



Agenda Report

Fullerton City Council

MEETING DATE: AUGUST 20, 2019

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: MATT FOULKES, ACTING COMMUNITY DEVELOPMENT DIRECTOR
REBECCA LEIFKES, HOUSING AND HOMELESS MANAGER

SUBJECT: CONSIDERATION OF TENANT BASED RENTAL ASSISTANCE PROGRAM OPTIONS IN SENIOR MOBILE HOME PARKS

SUMMARY

City Council directed Staff on July 16, 2019 to bring forward program ideas for a Tenant Based Rental Assistance Program (TBRA) in senior mobile home parks funded through HOME Investment Partnerships Program (HOME) funds.

RECOMMENDATION

Approve up to \$350,000 to implement a revised TBRA program for senior mobile home park residents within the City to preserve affordable housing options.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement/s:

- Infrastructure and City Assets.

FISCAL IMPACT

There is no impact to the General Fund as the program will be funded by HOME Investment Partnerships Program funding up to the amount of \$350,000 for one year with the ability for an extension in one-year increments.

DISCUSSION

A large majority of mobile home residents in Fullerton are seniors on a fixed income. Although the mobile home unit is owned by the resident, in most of the parks, residents

must pay space rent monthly. For many of the mobile home owners, more than 50% of their monthly income is used for housing costs.

In 2008 a Tenant Based Rental Assistance Program was created to assist those mobile home owners who paid more than 50% of their income for housing costs, including space rent. After several years, due to lack of funding the program was discontinued.

In 2016 City Council approved the use of HOME funds to provide rental reimbursement assistance to mobile home owners living in senior mobile home parks. At that time, the funding was offered for one year, with the ability to extend the program for an additional year, subject to funding availability. Income eligibility was based on households earning less than fifty percent of Area Median Income (AMI). In addition, the definition of senior was defined as those individuals 62 or older. A total of 25 households were assisted each year for the two years the program was administered.

In early 2019 Rancho La Paz senior mobile home park was sold. Around that time, residents began receiving notices of significant space rent increases.

In March 2019 City Council directed Staff to prepare an overview of potential tools that the City could consider to stabilize space rental rate increases at the City's mobile home parks.

On July 16, 2019, City Council directed staff to recommend program parameters and the steps required to re-establish a TBRA program.

Staff has reviewed the previous TBRA program administered by the City of Fullerton. In reviewing the effectiveness of the previous program, and potential opportunities to assist additional households, Staff reviewed applications that had been denied in 2016 and 2017. It was determined that those applicants who had been denied were younger than 62 years of age. However, both senior parks in Fullerton define seniors as those who are 55 or older. In addition, there have been several incidents where the remaining household member is younger than 55 years old but have been allowed to stay in the park. Therefore, Staff is requesting in these cases, that if a household is considered eligible for the park, even if they are younger than 55 that they be allowed to participate in the TBRA program as long as they are otherwise eligible.

Staff is proposing that the eligible age be decreased from 62 years of age to 55 years of age in order to allow more households to be assisted in the TBRA program.

The following program parameters would remain unchanged:

- First priority 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 be given to seniors (at or below 50% AMI) who are paying over 30% or their monthly income for housing costs. If needed, a lottery will be held at the second level.
- The previously offered program utilized the fair market rent (FMR) rates, developed by the U.S. Department of Housing and Urban Development for Orange County, adjusted annually to determine the amount of assistance to be provided. (See chart for 2019 rates.)
- If the space rent is above the FMR, the additional amount above the FMR is required to be paid by the mobile home owner.

- It is anticipated that approximately fifty to sixty households can be assisted over the next year, depending on the subsidy amount. If additional HOME dollars are available at the end of the year, additional funds may be requested to continue the program on a yearly basis. While it is unknown as to how many seniors may be served, the City has an allocation of \$350,000 in HOME funds that can be utilized. The continuation of HOME funding is year to year as to the amount and therefore its effectiveness will have to be reviewed annually.

The TBRA Guidelines with proposed revisions are included as Attachment 1.

Staff has also reviewed the Rancho La Paz Safety Net Rental Subsidy Program (Attachment 2) to be offered by mobile home Park Owner to determine the similarities and differences. Please see Attachment 3 for a comparison of the two programs. It must be noted that HOME funds contain restrictions that related to some program parameters that cannot be changed at the local level. This lack of flexibility may impact the programs ability to reach as many persons as possible.

Attachments:

- Attachment 1 – TBRA Guidelines
- Attachment 2 – Rancho La Paz Safety Net Rent Subsidy Program
- Attachment 3 – Comparison of City's TBRA Program and the Rancho La Paz Safety Net Rental Subsidy Program