



City of Galveston

Grants & Housing Department

2508 Ball Avenue / Galveston, TX 77550

(409) 797-3820 / Fax (409) 291-4553

January 23, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Alice T. Law, Interim Director of Grants & Housing

RE: Consider for Approval the Reallocation of HOME Investment Partnerships Program (HOME) funds (Program Years '15-'18) totaling \$674,524.22 to the Tenant-Based Rental Assistance Program. Authorize the City Manager to execute all necessary contracts, certifications, and documents for the Projects.

I. Background

A. The Grants and Housing Department identified the following HOME projects from previous grant years that were either completed or could not be implemented as awarded and began the reallocation planning process to facilitate the use of the funds for other eligible HOME projects.

1. Affordable Housing-Housing Rehabilitation Program \$559,220.00
2. Affordable Housing-Homebuyer Assistance Program \$115,304.22

B. The HOME Program funding must be used to expand the supply of decent, safe, sanitary affordable housing for very low- and low-income persons, with primary attention to rental housing for very low- and low-income families.

C. For the HOME reallocation, the Tenant-Based Rental Assistance (TBRA) Program was identified as a viable HOME Program eligible project that would allow for the timely expenditure of the HOME Program funding. TBRA was established as a high priority in the City's 2019 5-year Consolidated Plan and was approved for the 2019 HOME funding year.

II Current Situation

A. Staff has completed the TBRA Program design including the HUD required policies and procedures; all necessary project contracts, forms and documents; and community outreach to advertise and meet with social service agencies.

B. The City's TBRA Program is accepting applicants, and the response has been very good with 3-6 contacts per day during the application intake period.



- C. The TBRA Program will provide rental assistance to the low to very low-income population of the City and allow the City's HOME program to efficiently utilize the remaining funds to meet the high priority affordable housing needs.
- D. Staff initiated a 30-Day Citizen Comment Period as required by HUD for substantial amendments from December 12, 2019 – January 13, 2020, with one comment received as follows:
 - 1. Comment Suggested a low-cost housing for the homeless for a tent city between 51st and 53rd Streets across from Salvation Army.

III. Issues

- A. Compliance with Regulatory Requirements – The City must utilize its HOME funds for eligible affordable housing activities. The TBRA Program is an eligible Affordable Housing activity that will benefit low-moderate income households, and the City has implemented the required public comment period.
- B. Consistency with Consolidated Plan – The City must utilize its HOME funds to first accomplish High Priority needs as identified in the Consolidated Plan. The provision of TBRA to low-moderate income households is identified as a Housing High Priority.
- C. Impact or Ramifications – The reallocation to TBRA would facilitate the use of the remaining HOME funding in an eligible, beneficial, and timely manner. If not reallocated to the TBRA, additional projects would need to be identified that are eligible, meet a high priority need, and could be implemented in a timely manner and an additional public comment period would have to be facilitated.

IV. Recommendation

Approve the Reallocation of HOME Investment Partnerships Program (HOME) funds (Program Years '15-'18) totaling \$674,524.22 to the Tenant-Based Rental Assistance Program. Authorize the City Manager to execute all necessary contracts, certifications, and documents for the Projects.

V. Fiscal Impact Report

Requested by:	Alice T. Law, Interim Director of Grants & Housing
Funding Source:	U.S. Dept. of Housing & Urban Development (HUD) 2015-2018 HOME Investment Partnerships Program
Costs of implementation:	Total <u>\$674,524.22</u>

Respectfully Submitted,

Approved,



Alice T. Law
Interim Director of Grants & Housing

Brian Maxwell
City Manager