



## TxCDBG Emergency Services - Help for Colonias Program

### Goals

- Assist residents impacted by the public health and economic crisis resulting from the Coronavirus;
- Expend aging TxCDBG funds effectively to meet the current needs; and
- Focus funding on the counties identified by the legislature for Colonia Self-Help Center assistance.

### Program Design

- Eligible Entities
  - TDA will offer each county participating in the Colonia SHC program an allocation of Emergency SHC funding.
  - Eligible counties carry out the activities of the Emergency SHC Program with existing staff, if appropriate, or by partnering with a non-profit entity, such as the non-profit that currently operates the Self Help Center, or with another entity, to carry out the activities.
- Eligible Activities - Emergency SHC funds will be used for Subsistence Payments (Activity 05Q) to assist low-income individuals or families whose income has been significantly reduced as a result of social distancing and other public health restrictions issued beginning March 2020.
  - Housing Assistance – up to three months of documented mortgage expenses, paid directly to the lender on behalf of the colonia resident/homeowner;
  - Utility Assistance – up to three months of documented utility expenses, paid directly to the utility on behalf of the colonia resident;
  - Food and Related Assistance – calculated as the Maximum Monthly SNAP Amount by family size for the Supplemental Nutrition Assistance Program administered by the Texas Health and Human Services Commission (<https://yourtexasbenefits.hhsc.texas.gov/programs/snap>), provided through store cards purchased from local grocery stores.
  - Maximum of \$2,000 in grant funds per residential unit (address).
- Eligible Beneficiaries – Households eligible to receive Emergency SHC funds must meet all of the following requirements as certified by the family during the application process:
  - Residence in a non-entitlement community within one of the seven designated counties (excludes cities of Brownsville, Edinburg, El Paso, Harlingen, Laredo, McAllen, Mission, Pharr, and San Benito), documented through utility bills or other means;
  - Residence in a colonia community – if funds remain after being offered to colonia residents, the County may request to expand the program to other non-entitlement residents;
  - Current Income equal to or less than 50% of the county's Area Median Family Income (i.e. very low-income as defined by HUD - <https://www.huduser.gov/portal/datasets/il/il19/Section8-IncomeLimits-FY19.pdf>); and
  - Income significantly reduced as a result of public health restrictions beginning March 2020.

## **Background**

- Legislative Set-Aside
  - The Texas Legislature has, for many years, designated 2.5% of each annual TxCDBG allocation to support Self Help Centers in designated counties.
  - The Texas Department of Housing and Community Affairs is designated by appropriation rider to administer the Colonia SHC Program.
  - TDHCA issues grant contracts for Self Help Centers in five counties identified in the authorizing statute, and has expanded to provide the same support for two similar counties
  - Colonia Self Help Centers serve residents in a variety of ways. Public service activities may include, but are not limited to employment services, health services, and services for senior citizens.
  
- Available Funding
  - All funds identified annually in the legislative set-aside are awarded to one or more Self Help Center counties each year.
  - Several counties have been unable to fully expend the awarded funds within the four-year contract period and have de-obligated funds not used. For the past 10 or more years, TDHCA and TDA have agreed that TDHCA will retain the de-obligated funds to support additional Colonia SHC awards.
  - CDBG funds expire eight years after the beginning of the federal fiscal year in which they were originally awarded; as a result of changes to HUD's financial management requirements, the first such expiration date to directly impact the Colonia SHC program will occur September 2021. TDHCA has identified approximately \$1.7 million that is unlikely to be fully expended prior to the federal fund expiration in 2021.
  - TDHCA and TDA staff have coordinated to expend the funds nearing expiration in the spirit of the Colonia SHC program, administered by TDA.

## **Next Steps**

- Minor Amendment to State of Texas One-Year Action Plan (prepared in coordination with the Texas Department of Housing and Community Affairs) - *completed*
- Local Coordination
  - Coordinating call with seven eligible counties
  - Establish agreement with service provider
  - Outreach to eligible communities, including consideration for limited English proficiency, disability, and other factors
  - Begin collecting family applications and other pre-agreement activities
- Program Materials
  - Emergency SHC Grant Application - *available*
  - Emergency SHC Family Application – *sample available, may be modified by County*