



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 12/11/2008
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SUBJECT: Authorize the negotiation and execution of a one-year contract with Salvation Army, Austin Texas, to fund and administer security deposits and rental subsidies for the Tenant Based Rental Assistance program to provide housing opportunities to homeless families in an amount not to exceed \$55,000 with two additional one-year extension options in an amount not to exceed \$55,000 per extension, for a total contract amount not to exceed \$165,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$55,000 is available from the federal HOME funding as budgeted in Austin Housing Finance Corporation's Fiscal Year 2008-2009 budget.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Austin Housing Finance Corporation, 974-3184

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION:

This action approves the negotiation and execution of a one-year contract with two additional one-year extension options with the Salvation Army to continue providing security deposits and rental subsidies for the Tenant-Based Rental Assistance (TBRA) program. Salvation Army has effectively provided case management and supportive services for TBRA clients since 1999, through the use of federal HOME funds provided by Austin Housing Finance Corporation (AHFC). Households will be eligible to receive security deposits up to two times the amount of eligible rent.

Salvation Army provides rental-housing subsidies and/or security deposits for eligible homeless persons earning 50 percent or less of the Median Family Income. To meet program eligibility requirements, households must meet the federal McKinney Homeless Assistance Act definition of "homeless" and must continue working toward self-sufficiency with the help of a case manager.

Under TBRA, households will not pay more than 30 percent of their monthly-adjusted gross income toward rent.

Contributions of assistance will increase as household income decreases. The rental subsidy calculation is the prescribed calculation methodology established by U.S. Department of Housing and Urban Development (HUD). The TBRA subsidy is calculated as the difference between the fair market rent limit established by HUD and 30 percent of the household adjusted gross income. As lead grantee of the Passages collaboration, the Salvation Army has partnered with the Housing Authority of the City of Austin and AHFC in providing case management and supportive services.

It is anticipated that case managers from the collaboration (Salvation Army, Caritas, SafePlace, Foundation for the Homeless, LifeWorks, and Family Connections) will assist each family with lease-up, and submit to Salvation Army a check request for security deposit payment signed by the landlord.

Salvation Army will issue the checks and submit documentation to AHFC for reimbursement on a monthly basis. Salvation Army will be responsible for the financial and program documentation of the security deposit component including the disposition of funds at move-out.

This assistance with rental housing start-up costs reduces the amount of time TBRA families stay in emergency shelter, by allowing them to find adequate housing.