



AGENCY: City Council
MEETING DATE: May 26, 2020
DEPARTMENT: City Managers
PRESENTED BY: N. McLaughlin/T. Miller
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Authorizing Amendment of #16-HOME-11373 Standard Agreement to Include Tenant Based Rental Assistance Program

ISSUE:

The City was awarded a HOME grant in July 2017 in the amount of \$500,000 for the Owner-Occupied Rehabilitation program. On May 13, 2020, the City was notified of the opportunity to add a Tenant Based Rental Assistance (TBRA) program for low and moderate income residents affected by COVID-19 to the City's HOME grant award. The strict requirements of the HOME grants have made it very difficult to find owner-occupied rehabilitation projects that will qualify for the grant funds. To date, the City has not been able to qualify any properties and was facing the possibility of disencumbering the funds. This could make us less eligible for HOME grants going forward. Adding the TBRA program to the City's current HOME grant provides the City an opportunity to use funds that may not otherwise be spent.

ANALYSIS:

The State HOME program provides grants and loans to assist cities, counties and nonprofit community housing development organizations to create and retain affordable housing. HOME activities typically include housing rehabilitation, new construction, and rehabilitation for both single-family and multi-family projects. All activities must benefit lower income renters or owners. HOME funds that are awarded to jurisdictions are generally paid out on a reimbursement basis, after eligible use and documentation of expenditures is approved by Department of Housing and Community Development (HCD). HOME income limits for project and program beneficiaries (that is, residential renters and homeowners) are the same as Community Development Block Grant (CDBG) income limits. Cities such as Fort Bragg that do not receive HOME funds directly from the Federal Department of Housing and Urban Development (HUD) are eligible to apply for competitive HOME funding from the State Department of Housing and Community Development.

Concurrent with the waiver that allows for the contract amendment to add TBRA, the HCD released a memo that greatly loosens the requirements for the TBRA. Assistance in the form of rent, deposit and utility assistance could be provided. Requirements that have been eased include:

- Grantees can agree to any term of assistance that ends by December 31, 2020, if using one or more of these waivers.
- Grantees can accept household's self-certification of income, with household's written explanation of economic impact of COVID-19 on household if not homeless.

- Grantees can eliminate Rent Standards and can have tenant contribution to housing costs from 0-30% of household income, with TBRA program paying actual security deposits, rent, and submitted utility bills rather than based on a Utility Allowance Schedule. HUD Fair Market Rents would not be a limiting factor. Full assistance could allow household to be able to pay back rent in arrears.
- No Housing Quality Standards (HQS) inspection required upfront by the grantee, but will require procedures to minimize risks that housing may not meet HQS, and that if pre-1978 construction there is no disturbed lead-based paint.
- No Rent Reasonableness analysis required by grantees.
- Possibly up to 25% of HOME Program Income Admin for COVID TBRA Administration.
- For existing TBRA households, annual TBRA HQS inspections may be deferred to as late as 4/30/2021.
- No lease addendum by grantee.

Rent HCD will issue additional guidance and procedures within the next 30 days. The City anticipates adding hours back to furloughed employees, in particular those with bilingual skills, to provide COVID TBRA Administration, which would be funded from the grant.

RECOMMENDED ACTION:

Adopt a Resolution to authorize amendment of #16-HOME-11373 Standard Agreement to include Tenant Based Rental Assistance Program.

ALTERNATIVE ACTION(S):

Do not adopt Resolution and/or provide staff additional direction.

FISCAL IMPACT:

The original grant amount was \$500,000. The costs of administering the program should be paid by the grant. This may provide an opportunity for furloughed staff to increase or return to full-time status.

GREENHOUSE GAS EMISSIONS IMPACT:

Assistance with rent, deposits or utilities should not impact greenhouse gas emissions.

CONSISTENCY:

Keeping people housed and supporting affordable housing is consistent with the City's Emergency Eviction Moratorium and programs and policies within the City's 2019 Housing Element.

IMPLEMENTATION/TIMEFRAMES:

As additional guidance is issued by HCD, the City will develop a work plan and implementation timeframe.

ATTACHMENTS:

1. Resolution

NOTIFICATION:

1. Affordable Housing, Notify Me subscriber list