



Legislation Text

File #: 20-178, **Version:** 1

TITLE:

Consideration of Increasing the Maximum Grant for Rental Assistance and Authorizing the Town Manager to Approve Changes to the Rental Assistance Program

PURPOSE: The purpose of this item is for the Town Council to consider raising the maximum grant award for rental assistance from its current \$1,000 to \$2,000 and authorize the Town Manager to consider changes in the program to regionally align the process.

DEPARTMENT: Housing and Community Services

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INFORMATION: On March 5, 2019, the Town Council approved the pilot application process for the Affordable Housing Special Revenue Fund.

<https://carrboro.legistar.com/LegislationDetail.aspx?ID=3875185&GUID=B29FF1CD-DC0B-4627-B6E8-0DDCC1205A46&Options=&Search=&Page=1>

At that time, the Council also expanded eligibility for rental and utility deposit assistance to households at risk for, or experiencing, homelessness and who are being assessed through the coordinated entry process. Coordinated entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and other assistance based on their strengths and needs.

Prior to the expansion to coordinated entry, eligibility for rental assistance in the Town's Affordable Housing Special Revenue Fund was limited to voucher holders. Most households assessed through coordinated entry lack these subsidies. Subsequently, both the number of applications and the amount of funds requested has increased. Attachment B compares rental and utility assistance requests from June 30, 2018-December 31, 2019.

In the Fall of 2019, Community Empowerment Fund (CEF), the nonprofit administering rental and utility deposit assistance applications on behalf of the Town (as well as for the Towns of Chapel Hill and Hillsborough), requested the AHAC consider recommending increasing the maximum grant award based on current fair market rents and estimated utility deposits to better meet the community need. The AHAC evaluated cost increase projections and compared the Town's rental and utility assistance program with the other jurisdictions. A comparison of the jurisdictional programs can be found as Attachment C. The AHAC supported an increase in the maximum award.

Since then, CEF has decided to stop administering the program for non-members and, in partnership with CEF,

the staffs of Orange County and the Towns of Carrboro, Chapel Hill and Hillsborough have been in discussions about the path forward. Orange County is now taking the lead on coordinated entry and has increased staffing to do so. The County is well positioned to connect individuals assessed through coordinated entry to additional services. To smooth the process for residents who will apply to the respective rental assistance programs, staff of the Towns and County are working to develop a uniform application and to align Town and County programs as much as possible.

To better align the Town of Carrboro's rental and utility assistance program with the other jurisdictions, and to better reflect the true cost of housing stabilization, the AHAC recommended on April 15, 2020, that the maximum grant award for rental and utility deposit assistance be raised from the current \$1,000 to \$2,000. This would be one time assistance per household. Their recommendation can be found in Attachment D.

On June 19, 2018, the Town Manager was authorized to approve requests to the Affordable Housing Special Revenue Fund of \$5,000 or less.

[<https://carrboro.legistar.com/LegislationDetail.aspx?ID=3531581&GUID=C9F2A538-DFA1-4232-8651-D7E56FE388A4&Options=ID|Text|&Search=town+manager+grants+%245%2c000>](https://carrboro.legistar.com/LegislationDetail.aspx?ID=3531581&GUID=C9F2A538-DFA1-4232-8651-D7E56FE388A4&Options=ID|Text|&Search=town+manager+grants+%245%2c000>)

To maximize the rental and utility assistance program's response to the community need, the Town Council is asked to consider authorizing the Town Manager to make changes to the rental assistance program based on community need and regional consensus. Orange County, Chapel Hill, Hillsborough, and Carrboro Housing Departments are currently discussing how to best align the various rental assistance programs. Possible changes include expanded eligibility to include rent and utility arrears, and emergency housing-related costs such as hotel stays (to be reviewed and approved on a case-by-case basis) that will help prevent homelessness and move households toward stable housing.

Current eligible uses are rental and utility deposits, application and connection fees and rental payments. Aligning eligibility requirements with the region and allowing the Town Manager to approve the process will provide the flexibility needed to assist the Town in its goal of stabilizing housing for households facing homelessness, especially in this time of increased need.

FISCAL & STAFF IMPACT: The Affordable Housing Special Revenue Fund has a budget balance of \$132,239 for the remainder of the fiscal year and the AHAC has recommended allocating \$15,000 for rental assistance and \$10,500 in reserves, which can be transferred to rental assistance if needed.

RECOMMENDATION: Staff recommends the Council approve raising the maximum grant award for rental and utility deposit assistance from \$1,000 to \$2,000 and authorizing the Town Manager to approve changes in the rental assistance program. A resolution for approval is provided in Attachment A.