would like to see an increase in applications to serve more households.

Moving Forward

Staff met recently with our vendors, HACA and CVR, and we are confident that we can spend the allocated \$12.6 million in CARES Act funding by the December 30, 2020 deadline. Recent program changes were implemented to ensure that this happens including:

- Direct rental assistance will be provided up to six months for all households earning less than 80% MFI. This includes the period from March 1, 2020 – December 30, 2020.
- Households are deemed eligible at the time applications are submitted; a month to month certification will no longer be required.

Reconciled as of 10/27/20	Allocated Budget	Remaining Balance
GF-CARES ACT	\$12,600,000	\$8,812,163
CDBG-CV	\$2,500,000	\$2,500,000
LOCAL FUNDS	\$800,000	\$711,934
Total Contract:	\$15,900,000	\$12,024,097

Conclusion

Marketing efforts will be supported and amplified with the additional direct outreach efforts to target getting an additional 2,000 applicants in the pipeline. The goal is to process approximately \$1 million per week in rent payments to exhaust federal funds by the December 30 deadline. This is an ambitious goal, and the Housing and Planning Department staff, along with HACA and CVR, believe the program changes and the additional outreach will result in the distribution of remainder of the funds.

Finally, we know that there are still many families that are in need. We remain committed to working diligently to see that people who need rental support receive it, and we will continue to adjust the program so that those who need the assistance are able to successfully access available funding.

I remain available should additional information be requested. I can be reached at 512.974.3064; rosie.truelove@austintexas.gov.

cc: Spencer Cronk, City Manager
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