Group to Austin leaders: Give $40 million cut from coronavirus funds to renters

By Ryan Autullo - Posted
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Ahead of a decision next week on how to spend $170.8 million from the coronavirus federal relief fund, the city of Austin is getting pressure from a civil rights group to distribute a big chunk of it to residents who need help with rent.

Central Texas Interfaith on Wednesday said Austin has been good about making sure struggling residents have food and operating utilities, but has done less than other major Texas cities to help them with rent payments. But, the organization said, the city can make it right by channeling $40 million to struggling renters — a figure that it says is a conservative estimate of the need.

The City Council on May 21 will discuss a spending plan for Austin's slice of the $2 trillion federal Coronavirus Aid, Relief, and Economic Security Act. The $40 million that Interfaith is seeking for renters would eat up nearly a fourth of Austin’s share. The group encouraged the city, if needed, to tap into additional streams to reach that total.

“They’ve done a good job, but there is more they can do,” said Rev. Miles Brandon, who was among several speakers representing the coalition on a video news conference Wednesday.

The request came a day after Travis County discussed how to spend the $61 million it received from the CARES Act and agreed to set aside $10 million of it for rent assistance. It’ll soon be available to Travis County residents in and out of Austin.

Austin City Council Member Greg Casar, who leads the city’s Housing and Planning Committee, said he understands Interfaith’s position and supports distributing “at least” $40 million in relief to people
affected by the pandemic. But, Casar said Wednesday, it would be imprudent to earmark all of it to rent assistance and leave none for such things as medicine and diapers.

“The primary use of the federal dollars, if we want to help working people, should be to address the public health crisis,” he said. “If we don’t slow the spread of the virus significantly, then the city will have to get locked down multiple more times and the economic damage will become worse and worse.”

So far, Austin has distributed $1.2 million in rent assistance through a lottery that attracted more than 10,000 applicants, of which roughly 5,500 were deemed eligible after a review of applications. Only 1,000 of them will receive checks, leaving most lottery hopefuls still searching for support.

The average monthly rent in Austin is about $1,050, the highest in the state. Interfaith estimated that roughly 68,000 renters in the city were in need of assistance through a formula that took into account Austin’s population, the average household size and recent research that shows 31% of U.S. renters are late on rent payments. About 55% of Austin households are occupied by renters, according to Interfaith’s calculation.

Although Austin has been slow to issue direct help to renters, the city last month tapped $15 million from budget reserves and channeled it through charitable groups to help people facing financial hardships. Money was available to people who needed it for various expenses, including rent. Austin Water and Austin Energy also pumped $5 million each into customer assistance programs.

San Antonio has allocated $25 million for housing assistance. City and county officials in Dallas have put up $23.7 million. Harris County and Houston together have put up about $30 million in rent assistance.

Combined, Austin and Travis County have come up with $36.2 million to assist residents with personal hardships from the pandemic. That figure likely will climb next week, even if the council approves a figure short of Interfaith’s $40 million request.

The council last week extended some eviction protections until Aug. 24 that ensure tenants who can’t pay rent because of the pandemic will have 60 days to do so before a landlord can begin the eviction process.

“But people still need to pay their rent, and the assistance we’ve provided so far is just a drop in the bucket,” Council Member Natasha Harper-Madison said. “I will continue to work with my colleagues, city staff and the community to use every tool in our toolbox to both meet our residents’ urgent needs and to address our city’s long-term equity gaps.”