City of Racine, Wisconsin
AGENDA BRIEFING MEMORANDUM

AGENDA DATE:	June 14, 2019

SUBJECT: Request for up to $15,000 of HOME funds by the Homeless Assistance Leadership Organization (HALO) for a Security Deposit Assistance Program and Amendment to Housing Rehabilitation and General Administration Policy and Procedures Manual

PREPARED BY:	Matthew Rejc, Manager of Neighborhood Services

EXECUTIVE SUMMARY:

HALO requests that up to $15,000 in HOME funds be allocated to a security deposit assistance program for income eligible clients, and staff from the Neighborhood Services Division requests that the Loan Board of Review approve changes to the Housing Rehabilitation and General Administration Policy and Procedures Manual to effectuate this change.

BACKGROUND AND ANALYSIS:

The Department of City Development has discontinued the use of HOME funds for homeowner repair programs through a decision of the Loan Board of Review on January 24, 2013, due to the difficulty of using funds for that purpose and completing projects in a timely manner.

HOME funds may be used for a variety of purposes, including tenant based rental assistance (TBRA) and security deposit assistance for income qualifying households. According to 24 CFR 92.209(a): "Eligible costs are the rental assistance and security deposit payments made to provide tenant-based rental assistance for a family pursuant to this section. Eligible costs also include utility deposit assistance, but only if this assistance is provided with tenant-based rental assistance or security deposit payment. Administration of tenant-based rental assistance is eligible only under general management oversight and coordination at §92.209(a), except that the costs of inspecting the housing and determining the income eligibility of the family are eligible as costs of the tenant-based rental assistance."

No funds for administration are being proposed under this activity, but HALO staff costs tied to the inspection of housing and income determination of households would be eligible. Housing units into which prospective tenants wish to move must be inspected and meet Housing Quality Standards (HQS) in accordance with 24 CFR 92.209(i). With few exceptions, HOME funds are limited to the assist rental households with annual incomes up to 60% of Area Median Income (AMI). HALO has experience performing inspections and completing Part 5 income calculations of tenants as part of the funding that they have received under the federal Emergency Solutions Grant (ESG) program.

Assistance under this program is not limited to any specific population or demographic group, and must remain open to all eligible households and individuals. HOME funds under this program must be used to assist households in finding permanent housing, and cannot be used to subsidize overnight or temporary shelter stays.

The specific proposed revisions refer to Chapter 14, Section E of the Housing Rehabilitation and General Administration Policy and Procedures Manual. The revised language is proposed to appear as follows:

- Section E: ~~HOME Match Grants. Effective 2013, the Loan Board of Review approved the elimination of HOME Match Grants. Legistar item number 13-8553~~ HOME Security Deposit Assistance. Due to need for rental and security deposit assistance, up to $15,000 in HOME Loan funds will be made available to the Homeless Assistance Leadership Organization (HALO) to provide income-eligible households with assistance eligible under 24 CFR 92.209 for grant or forgivable loan rental assistance activities.

BUDGETARY IMPACT:

HOME Loan Pool 851-20411 has sufficient funding to meet this request. The proposed revision to the Housing Rehabilitation and General Administration Policy and Procedures Manual will have no direct budgetary impact.

RECOMMENDED ACTION:

Staff recommends that that the request by HALO for up to $15,000 of HOME funds for the Security Deposit Assistance program be approved, and further authorize the Mayor and City Clerk to enter into an agreement with HALO consistent with HOME regulations.