Rental relief programs in major cities and counties in Texas

What we learned from nine local governments across the state
I. Introduction

In response to the coronavirus pandemic and widespread economic turmoil, several major cities and counties in Texas have implemented direct financial assistance programs for their residents. These programs take a variety of forms. Many programs utilize federal relief funds from the CARES Act, the stimulus bill signed into law in March 2020, to provide support to residents facing hardship. How these relief dollars are distributed depends on new administrative systems that local governments have designed and implemented, often in a matter of weeks.

In this paper, Texas Housers will provide an overview of the critical program design choices that local governments have made and are continuing to make in the area of rental relief. Our aim is twofold. First, we would like to show local governments the array of policy options available. Second, we would like to highlight the challenges of administering rental relief on a local level with limited resources, and how different policy options can alleviate or aggravate these challenges.

As more data becomes available, our analysis will shift to evaluating the outcomes of rental relief programs. We intend to quantify the efficacy with which local governments have administered rental relief, with an eye towards equity of outcomes for the most vulnerable residents. However, to avoid doing a post-mortem on what is an ongoing crisis, we present this publication based primarily on recent interviews with local government officials.

In Section II of this paper, Texas Housers develops a timeline of the past few months from the passage of the CARES Act to the initiation of emergency rental relief efforts in Texas. In Section III, we outline the five most impactful design decisions that local governments make in creating a rental relief program. In Section IV, these design decisions are illustrated by three programs representing three models of rental relief, each of which utilizes local non-profit partners in a different way. In Section V, we draw out lessons learned from this experience, which can inform local governments as they implement rental relief in the future. In Section VI, we conclude by exploring areas for future research.

We would like to thank the following local governments for speaking with us about their experiences with post-COVID rental relief programs. For a full list of individual participants, please see Appendix 2. However, Texas Housers is solely responsible for the opinions and analysis in this report.

Local Governments

| El Paso County | Montgomery County | Denton County |
| City of El Paso | City of Houston | City of Austin |
| City of Denton | City of San Antonio | Harris County |

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II. Background and Timeline

When the CARES Act was signed into law on March 27, 2020, it released substantial federal funds to state and local governments around the country to support coronavirus-related response programs. One of the largest pots of money was the Coronavirus Relief Fund (CRF), of which $11.2 billion was allocated to Texas. As illustrated in Figure 1, of that $11.2 billion, $3.2 billion went directly to large counties and municipalities, while $6.19 billion went to the state government. An additional $1.85 billion, earmarked for counties and municipalities with populations under 500,000, was also given to the state government to distribute to smaller jurisdictions through an application-and-reimbursement program run by the Texas Department of Emergency Management.¹

![CARES Act Allocations to Texas](image)

Local governments that received direct CRF allocations have frequently used these funds to support emergency financial assistance programs for their residents. In most cases, CRF money is supplemented by a combination of local general funds, donations from local charities and businesses, and other federal grants. In addition to creating the Coronavirus Relief Fund, the CARES Act released emergency funding to the Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA). HUD and FEMA have supplemented their preexisting programs with this funding. Some cities in Texas, including Fort Worth, have successfully used HUD’s Community Development Block Grants to support rental relief programs.²

What makes the Coronavirus Relief Fund unique, however, is the combination of its scale and its lack of clear restrictions. Cities and counties have broad authority over their allocations, which can amount to

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tens or hundreds of millions of dollars, and which can be spent on any program responding to COVID-19 or its impacts on social and economic welfare.³

Direct financial assistance to residents falls within the CRF’s remit, and major local governments all over the state have allocated millions of dollars to programs that fall broadly into this category. Some financial assistance programs are restricted purely to rental relief, while others include relief for expenses like mortgage payments, utilities, and food. In the next Section, we will explore five key areas of program design that can be used to distinguish rental relief programs in Texas.

