



CITY COUNCIL AGENDA REPORT

City of Anaheim COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

DATE: OCTOBER 22, 2019
FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: CONSIDERATION OF A NEW PILOT SENIOR SAFETY NET PROGRAM

ATTACHMENT (Y/N): NO **ITEM # 27**

REQUESTED ACTION:

That the City Council:

1. Consider the implementation of a new Senior Safety Net Pilot Program to serve seniors living in the City of Anaheim; and
2. Should the City Council wish to undertake such a program, by Motion, approve use of Community Development Block Grant (CDBG), Housing Set-Aside, and HOME funds for all desired activities, direct staff to prepare program guidelines and identify necessary staffing resources, which may include City staff and/or Community Based Organization partners to implement and administer such activities.

BACKGROUND:

Since March 2019, the City Council has listened to concerns brought forth by residents at Rancho La Paz, an age restricted mobile home park located at 501 East Orangethorpe Avenue. Rancho La Paz is located in both the City of Anaheim and City of Fullerton. As background, the park was recently sold and the new owner initiated rent increases to offset increasing operations and maintenance costs. The rent increases have prompted park residents to mobilize and bring the issue to the leadership of both Fullerton and Anaheim.

The park owner and a resident committee have participated in a formal mediation process to address residents' concerns about the significant rent increases. As a result of the mediation, the park owner agreed to offer long-term leases and spread the proposed rent increases over a longer period of time. The owner also agreed to offer a rent subsidy program for residents who would experience a hardship from the scheduled increases. Even with the resolution resulting from the mediation, some residents have expressed that they are experiencing hardship and have requested additional assistance. As a direct result of on-going requests, in August 2019, the City of Fullerton reinstated a Tenant-Based Rental Assistance (TBRA) program for residents in age-restricted mobile

home parks that had previously existed in their City. That program was discontinued in 2017 based on funding constraints.

At the meeting of the Anaheim City Council held on September 10, 2019, Council Member Brandman discussed the City of Fullerton response and requested that staff bring forth a similar program for council consideration. At a subsequent meeting, held on September 24, 2019, Council Member O'Neil, during Council comments, acknowledged the request made by Council Member Brandman and expressed some concerns with the program recently approved by the City of Fullerton. He shared that the Ad Hoc Committee on Housing has been reviewing affordability issues and considering measures that could provide support for those experiencing a temporary hardship such as a loss of a job, a death in the family, an illness and/or other mitigating circumstances. In his comments, he further discussed a preference for time-limited, prevention and/or intervention related assistance, with a primary focus on assistance with housing costs, and requested that a concurrent item outlining a broader, pilot "Senior Safety Net" program be placed on the agenda for consideration for the meeting of October 22, 2019.

DISCUSSION:

To inform the discussion on a new pilot Senior Safety Net Program, staff contacted non-profit agencies that serve the senior community and reviewed internal programs and community based resources to determine the availability of housing displacement prevention services and/or temporary financial assistance programs available for seniors in the community. The results of these inquiries revealed that there are very limited resources to assist senior residents to avoid displacement when an unforeseen life event occurs. For example, through our Community Services Department, a senior may receive limited rental assistance for eviction prevention or utility assistance; however, assistance is provided on a one-time basis when funds are available. When resources are available to provide financial assistance, a rental assistance payment is limited to 50% of the rent payable to the property owner and requires that the resident arrears not exceed more than one month. Funding for this program is provided by the Anaheim Community Foundation and is dependent on annual employee contributions to the fund.

When asked about the most prominent needs among seniors, recurring themes included assistance in navigating through systems and identifying community resources, including assistance with transportation, housekeeping tasks and access to food. Maintaining and/or access to affordable housing was also raised as a significant issue.

Based on the discussions at the Housing Ad Hoc Committee level and informed by the information recently obtained through conversation with the senior servicing Community Based Organizations (CBOs), staff is putting forth for consideration several components of which some, or all, can be considered as an initial phase of a pilot Senior Safety Net program. The proposed concept for the pilot Senior Safety Net Program includes case management and/or resource navigation assistance, One-time or Short-Term Intervention Assistance with housing costs and/or time limited Tenant-Based Rental Assistance (TBRA). In the proposed program, "seniors" would be defined as persons 62 years of age or older.

