



MEMORANDUM  
Department of City Development  
730 Washington Avenue, Racine, Wisconsin 53403  
Phone: (262) 636-9151 FAX: (262) 635-5347

**DATE:** April 27, 2012

**TO:** City Council

**FROM:** April Jacobs, Community Development Program Assistant AJ

**SUBJECT:** Proposed Tenant Based Rental Assistance (TBRA) program / Annual Plan Amendments for FY2010 and FY2011 (Common Council Resolution 12-3799).

On Tuesday May 1<sup>st</sup> you will find an item (Item #12-7554) before you to amend the FY2010 and FY2011 Annual Action Plans, amending how we plan to spend our community development grant funds. The proposal specifically addresses our HOME program, which funds our affordable housing programs. Ultimately, the proposals move \$180,000 in each fiscal year (\$360,000 total) from home rehabilitation/new construction to a tenant based rental assistance (TBRA) program.

There are a number of reasons to propose to use our funds in this manner, rather than leave them in the single family acquisition/rehab and/or new construction category of the HOME program. Some of the primary ones are:

1. Our Neighborhood Stabilization Program (NSP) has been very successful in rehabilitating and selling homes, yielding program income that must be used on future rehabilitation/ new construction of homes, thereby duplicating our originally intended use for HOME funds and possibly causing a future oversaturation of homes on the market.
2. The imminent expiration of our Homelessness Prevention and Rapid Re-housing (HPRP), which has provided self-sufficiency case management in addition to homeless prevention rental assistance. This program has been very successful and has had strong interest and waiting list, showing a strong community need.
3. The HOME Program has very specific regulations regarding use of dollars, timeframe in which the money is used and other programmatic requirements. We must commit/use money by September 2012 or we will have to return it to HUD to be used in another community. We feel that the funds can be utilized in a way that both serves our community and meets the spending deadlines of the HOME program regulations.

The TBRA program will provide 20-25 income-eligible households per year with rental assistance, and be administered by the Racine/Kenosha Community Action Agency (our proposed partners, due to their experience with the HPRP program) and the participant. In addition to receiving rent assistance for a 12 month period of time program participants will agree to monthly case management touch-base meetings, financial management education, accessing other community resources to minimize cost burdens and other life barriers, and meeting other benchmarks of success in order to continue to receive assistance.

The goal of the program is to take families at risk of becoming homeless due to changes in their situation (divorce, loss of a job, medical cost burden, foreclosure, etc.) and give them the tools to get back on their feet, gain self-sufficiency and become long-term successful renters or homeowners within our community.

The Department of City Development believes that this program has value and a community need can be met by shifting the use of HOME funds by approving the proposed amendments (which can be found as attachments to the Item in Legistar).

If you have any questions regarding this matter please do not hesitate to call me at 636-9476 or email me at [april.jacobs@cityofracine.org](mailto:april.jacobs@cityofracine.org).

c: Joe Heck  
Brian O'Connell  
Mayor John Dickert