### Timeline of Rental Relief Efforts around Texas

<table>
<thead>
<tr>
<th>March 27</th>
<th>April 4</th>
<th>May 4</th>
<th>May 13</th>
<th>June 4</th>
<th>June 12</th>
<th>July 1</th>
</tr>
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<tr>
<td>San Antonio City Council approves $25 million for COVID-19 Emergency Housing Assistance Program</td>
<td>City of Dallas opens application period for $15.7 million rental and mortgage assistance program</td>
<td>City of Houston starts taking applications for its $13 million rental assistance program administered by Baker Ripley</td>
<td>Collin County opens online applications for Collin CARES, a $45 million financial assistance program</td>
<td>Harris County approves an additional $33 million in rental relief</td>
<td>Harris County disburses the first half of its $30 million financial assistance fund to local charities on June 12. It closed public applications for the second half of the fund on June 24.</td>
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</tbody>
</table>

Fig. 2 – Timeline of major rental relief programs around Texas⁴

### III. Critical Program Design Choices

Direct financial assistance programs vary in several important ways. We identify five major branching points in rental relief program design. First, however, we want to note two other important differences that will not be fully explored in the scope of this paper: funding sources and the types of assistance provided. The mix of local funds, charitable donations, and federal grants, unique to each jurisdiction, requires a separate, detailed assessment. Analysis of funding sources is also available in the National Low Income Housing Coalition’s [research note on emergency rental relief programs around the country](https://www.nlchq.org/releases/2020/07/20200715researchnote-emergency-rental-relief-programs), published on July 20, 2020.

While some assistance programs, such as Harris County’s $30 million General Assistance Fund and Collin County’s $45 million program, provide multiple types of assistance, other programs focus specifically on rental relief.⁵ That a city or county has an assistance program dedicated entirely to rental relief does not imply that it lacks separate programs for other needs. The considerations that go into whether a local government combines its streams of assistance into one program, or distinguishes them according to

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⁴ See Appendix 1 for complete list of sources.

need-type, are particular to the jurisdiction’s normal means of administering social policy, as well as to its political environment.

Figure 3 shows the five branching points we will explore. Although this list is by no means exhaustive, it is meant to provide a lens through which to differentiate and evaluate local programs. In five sub-sections, we briefly explain what considerations might go into the program design decisions, and how some of them have played out in practice in Texas.

**Program Design Choices**

![Diagram showing the branching points in program design choices: Lottery vs First Come, First Served; Tenant-Centered vs Landlord-Centered; Centralized within Government vs Outsourced to Nonprofit Partners; High Documentation Burden vs Low Documentation Burden; Income Targeted vs Not Substantially Income Targeted.]

**Fig. 3 – Rental relief program design key choices**

1. **Triage**

The first point refers to triage systems that programs use to filter a vast pool of applicants into a much narrower selection of recipients. They vary from a lottery approach (Austin’s “RENT” program, for example), to weighted lotteries, to the first come, first served approach typified by Houston’s $15 million rental relief program administered through BakerRipley, a major nonprofit corporation based in Houston.

Triage is an absolute necessity for rental relief programs, because the need far exceeds the resources available. With Houston’s program, for instance, the online portal for resident applications was flooded with users. In under two hours of being live, all of the relief money provided was accounted for and the website crashed.

Houston, along with San Antonio, Dallas, and El Paso, used a first-come, first-served approach. In some jurisdictions, implementing a lottery could require greater technical expertise and introduce delays. Given that the lottery winners might not be eligible, or might not have the documentation to prove it, a city or county could also be forced to run multiple rounds of the lottery. However, in Austin, the housing authority had prior experience running lotteries for other housing programs, so a similar system was implemented for RENT.
One advantage of a lottery, and a disadvantage of the first come, first served approach, is the ability to ensure equal access. Houston’s first come, first served approach favored residents who lived in high-information environments, who could hear about the program on TV or radio in a language they understood, who had stable internet access during the window when applications were open, and who were able to take time away from their jobs, childcare, and daily responsibilities to persevere through a buggy online application. To low-income residents, time is a precious resource, one that may have been in short supply during the narrow application window. A lottery, especially if it gives increased weight to lower-income residents (as happened in Harris County), may produce more equitable outcomes.6

Local governments using the first come, first served approach can mitigate equity concerns in several ways. Through news media, local charities, religious organizations, and community groups, they may engage in substantial community outreach, preferably in multiple languages. They may also reduce the documentary requirements that place an outsized burden on residents who are unbanked or who do not have regular access to printers, scanners, and the internet. Income targeting is one of the strongest ways to target the most vulnerable. Ultimately, data on the demographic spread of rental relief recipients will tell the story.