Case Management: Case management would include personal services to assist seniors in understanding their service needs, identifying available resources and seeking to effectively match needs with available resources. The case management component of the proposed program is an eligible expense under the public services section of the Community Development Block Grant (CDBG) program. Should the Council elect to implement this portion of the proposed pilot program, staff can redirect up to \$45,000 in CDBG funds to this activity. These funds are available only as a result of a return of grant funds to the City by another CBO. Our Community Services Department provides resource navigation services already; however, there is a general acknowledgment that these services could be enhanced with additional funding to support additional staffing resources. Staff recommends expanding the services offered by our Community Services Department in this area. Alternatively, the City can use best efforts to seek the services of a CBO for this purpose.

One-Time/Short-Term Housing Cost Intervention: The second component for consideration is the introduction of a prevention/intervention fund to assist seniors on a one-time, short-term basis (e.g., not to exceed three months) who are facing possible housing displacement/eviction as a result of a recent financial hardship. Examples of financial hardships can include the loss of a family member, loss of employment, and/or illness related difficulties. Based on the limited availability of funding for this type of activity, it is recommended that assistance under this section be limited to Anaheim seniors whose income is at or below 50% of the average median income, as set forth for rental assistance programs funded by the U.S. Department of Housing and Urban Development (HUD). Additionally, it is recommended that assistance under this program component be limited to no more than three (3) months of rental support. Funding for this portion of the program would come from Housing Set-Aside funds currently held by the Anaheim Housing Authority. Under AB 346, introduced by Tom Daly in 2017, redevelopment “successor” agencies can use portions of their existing affordable housing funds for the development of homelessness services, transitional housing, or emergency housing services. However, the legislation limits the amount that can be used to \$250,000.

Tenant Based Rental Assistance Program: The last component for consideration is the inclusion of Tenant-Based Rental Assistance (TBRA) for seniors in the Pilot Senior Safety Net program. Under a TBRA program, and assuming HOME funds are used to fund the program, rental assistance can be provided to eligible seniors for a period not to exceed 24 months. This component could be an extension of or offered independent of the one-time, short-term prevention/intervention assistance. Council Member O’Neil expressed his preference that a TBRA program be extended for a limited period of time (ideally not exceeding four to six months) to allow applicants sufficient time to make appropriate adjustments or otherwise successfully navigate their hardship. Staff recommends the TBRA component of the Senior Safety Net program be limited to period of time not exceeding 12 months. Staff’s recommendation is, in part, based on the time and effort needed to apply for such assistance under Federal guidelines and the fact that use of HOME funds requires applicants to undergo a Housing Quality Standards (HQS) inspection.

In any case, under a TBRA program, eligible low-income seniors would pay up to 30% of their income toward rent and the HOME program would pay the balance of the rent charged by the landlord, unless otherwise specified in program guidelines. The Council will be considering a similar proposal for TBRA assistance, as requested by Council Member Brandman which would be funded using \$350,000 of HOME funds; however, under that proposal, eligibility is more narrowly defined to seniors living in age restricted mobile home parks. While the Council is considering two separate, yet similar, new TBRA assistance programs specifically for seniors, it is recommended that there only be one TBRA program, as determined in the discretion of the City Council. This would avoid potential duplication of TBRA services and would allow the City and Housing Authority to continue its practice of using HOME funds to assist affordable housing development projects.

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. It is noted that the average assistance provided for an affordable housing development is in the range of 2 to 2.5 million in gap financing; therefore, it is frequently necessary to accumulate two or more years of HOME grant funds to assist one development. Redirecting HOME funds to TBRA programs will limit the availability of funds available for development purposes.

For the HOME program specifically, the use of funds for a TBRA purpose is consistent with the general goals of the Consolidated Plan; however, 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 Senior Safety Net Program include a TBRA component, as discussed above, staff must publish a 30-day public notice allowing for public review of this change and submission of comments. 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.

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 is needed for this purpose.

Overview:

The funds identified for each program component are as follows:

CDBG	\$45,000	Case Management	Redirect from another grantee – funds returned
Housing Set-Aside Funds	\$250,000	Short Term Assistance	Approve this use – a new activity
HOME Funds	\$350,000*	Time limit Tenant-based Assistance	Approve this use – new activity

*These same funds are being considered for use as TBRA for senior living in age-restricted mobile home parks.

The funds outlined above are included in the Community and Economic Development Department FY 2019/20 budget. However, as indicated, the funds will either be redirected for this purpose and/or identified as a new activity.

If approved and implemented, staff recommends that the effectiveness of all components of the pilot Senior Safety Net Program be reviewed annually as part of the budget adoption process.

IMPACT ON BUDGET:

Funding for the various components of the Senior Safety Net Program discussed above have been identified from State and Federal resources available to the City; however, funds will need to be redirected or programmed in accordance with direction provided by Council.

Respectfully submitted,

Concurred by,

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Economic Development

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