

Memorandum



DATE May 30, 2017

TO Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT Tenant-Based Rental Assistance Program for High Impact Landlord Initiative

On Monday, June 5, 2017, you will be briefed on Tenant-Based Rental Assistance Program for High Impact Landlord Initiative. A copy of the briefing is attached.

Please let me know if you have any questions.



Raquel Favela
Chief of Economic Development &
Neighborhood Services

Attachments

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Tenant-Based Rental Assistance Program for High Impact Landlord Initiative

Housing Committee
June 5, 2017

Cynthia Rogers-Ellickson,
Interim Assistant Director
Housing & Neighborhood Revitalization
City of Dallas



Presentation Overview

- Background/History
- Purpose
- HUD Regulations for HOME Program
- Prior Year Allocations and Production
- Staff Recommendation
- Next Steps



Background/History

- During the FY 2016-17 Consolidated Plan Budget review process, the City Council requested an opportunity to discuss the future use and learn more about the entitlement grants
 - HOME Investment Partnerships Program (HOME)
 - Community Development Block Grant (CDBG)
 - Emergency Solutions Grant (ESG)
 - Housing Opportunities for Persons with AIDS (HOPWA)
- The HOME Investment Partnership Program (HOME) is an entitlement grant that has been received by the City of Dallas since 1992 from the Department of Housing and Urban Development (HUD)
 - The intent of the Program is to:
 - Provide decent affordable housing to lower income households
 - Expand the capacity of nonprofit housing providers

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Purpose

- Provide information regarding the HOME Program and Tenant-Based Rental Assistance (TBRA)
- Proceed to establish the TBRA Program

HUD Regulations – Allowable Uses

- Eligible uses for HOME funds are
 - Housing Development
 - Community Housing Development Organizations (CHDO)
 - Homeowner Rehabilitation
 - Homebuyer Activities
 - Rental Housing
 - Tenant Based Rental Assistance
 - Administration



Other HUD Requirements

- Funds must be matched at 25% of the grant per year
 - HUD will allow cash or donated materials/services
- Funds must be committed within 24 months and expended within 4 years
- Annual Reports are required
 - City must enter client data in IDIS with accomplishments
- Environmental reviews are required on all units
- Long term compliance monitoring is required for all homes/units produced with HOME funds

FY12-13 to FY16-17 HOME Budgets

Program Category	FY 12-13	FY 13-14	FY14-15	FY15-16	FY 16-17
CHDO Development Loans	\$1,050,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
CHDO Operating Assistance	\$200,000	\$175,000	\$175,000	\$175,000	\$175,000
Housing Development Loan	900,000	\$1,621,189	\$1,977,078	\$1,348,807	\$2,488,780
Mortgage Assistance Program	\$840,000	\$800,000	\$957,158	\$957,158	\$957,158
Tenant Based Rental Assistance	\$350,000	\$320,000	\$320,000	\$130,000	\$0
Reconstruction/SHARE Program	\$1,030,617	\$0	\$0	\$0	\$0
HOME Program Administration	\$380,069	\$374,021	\$386,582	\$395,662	\$511,385
Totals	*\$4,750,686	*\$4,290,210	*\$4,006,627	*\$4,006,627	*\$5,132,323

*Grant has been reduced 48% over the past 7 years

Tenant Based Rental Assistance

- HOME funded Tenant-Based Rental Assistance (TBRA) provides gap funds between what a renter can afford to pay and the actual rent amount
- Using HOME funds for TBRA is ideal for jurisdictions with:
 - A high vacancy rate for standard housing that is not affordable to low- and very low-income households
 - Very high development costs, where it is more cost effective to provide a rental subsidy than to construct or rehabilitate housing units
 - Residents with special housing needs who need financial assistance to afford rent

Tenant Based Rental Assistance

- Low-income households can receive HOME TBRA to help pay rent, utility costs, security deposits, and utility deposits
- HOME TBRA Program is unique because:
 - It helps individual households
 - It can be used in a unit chosen by the tenant, and moves with the tenant
 - The amount of the rental subsidy is based on the income of the household, the particular unit the household selects, and the City's rent standard

Tenant Based Rental Assistance

- TBRA is Flexible
 - The City has the ability to tailor its TBRA program to meet the needs of its own community
 - Choose the population served; The City may design its program so that it serves the entire community, or focus only on a special purpose or specific housing need, such as elderly tenants, large families, or a special needs population that has been identified in the PJ's Consolidated Plan
 - Choose the type of assistance provided; The City may provide assistance for rent and/or for security deposits in the form of grants or loans and provide utility deposit assistance in conjunction with security deposit assistance
 - While the program is intended to be short-term, it can be designed to provide assistance to a household for up to 24 months

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Staff Recommendation

- Prioritize HOME funds for Tenant-Based Rental Assistance (TBRA) to support activities to assist tenants affected by High Impact Landlord Initiative
 - HILI tenants are considered displaced as a result of government action
 - This will meet immediate housing need of those displaced
- City will coordinate with DHA on tenant eligibility and wait list status for DHA programs

TBRA for High Impact Landlord Initiative

- City will develop program that will take referrals directly from Prosecutor's Office for placement
 - City will conduct intake with HILI tenants to determine eligibility (income, legal status)
 - Eligible tenants will receive a TBRA “coupon” and attend orientation for information on rents, unit requirements, etc.
 - Once a participant finds a unit, the City will work with them to have unit inspected, determine reasonable rent and get to lease-up

TBRA for High Impact Landlord Initiative

- Participants must identify a unit within the City limits of Dallas
- Units must pass inspection and have a minimum lease term of one year.
- Twenty-four month clock begins on effective start date of lease
- When tenants who are in good standing leave the program for other housing, the City may provide through TBRA assistance with security deposits and utility deposits
- The City staff will coordinate with City Prosecutor's Office to anticipate need for this program on an annual basis

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Next Steps

- Action Plan Substantial Amendment
- City Council approval
- Program implementation



Tenant-Based Rental Assistance Program for High Impact Landlord Initiative

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Interim Assistant Director
Housing & Neighborhood Revitalization
City of Dallas**

