

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, INTERIM DIRECTOR
REBECCA LANE, HOUSING AND COMMUNITY SERVICES
MANAGER
HOUSING AND COMMUNITY SERVICES
SUBJECT: HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
TENANT BASED RENTAL ASSISTANCE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve the use of Home Investment Partnerships Program funds as a Tenant Based Rental Assistance (TBRA) program for the City of Santa Rosa for a two-year trial period.

EXECUTIVE SUMMARY

Annually, the City of Santa Rosa (City) is allocated approximately \$750,000 in HOME Investment Partnerships Program (HOME) funds by the U.S. Department of Housing and Urban Development (HUD); the City delegates the administration of the funds to the Housing Authority. The Housing Authority heard a study session on the use of HOME funds for Tenant Based Rental Assistance (TBRA) on March 22, 2021 and directed staff to bring a resolution to approve the use of HOME funds for Tenant Based Rental Assistance for a two-year trial period.

BACKGROUND

HOME funds are allocated to entitlement jurisdictions to develop and support affordable rental housing and homeownership. Among the allowed uses for HOME funds are the following: acquisition, new construction, rehabilitation, support to Community Housing Development Organizations (CHDOs) and TBRA.

The Housing Authority has used HOME funds to support the acquisition and construction of affordable housing, but given the costs of construction, requirement that HOME funds be the last money into the project, and limited amounts of funds available, continuing to use HOME funds for this purpose is challenging.

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Reprogramming the use of HOME funds for TBRA will allow the Housing Authority to provide rental assistance to an estimated 33 households per year.

PRIOR HOUSING AUTHORITY REVIEW

On March 22, 2021 the Housing Authority conducted a study session to review the HOME TBRA program and directed staff to return with a resolution to approve a 2-year trial period of a TBRA program, the implementation of which will be reviewed after 1 year.

ANALYSIS

On May 19, 2020 the City Council authorized the submission of a Substantial Amendment to the Fiscal Year 2019-2020 Action Plan to reprogram the Fiscal Year 2019-2020 HOME funds from affordable housing development to an Emergency HOME Tenant Based Rental Assistance program in response to the COVID-19 pandemic. The Department of Housing and Community Services used the existing infrastructure supporting the Housing Choice Voucher program to conduct a preliminary applicant lottery, determine household eligibility for the COVID-19 TBRA and provide rental assistance payments to landlords. The Emergency TBRA was the first time the HOME funds have been used in the City as TBRA.

Due to the reasons discussed in the background and direction of the Housing Authority at its March 22, 2021 Study Session, , using the 2021-2022 HOME funds for TBRA will provide direct rental assistance to an estimated 33 households per year. The TBRA rental assistance contracts are time-limited, and the maximum term of assistance is 24 months. The funds may be used for security deposit assistance.

TBRA income targeting requirements differ from the City's major rental assistance program, the Housing Choice Voucher (HCV) program. In the HCV program, 75% of the admissions to the program must be households at or below 30% of the Area Median Income (AMI) and 25% of admissions may reach income levels of up to 50% of AMI. Under TBRA, 90% of assistance must be targeted to households at or below 60% of AMI and the remainder may be up to 80% of AMI.

HUD allows jurisdictions to establish TBRA programs with preferences for households with special needs, including the homeless, elderly persons or people with disabilities.

FISCAL IMPACT

Reprogramming the use of the HOME funds does not have a fiscal impact. The funds are allocated to the City by HUD in the same amount for any of the eligible uses of the funds, which include acquisition, new construction, rehabilitation, support to Community Housing Development Organizations (CHDOS) and TBRA. The City is allocated approximately \$750,000 annually and after support to CHDOS and administration is

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deducted, approximately \$560,000 is available for TBRA.

ENVIRONMENTAL IMPACT

The proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

CONTACT

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