2. Landlord and Tenant Participation

Programs differ on how and when landlords and tenants are brought into the process. In most cases, both landlords and tenants play a substantial role. Several jurisdictions, including Houston, designed programs that enrolled landlords early in the process and also cut checks directly to landlords. Other programs, including Austin’s, were tenant-centered. The tenant kicked off the process by filling out an application, and then worked in cooperation with the landlord and the city to submit the necessary documentation.

Austin encountered an obstacle when some landlords declined to participate in the rental relief program, which required them to sign an agreement waiving certain fees and accepting lower-than-usual payments to make tenants whole. The program was not mandatory; landlords could opt out, even if that meant the tenant would be unable to pay anything.

Making a program landlord-centered also has disadvantages. In some cases, even if landlords are brought into the process early, they may still decline to provide the necessary documentation, including W9s, which might reveal unreported sources of income, as occurred in El Paso County. Additionally, focus on landlords may bias a program to large multi-family landlords, rather than so-called “mom-and-pop” landlords. This disparity may be even more pronounced for renters who have informal lease agreements, including undocumented renters.

3. Partnerships with Third Parties

6 On Harris County’s lottery, Judge Lina Hidalgo said, “Those who are more vulnerable will be prioritized, they will have more entries in the randomized drawing.” https://www.click2houston.com/news/investigates/2020/06/24/this-is-how-harris-county-will-be-distributing-its-30-million-covid-19-relief-fund/.
Every rental relief program we surveyed worked with third-party local partners to some extent. In San Antonio, working with local charities, churches, and community groups was a critically important part of the public information campaign, to ensure that hard-to-reach populations knew that rental relief was available.

Other jurisdictions relied much more heavily on local nonprofit partners. El Paso, for example, solicited local nonprofits to apply to become sub-recipients of the financial assistance program. These nonprofits, who were well-connected within the community and accustomed to distributing aid, would administer relief on behalf of the city by acting as intake filters of applications from residents, case workers as the applicants sent in documentation, verifiers of eligibility requirements, and as fiscal agents for the city.

The strategy of delegating substantial administrative tasks to local nonprofit partners can be used to avoid hitting the administrative capacity issues that come with a centralized process. Austin faced these issues, though they were mitigated by using the Housing Authority of the City of Austin (HACA) as a fiscal agent. In San Antonio, where administrative capacity proved to be a substantial challenge, furloughed librarians were retrained to work on the rental relief program.\(^7\)

### 4. Documentation Requirements

Local governments required a variety of documents from applicants to prove eligibility. One of the most common requirements was a lease agreement to prove residence within the program’s jurisdiction and the amount of rent due. Also common were requirements to prove income levels and coronavirus-related hardship. These requirements could be met by bank stubs, unemployment or furlough letters, or by proving membership in another income-targeted program, such as food stamps (SNAP).

Eligibility testing is one of the most administratively intensive aspects of rental relief. It can’t be automated, and the more documents a program requires, the more resources it must allocate toward reading those documents. This is especially true with programs that assign case workers to handle applicants’ cases, and who must correspond back-and-forth to acquire the correct documents.

Residents, especially the most vulnerable ones, may have difficulty obtaining certain documents on short notice. Many of these individuals may not have access to financial services, making it difficult to provide bank stubs. If an applicant is paid in cash, they may not have income statements, so proving loss of income due to COVID-19 presents a daunting challenge. Additionally, for residents who do not speak English, caseworkers may need to invest significant time into collecting the correct documents, which puts these residents at a disadvantage. Residents who are undocumented may not have formal lease agreements, and they may be reluctant to participate in a program that could expose their immigration status to scrutiny.

