



The program offered in the City of Fullerton, adopted in August 2019, is a Tenant-Based Rental Assistance (TBRA) program in which income qualified individuals and families residing in either of the city's two senior mobile home parks are potentially eligible. Fullerton's program is funded using HOME Investment Partnership (HOME) funds allocated to the city annually by the U.S. Department of Housing and Urban Development (HUD). HOME funds can be used to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to income qualified individuals and families. The HOME program generally defines income qualified households as those whose incomes are less than 80% of area median income (AMI). HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The City of Anaheim is a recipient of HOME funds. For Fiscal Year 2019/20, the HOME allocation for Anaheim is \$1.5 Million. In recent years, HOME funds have been used to provide gap financing in support of affordable housing developments that serve a variety of individuals and families, including those experiencing or threatened with homelessness. Examples of developments assisted with HOME funds include Rockwood Apartments, El Verano Senior Apartments and the upcoming development at Manchester and Orangewood. There is also demand for use of HOME funds to provide gap financing for pending and proposed projects such as the EconoLodge conversion and the Salvation Army's Center of Hope which will include emergency shelter beds and permanent supportive housing units. The average amount of gap financing requested for these types of developments is \$2.5 Million; therefore, it is often necessary to accumulate multiple years of funding to assist a single project. In addition to development projects, the City of Anaheim currently offers two TBRA programs, both in connection with the city's ongoing efforts to address homelessness: Chronically Homeless Individuals Pilot Program (CHIPP) and Housing Assistance Program for Homeless Families (HAP). In the FY 2019/20 budget, there is \$1 Million of HOME funds allocated towards these programs. If approved, the Senior Mobile Home program would be the third HOME TBRA program in Anaheim.

### **DISCUSSION:**

Anaheim staff reviewed Fullerton's program guidelines and spoke to Fullerton city staff and the consultant currently implementing the program on behalf of the city. With the benefit of this knowledge, and as requested by Councilman Brandman, staff is presenting general guidelines for a TBRA program for income eligible seniors residing in age restricted mobile home parks in the City of Anaheim. The proposed program guidelines, summarized below, are consistent with those adopted by the City of Fullerton.

Under the Senior Mobile Home TBRA program, eligible low-income seniors would pay up to 30% of their income toward space rent and the HOME program would pay the balance of the rent charged by the landlord, unless otherwise specified in program guidelines. A Housing Quality Standard (HQS) inspection would be required as a condition of participation. Compliance with HQS is required for use of HOME funds. A

senior would be defined as a person who is 55 years of age and older and priority in providing assistance would be established as follows:

- First priority would be given to seniors (at or below 50% AMI), who are paying more than 50% of their monthly gross income for housing costs.
- Second priority would be given to seniors (at or below 50% AMI) who are paying over 30% of their monthly income for housing costs. If needed, a lottery would be held at the second level.

The program would be open to all qualifying seniors residing in age restricted mobile home parks in the City of Anaheim. As a point of reference, there are four age restricted mobile home parks in Anaheim, with 772 spaces cumulatively. These parks are as follows:

<b>Park Name</b>	<b>District</b>	<b>MH Spaces</b>
CASA HERMOSA MHP	2	152
CHEROKEE MOBILE GARDEN	1	173
RANCHO LA PAZ	3	232
SUNKIST GARDENS MHP	5	215
	<b>TOTAL</b>	<b>772</b>

Staff anticipates that approximately 50 to 60 households could be assisted over the next year, depending on the subsidy amount needed per household. Under Federal HOME program guidelines, TBRA assistance is time limited, not to exceed 24 months per household. If approved, the program would be wholly funded with Federal HOME funds; therefore, the ability to sustain the program is contingent on continued, level funding for the Federally-sponsored grant program. As noted above, HOME funds are also used to provide gap funds for affordable housing development, usually by accumulating two or more years of grant funding. It is noted that continued funding of TBRA programs will limit the availability of funds available for development purposes. Therefore, should it be approved and implemented, staff recommends that the effectiveness of this proposed program be reviewed annually as part of the budget adoption process.

While the funding request for this proposed program would primarily be for direct rental assistance, a portion would be needed for administration. The Community and Economic Development Department currently does not have the staffing needed to support the direct administration of this program and will need to contract for services including review of household income, inspections and issuance of monthly payments. Staff estimates that, if the program is fully utilized, \$50,000 would be needed for this purpose.

Although consistent with the general goals of the Consolidated Plan, implementation of the proposed program would represent a substantial amendment to the Annual Action Plan recently adopted outlining how Federal funds will be allocated in FY 2019-2020. Therefore, should the proposed program be approved, staff must publish a 30-day public notice allowing for public review of this change. At the end of the 30-day public comment period, a public hearing will be held by the Housing and Community Development Board. This action must be completed before implementation of the program may proceed.

As noted above, the owner of Rancho La Paz is offering a rent subsidy program (in form of rent credit) to qualifying residents. The owners' program does not preclude participation in a city-sponsored and funded rental assistance program should it be approved. Conversely, a resident's participation in the park owner's program would not preclude participation in the city's TBRA program.

**IMPACT ON BUDGET:**

The TBRA program for seniors in mobile home parks would be funded entirely by Federal program funds awarded annually to the City of Anaheim. Sufficient HOME Investment Partnership Act funds are available in the Fiscal Year 2019/20 budget to cover the proposed funding amount of \$350,000. Continuation of the program in subsequent years would be subject to the availability of HOME funds and the City Council's approval during the budget adoption process.

Respectfully submitted,

Concurred by,

John E. Woodhead IV  
Director of Community &  
Economic Development

David Belmer  
Deputy City Manager

**Attachment:**

1. Mobile Home Tenant Based Rental Assistance Program Policies and Procedures