



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 6, 2015

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Home Tenant Based Rental Assistance Grant To Transition House

**RECOMMENDATION:** That Council:

- A. Approve a new \$60,000 grant to Transition House from federal Home Investment Partnership Program (HOME) funds for Tenant-Based Rental Assistance; and
- B. Authorize transfer of remaining funds under Tenant-Based Rental Assistance Agreement No. 24,154 between the City and Transition House to the new grant agreement; and
- C. Authorize the Community Development Director to execute such agreements and related documents, subject to approval as to form by the City Attorney, as necessary.

### **DISCUSSION:**

#### Background

In Fiscal Year 2012, the City provided Transition House a \$150,000 HOME Tenant Based Rental Assistance Grant to provide long-term (up to 24 months) rental assistance targeted to qualified low-income households that are homeless or at risk of becoming homeless. To date, under this grant, Transition House has assisted 36 households (43 adults and 66 children). Of the 36 households assisted, 32 (89%) have retained their housing.

Because this was a new program for the Housing Division of the City, some administrative issues needed to be resolved which resulted in three amendments to the Grant Agreement. An unspent balance of approximately \$34,000 remains under the Agreement. At this time, instead of amending the Grant Agreement for a fourth time, staff recommends terminating the original agreement, entering a new grant agreement for the new grant funds and adding the unspent balance to the new grant agreement.

#### Overview of Program

The proposed rental assistance grant will allow Transition House to continue to facilitate rental housing assistance to homeless persons (Rapid Rehousing) or to those at imminent risk of homelessness (Homelessness Prevention). Participants must be very low-income

households, with incomes at no more than 60% percent of Area Median Income—an amount determined annually by the federal Department of Housing and Urban Development (HUD). Annual income limits are based upon household size. For example, the maximum annual income limit is \$33,720 for a single-person household and \$48,120 for a family of four. Program case managers assist participants to find suitable rental units, inspect the units 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 funds requested will provide rental assistance for up to three (3) years to approximately 18 qualifying households. The number of assisted households will depend on actual figures for individual participant income, rent, and how long rental assistance is needed. A small portion of the grant (<10%) will be used by Transition House to offset their costs to perform income certifications and inspection of units.

The HOME Tenant Based Rental Assistance program is designed to be of limited duration. Transition House expects to move participants to Section 8, or in the best scenario, off housing assistance completely should circumstances like employment and increased income result from self-sufficiency efforts. Participants served by Transition House are required to participate in a minimum of six months of case management services after receiving rental assistance. Case management addresses issues such as management of household finances, career development, access to entitlements, and development of life skills and sound decision-making, all with the goal of sustaining housing. Participants are encouraged to build a financial safety net, including a savings account to help stabilize their housing situation. Transition House offers free, on-site evening classes providing education for at-risk families in computer skills, career development, English as a Second Language, and parenting skills. The case manager makes referrals for additional services including medical, mental health, or legal assistance.

The proposed Tenant Based Rental Assistance program is based on local housing needs and priorities established in the City's Consolidated Plan/Annual Action Plan and will conform to HUD guidelines.

The Finance Committee recommended that Council approve this grant award at their September 29, 2015 meeting.

#### **BUDGETARY/FINANCIAL INFORMATION:**

There are sufficient existing appropriations in the HOME Fund to cover the proposed grant award. Any remaining balance under previous Tenant-Based Rental Assistance Agreement No. 24,154 between the City and Transition House account shall be transferred to the account established for the new grant agreement.

**ATTACHMENT:** Request Letter dated August 20, 2015

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

**SUBMITTED BY:** George Buell, Community Development Director

**APPROVED BY:** City Administrator's Office



August 20, 2015

Deirdre Randolph  
Project Planner  
Housing and Redevelopment  
City of Santa Barbara  
630 Garden Street  
Santa Barbara, CA 93101

RE: Request for a new \$60,000 HOME TBRA Homelessness Prevention and Rapid Rehousing Grant

Dear Deirdre,

Transition House has been the grateful recipient of HOME funds for tenant based rental assistance (TBRA) for clients served through Transition House's Homelessness Prevention program since 2012. This letter is to request a new \$60,000 HOME TBRA grant for Homelessness Prevention and Rapid Rehousing to serve approximately 18 homeless individuals or families over the two year term of the grant.