Enabling residents to demonstrate their enrollment in another income-targeted program to qualify for rental relief is one way cities can mitigate these issues. Additionally, jurisdictions should provide multiple methods for residents to submit documentation, including email and text. Allowing applicants to self-certify that they are eligible, which involves signing a statement verifying their income level and

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\(^7\) Information provided in interview.
experience of hardship, can open doors for the hardest-to-reach applicants, and Houston used this method with positive results. Applicants are rarely trying to “cheat the system,” so it is best to err on the side of making relief programs more accessible. Cities and counties also imposed various other eligibility requirements for applicants to their rental relief programs. As a universal requirement, applicants must live within the jurisdiction of the program. Complications arose, however, when cities and counties with overlapping jurisdictions administered separate programs. In data provided by El Paso County, of 267 applicants to their rental relief program, 86.1% said they lived in the city of El Paso, which made them ineligible to the County’s program (they were redirected to the appropriate resources in the City).

5. Income Targeting

Perhaps the most impactful type of eligibility requirement is income targeting. Most financial assistance programs in Texas imposed at least some income restrictions on applicants, so that the most precarious residents would be first in line to receive help.

HUD considers households whose income is 80% or less of the Area Median Income (AMI) to be Low-Income (LI). AMI scales with family size and differs substantially between areas. The chart below details the income limits of major rental assistance programs in Texas. Income limits are given as % AMFI, or Area Median Family Income, to include the Median Family Income (MFI) term that is used for non-metropolitan areas but in other respects is interchangeable with AMI. It is also noteworthy that Hidalgo County and El Paso County implemented income limits in terms of a percentage of the Federal Poverty Level, which has been converted to AMFI for the purposes of comparison. Lastly, this graphic refers to rental relief programs in these jurisdictions as they existed in May and early June; more recent iterations of rental relief may have seen income limits move up or down.

**Income Limits on Rental Assistance in Texas by City and County (% AMFI)**

![Image of Income Limits Chart]

*Fig. 4 – Income limits on rental relief programs*

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9 Data provided in a direct email from El Paso County administrators.


11 See Appendix 1 for complete list of sources.
Texas Housers views these income limits as insufficiently restrictive almost without exception. In Montgomery County and Collin County, where income restrictions are minimal, middle-class and upper-class families qualify for rental relief just as much as those at or below the poverty line. With limited resources, lack of income targeting means that funds will not always reach the most vulnerable families. Even cities and counties with income limits at 80% AMI should consider lower limits, given the tremendous need of households at the lowest income brackets and the often far greater damage that befalls a family with no savings when they are evicted. Harris County demonstrates leadership in the state by setting the income limit on its general relief fund at 60% AMI.

IV. Program Models

To bring the five points of program design in Section III to life, Texas Housers has created process maps illustrating rental relief administration in three major Texas cities: San Antonio, Houston, and El Paso. The process maps show three stages of program design and implementation. In the first stage, the cities set up the program by finding (or creating) new resources and establishing administrative infrastructure. In the second stage, cities accepted applications and enrollment from tenants and landlords. In the third stage, cities (or local nonprofit partners) implemented triage strategies to select a pool of applicants, tested applications according to eligibility requirements, and disbursed the funds.

The process maps are detail-light, aimed at providing a general typology of rental relief programs rather than an exhaustive map of any particular program. The maps show a range of options available to local government administrators as they design their programs.

Rental Relief Program Administration: Process Maps

San Antonio: The “fully centralized” model

![San Antonio: The “fully centralized” model](image-url)

*Fig. 5A – Process map of San Antonio’s rental relief program*
Houston: The “centralized NGO” model

![Process map of Houston’s rental relief program](image)

El Paso: The “decentralized NGO” model

![Process map of El Paso’s rental relief program](image)

The main difference between these three program-types is the extent to which they offload administrative burdens onto local nonprofit partners. Section III explored the pros and cons of these approaches. It is worth noting, however, that many other decisions, including small technical details, can substantially impact the efficacy of a rental relief program. For this reason and many others, it is worth reading about rental relief programs from a variety of jurisdictions in depth, and to augment that reading with open conversations with peer cities about their experiences.

V. Lessons Learned: The “Ten Commandments” of Rental Relief

In our conversations with local government officials in nine jurisdictions administering rental relief programs, we repeatedly heard a few crucial “lessons learned.” These lessons represent opportunities to refine current and future rental relief programs. Each jurisdiction is different, with unique political
and economic constraints. Nonetheless, these “Ten Commandments” were widely regarded as essential ingredients of successful rental relief administration.

