

Economic Recovery Funds: City Effectively Managed COVID-19 Relief Money



Objective

Did the City effectively manage the distribution of economic recovery funds?

Background

The City of Austin received \$170.8 million from the federal CARES Act. The City used this federal funding as well as local funding from the City's general fund on a variety of community needs, such as providing financial assistance to businesses, nonprofits, and residents who were financially impacted by the COVID-19 pandemic.

Multiple City departments have been part of creating these financial assistance programs. The Economic Development Department manages several different economic recovery programs to provide assistance to businesses, nonprofits, musicians, creative workers, live music venues, and childcare support providers. The Housing and Planning Department manages the emergency rental assistance program for Austin renters.

What We Found

The City effectively managed the distribution of economic recovery funds.

The Economic Development Department (EDD) appears to have provided funding timely to eligible residents and organizations.

- We conducted an eligibility review of four of EDD's nine economic recovery programs. The four programs we reviewed accounted for 70% (\$32.9 million) of EDD's spending on these nine programs.
- All awardees in our samples for each program met the eligibility criteria approved by City Council.
- We found that residents and organizations typically received funding within a month of the application's close.

The Housing and Planning Department made improvements over time to the City's emergency rental assistance program to be more accessible to the community and better align with best practices.

- Texas Housers' Principles of Equitable Rent Relief say rental assistance should be rapid, accessible, accountable, targeted, and sustained.
- The Housing and Planning Department made changes to its emergency rental assistance program to better align with Texas Housers' principles. Examples of these changes are only asking applicants to provide documentation if they are selected by the lottery and providing more than one month of rental assistance.

Additional Observation: It does not appear that the Housing and Planning Department plans to continue the emergency rental assistance program once federal pandemic relief funding runs out. The City should consider continuing this program to serve as a more permanent form of support for tenants.

What We Recommend

We made no recommendations in this audit.