Transition House has offered homelessness prevention case management services coupled with emergency rental assistance for seven years. Three years ago we also began offering security deposit and/or rental assistance to eligible homeless families living in our shelter in an effort to move them back into housing more quickly. This methodology of addressing homelessness is referred to as "rapid rehousing" and it is considered a best practice in our industry.

Clients served by Transition House for both homelessness prevention and rapid rehousing (HPRR) are required to participate in a minimum of six months of case management services after receiving assistance with rent payments (which are paid directly to the landlord). Case management addresses issues such as management of household finances, career development, accessing entitlements, and life skills and sound decision making, all with the goal of sustaining housing. Clients are encouraged to build a safety net, including a savings account to help stabilize their housing situation. Our program offerings also include free, onsite evening classes providing education for at-risk families in computer skills, career development, English as a Second Language, and parenting skills. Finally, the case manager makes referrals for additional services including medical, mental health, or legal assistance.

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Transition House's HPRR program follows strict guidelines in managing TBRA. Recipient households must make less than 60% AMI (as documented by pay stubs, tax returns, SSI letters of award, etc.); provide a pending eviction notice (if applying for homelessness prevention) and a copy of their long-term lease on their apartment; and be paying a "reasonable" rent. Reasonable rent is determined by following HUD Fair Market Rent (FMR) guidelines for the Santa Barbara area, and by research done by the case manager on rents being charged for similar-sized apartments in like neighborhoods.

Clients who are given TBRA security deposit assistance to move into a new apartment will be required to have the apartment inspected. The case manager is trained to conduct these inspections—they are quite similar to inspections that the Housing Authority conducts for Section 8 voucher rental units. The case manager will then work with the landlord to correct any issues arising from the inspection before the client takes occupancy of the unit.

To receive Homelessness Prevention assistance, the household must be determined to be in imminent danger of becoming homeless if not for TBRA assistance. Transition House not only collects information on the household's financial disposition and whether they have other options or resources to help them pay rent, but also screens for additional factors that are used to determine high risk for homelessness. To receive Rapid Rehousing assistance, the household must be homeless.

With all prospective clients, it must be determined that the household will have the means to pay rent and sustain the housing after the assistance has ended. That means that the household will be able to gain an adequate income source (for example, they may be in the midst of a job search, or waiting for paperwork on an entitlement to be processed), or a lesser rent (they may be on the section 8 waiting list, or a waiting list for other programs/housing that would result in a reduced rent).

Transition House utilizes a methodology that was developed by HUD to determine client eligibility, and to administer the program. Annual audits have been performed both by HUD staff, and by City and County staff, of Transition House's case files including required documentation, compliance with program regulations, case management strategy, and data collection methods. We have consistently received positive feedback on our program. Transition House will continue to follow HUD requirements.

Our statistics from previous TBRA assistance are attached. Please let me know any additional information you require at this time. Thank you for considering Transition House's request.

Sincerely,



Kathleen Baushke  
Executive Director

**Transition House service level and outcomes with City of Santa Barbara TBRA funding as of August 15, 2015**

<b>Total</b>	<b>118,376.41</b>	
<b>Families</b>	<b>36</b>	
<b>Average Per family</b>	<b>\$ 3,288.23</b>	<b>Percentages</b>
<b>Chronic all Homeless Families</b>	<b>9</b>	<b>25%</b>
<b>Total Individuals</b>	<b>109</b>	
<b>Children</b>	<b>66</b>	<b>61%</b>
<b>Adults</b>	<b>43</b>	<b>39%</b>
<b># of families receiving Section 8</b>	<b>12</b>	<b>33%</b>
<b>Families still housed</b>	<b>32</b>	<b>89%</b>
<b>Families with Unknown housing status</b>	<b>2</b>	<b>6%</b>
<b>Families no longer housed.</b>	<b>2</b>	<b>6%</b>