1. Partner with local community organizations

Local charities can reach communities that city officials cannot. Even if local charities are not tasked as fiscal agents or eligibility testers, they are essential partners in community outreach and intake.

2. Prioritize outreach and public awareness

To ensure that a program is equitable, a jurisdiction should strive to make sure every resident knows that help is available. Officials named churches, grocery stores, charities, and schools as important venues for outreach. Social and news media, particularly Spanish-speaking media, can also raise awareness.

3. Prepare for administrative capacity limits

Every rental relief program faces administrative capacity issues. Running a large new program will always be a challenge. However, this issue can be mitigated by delegating work to various agencies and partners that operate in close connection. Local governments should have contingency plans in place for what to do when the applications flood in, as the need exceeds the capacity everywhere.

4. Find resources in unexpected places, including furloughed workers

Many government employees are currently working from home with reduced duties or are furloughed. They can be re-tasked and retrained for administering rental relief. More broadly, local governments can look to departments that have experience administering direct financial assistance for support.

5. Income targeting works

Because need is so widespread, relief should go to the lowest-income renters. We believe that 50% AMI is the gold standard. Strict income targeting also makes the money go farther, because each low-income household costs less to save from eviction.

6. Minimize documentation requirements and allow for self-certification when possible

Although it may seem to contradict the commitment to income targeting, the reality is that only a fraction of applicants will try to “cheat the system.” Meanwhile, millions of the most vulnerable applicants may get locked out of the process by high documentation requirements, which also add to a jurisdiction’s administrative load.

7. Collect data to build institutional knowledge
Jurisdictions should collect a variety of data on their rental relief programs, including demographic data of the applicant pool and the recipients, to test the equitability of the program. If possible, they should also monitor the eligibility testing process closely to see which documents cause snags in the application process. Every piece of information they collect can improve their own rental relief process, and also inform the decisions of other jurisdictions.

8. Communicate with nearby jurisdictions about successes and failures

This experience is shared. Cities and counties across Texas are learning how to administer emergency rental relief at the same time, under unprecedented working conditions. Jurisdictions should be proactive in having candid inter-community discussions about what has worked and what hasn’t.

9. Prepare for the long term

As eviction moratoria end, expanded unemployment benefits elapse, and savings get spent, the COVID-19 housing crisis will deepen. Local governments should build rental relief programs with an eye to the long term, which means allocating adequate resources to the administrative task and developing key performance indicators to make sure that their programs are on the right track.

10. This isn’t just a coronavirus problem

The housing crisis in Texas is nothing new. The *Gap*, an annual report published by the National Low Income Housing Coalition, shows that only 29 affordable housing units exist for every 100 Extremely-Low-Income households in Texas—a deficit of over 600,000 units.\(^\text{12}\) What the coronavirus crisis has done is reveal the underlying precarity that so many low-income renters already faced. Now, with unprecedented unemployment levels, local governments must step in to protect their most vulnerable residents. Emergency rental relief can alleviate widespread human suffering, but it cannot be regarded as the long-term solution. Local governments should take the current crisis as an encouragement to develop solutions to the underlying problems of housing scarcity and rising rent costs.

### NLIHC’s *The Gap* (2020)

<table>
<thead>
<tr>
<th></th>
<th>At or below ELI*</th>
<th>At or below 50% AMI</th>
<th>At or below 80% AMI</th>
<th>At or below 100% AMI</th>
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</thead>
<tbody>
<tr>
<td>Texas (overall)</td>
<td>29</td>
<td>49</td>
<td>100</td>
<td>108</td>
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<tr>
<td>Austin</td>
<td>14</td>
<td>42</td>
<td>101</td>
<td>107</td>
</tr>
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<td>Dallas-Fort Worth</td>
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<td>100</td>
<td>108</td>
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<tr>
<td>Houston</td>
<td>19</td>
<td>41</td>
<td>101</td>
<td>110</td>
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</tbody>
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* Extremely Low-Income (ELI) is households with incomes at or below the poverty guideline or 30% of AMI, whichever is higher

VI. The Next Phase

In the coming weeks and months, Texas Housers will collect the data needed to fully assess the effectiveness of the rental relief programs discussed in this paper. Housers intends to collect demographic data on the recipients of rental relief, including race, ethnicity, income bracket, and ZIP code, and other information when available. This will support the equity analysis of rental relief programs, judging how well or poorly a local government has managed to target its most vulnerable residents. Outcomes may now be quantified with respect to the program design choices discussed in Section III.

