



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: May 5, 2015

TO: Finance Committee

FROM: Administration, Housing and Human Services Division, Community Development Department

SUBJECT: HOME Tenant Based Rental Assistance Grants

RECOMMENDATION:

That the Finance Committee recommend Council approval of two federal HOME Investment Partnership Program Tenant Based Rental Assistance Grants totaling \$385,000, including \$250,000 for the Housing Authority of the City of Santa Barbara as a Second Amendment to their 2012 Tenant Based Rental Assistance Subrecipient Grant Agreement #24,153, as amended, and \$135,000 for Casa Esperanza as a new grant agreement.

DISCUSSION:

Background

In Fiscal Year 2012, the City provided the Housing Authority with a \$300,000 HOME Tenant Based Rental Assistance (TBRA) grant to provide long-term (up to 24 months) rental assistance to homeless persons while they are on the Section 8 Program waiting list. In June 2014, Council approved allocating an additional \$50,000 to this TBRA grant, and extended the term to 2017. To date, under this HOME TBRA grant, the HASB has assisted fifty-one (51) people. Of these, twenty-three (23) have converted to Section 8. Those converted to Section 8 meet with HASB staff on an annual basis and they also have access to additional support through the Housing Authority's Supportive Services program.

The City also provided Casa Esperanza a \$135,000 TBRA grant in Fiscal Year 2012 to provide short-term rental assistance. During the two-year grant period, Casa Esperanza made one-time payments to landlords covering security deposits and/or first-month's rent to assist 122 homeless persons. Casa Esperanza staff was able to contact 32 of the assisted clients, of which 27 were still housed. They were not able to contact 90 clients. Many of the clientele have inconsistent access to internet (email) and cell phones (many have disposable phones with pre-paid minutes). It should be noted that the 2012 grant agreement did not include a requirement for Casa Esperanza to collect statistics

regarding housing retention. The requested grant agreement will require that quarterly housing retention reports be submitted to the City.

Overview of Proposed Programs

The two proposed rental assistance grants would facilitate rental housing assistance to homeless persons or to those at imminent risk of homelessness. TBRA participants must be very low income persons, with incomes at no more than 50 percent of Area Median Income – an amount determined annually by the federal Department of Housing and Urban Development (HUD). Currently, the maximum annual income limit would be \$28,100 for a single-person household. Program administrators assist participants to find suitable apartments, inspect the apartments to ensure that they are decent and appropriately sized, and determine a reasonable amount for the rent in conjunction with the landlord. Participants contribute 30 percent of their income toward rent, and HOME funds make up the difference, with payments going directly to the landlord.

The proposed programs would conform to guidelines established by HUD for running TBRA programs and are based on local housing needs and priorities established in the Consolidated Plan/Annual Action Plan. Each program is described separately below.

Housing Authority – TBRA Section 8 Type of Assistance

The TBRA support provided is nearly identical to Section 8 assistance in that participants receive a rental subsidy that they use to rent an apartment that meets specified requirements.

The funds requested will provide rental assistance for up to two (2) years to 15-18 TBRA participants -- those experiencing homelessness including those with a need for intensive wraparound services. The number of assisted persons will depend on actual figures for individual participant's income, rent, and how long rental assistance is needed. Although HOME TBRA grant funds may not be utilized for case management, these services are provided to TBRA clients by the HASB through their Supportive Services program. HASB recognizes the important connection between case management services and successful housing placements.

The proposed TBRA program is designed to be of limited duration. The Housing Authority expects to move participants from the TBRA program to Section 8, or one of the Housing Authority's other programs, or in the best scenario, off housing assistance completely should circumstances like employment and increased income result from self-sufficiency efforts.

Casa Esperanza TBRA – Rapid Re-housing / Imminent Risk

Under the 2012 TBRA grant, Casa Esperanza provided one-time assistance to 122 homeless persons. The requested grant would be used to provide rental assistance to very low income homeless persons and/or persons at imminent risk of becoming homeless. Assistance will be in the form of one-time direct payments to landlords of security deposit and/or first month's rent. After the first month, the assistance ends, and

the person would be responsible for paying 100% of the rent thereafter. Casa Esperanza estimates that 125 assisted households would be served over a two-year period with the proposed grant. Case management will be funded through private fund raising sources.

The program would be targeted to homeless persons who have recently secured a steady income stream, such as from a job or SSI benefits. The clients have the ability to pay rent, however they lack the funds needed upfront to move into an apartment. Casa Esperanza reports that without such assistance, persons in this situation generally take three to four months to raise the necessary funds. The proposed grant would get these people housed immediately and off the street or out of the homeless shelter.

Budget/Financial Information

There are sufficient existing appropriations in the HOME Fund to cover the proposed grant awards. No additional appropriations are needed. The City must commit \$342,438 before the end of the City's fiscal year, in accordance with HUD regulations. The proposed grant awards will satisfy this commitment deadline.

PREPARED BY: Deirdre Randolph, Community Development Programs
Supervisor/SG

SUBMITTED BY: George Buell, Community Development Director

APPROVED BY: City Administrator's Office