Texas Housers will also track eviction filings and judgments across the state. Since the passage of the CARES Act, evictions in Texas have been held in check by a raft of federal, state, and local protections. Many of these protections have now expired or will soon expire. The dam will break, and evictions will flood the state.

At this critical juncture, Texas Housers urges cities and counties in Texas to embrace data transparency. Need will vastly outpace resources, so local governments will have to do everything they can to stretch a dollar—and stretch it to the most vulnerable households in their jurisdictions. This process must be informed by equity analysis. We encourage local governments to proactively share demographic data with advocacy groups, including Texas Housers, as it becomes available, and to respond promptly to Open Records Requests.

Discouragingly few counties in Texas have online downloadable eviction filings data from their Justice of the Peace Courts. If local officials do not know how widespread the eviction problem is in their districts, it will be hard to advocate on behalf of their constituents for state and federal resources. If advocacy groups and charities don't know where evictions are happening, it will be difficult to help. Now is the time for local governments to modernize and democratize their data collection.

The economic and societal turmoil from COVID-19 will outlive the virus itself. Nor will this pandemic be the last disaster to afflict Texan households. Low-income renters live on the edge of a cliff, and every downturn threatens to push them off. Local governments that invest in this population’s security today will see dividends paid many times over. Housing security is not just about mitigating the current crisis, but also about developing the tools to ensure better lives for the Texans of the future.

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13 To learn more about renter protections in Texas: [http://sites.utexas.edu/covid19relief/tenant-protections/](http://sites.utexas.edu/covid19relief/tenant-protections/).
Appendix I: Additional Sources for Figures

Fig. 2 – Timeline of Rental Relief Efforts around Texas
1. https://www.sanantonio.gov/Portals/0/Files/NHSD/Programs/FairHousing/policyEHAP.pdf
6. https://www.harriscountyt Relief.org/faqs

Fig. 4 – Income Limits on Rental Relief Programs
10. https://www.themonitor.com/2020/05/28/hidalgo-co-starts-7-5m-rent-mortgage-relief-program/
13. https://www.sanantonio.gov/Portals/0/Files/NHSD/Programs/FairHousing/policyEHAP.pdf
Appendix II: List of Participating Local Officials, Administrators, and Experts

Austin
- Mandy DeMayo, Community Development Administrator, former Executive Director of HousingWorks Austin
- Darlene Lanham, Executive Director, Asian Family Support Services of Austin
- Heidi Gerbracht, Professor at LBJ School of Public Affairs, previously Chief of Staff and Policy Director for Austin City Council Member Bill Spelman

Denton
- Danielle Shaw, Community Services Manager

Denton County
- Dawn Cobb, Director of Community Relations

El Paso
- Nicole Ferrini, Chief Resilience Officer, Director, Community and Human Development
- Abraham Gutierrez, Administrative Services Manager, Community and Human Development

El Paso County
- David Stout, Commissioner Pct. 2
- Irene Valenzuela, Executive Director, Community Services Department
- Carlos Marquez, Community Services Department

Houston
- Marissa Aho, Chief Resilience Officer
- Shannon Buggs, Director, Mayor’s Office of Complete Communities

Harris County
- Lance Gilliam, Policy Director, Commissioner Pct. 1
- Sophie Elsner, Policy Advisor, Commissioner Pct. 1
- Mercedes Sanchez, Senior Policy Advisor, Commissioner Pct. 2

Montgomery County
- Dr. Joanne Ducharme, Director of Community Development

San Antonio
- Veronica “Vero” Soto, Director of Neighborhood and Housing Services