

**City of Garden Grove  
and  
Garden Grove Housing Authority**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew J. Fertal	From:	Susan Emery
Dept:	City Manager/Director	Dept:	Community Development
Subject:	APPROVAL OF A SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND THE GARDEN GROVE HOUSING AUTHORITY FOR THE ADMINISTRATION OF A TENANT BASED RENTAL ASSISTANCE PROGRAM	Date:	February 25, 2014

**OBJECTIVE**

The purpose of this memorandum is to request that the City Council (the "City") and the Garden Grove Housing Authority (the "Authority") consider and approve a Subrecipient Agreement (the "Agreement") between the City and Authority for the administration of a Tenant Based Rental Assistance Program ("TBRA").

**BACKGROUND**

The City of Garden Grove receives an annual HOME Investment Partnership (HOME) grant from the U.S. Department of Housing and Urban Development (HUD). On June 25, 2013, the City Council approved Substantial Amendment Number 1 to the 2010-15 Consolidated Plan and 2013-14 Annual Action Plan to allocate HOME funds to the Authority for the purpose of providing a TBRA program to qualified very low- and extremely low-income residents.

**DISCUSSION**

The Housing Authority's Section 8 budget was cut for FY 2013-14. This reduction in funds required the Housing Authority to cut existing very low- and low-income renters from their Section 8 housing program. To fill the Housing Authority's budget gap, \$2,500,000 in HOME funds was reallocated to provide TBRA vouchers to eligible low-income families. The City will contract with the Authority as a sub-recipient to operate a TBRA Assistance Program for the City that is modeled after the Section 8 Housing Choice Voucher Program. The City's TBRA program will subsidize the difference between 30 percent of the household's adjusted monthly income and the City established rent limit. Tenant selection will be based upon very low- and extremely low-income Garden Grove households, which is a high priority need population who are in jeopardy of losing their housing. Like the Section 8

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program, the Housing Authority will make payments directly to property owners on behalf of approximately 180 eligible families annually.

In order for the Authority to administer the TBRA program on behalf of the City, HUD requires that both entities enter into a Subrecipient Agreement.

FINANCIAL IMPACT

The Subrecipient Agreement will have no impact on the General Fund. Funding the TBRA program will come from the City's Federal HOME funds, fill a Section 8 funding reduction and not impact any other planned activities or projects.


RECOMMENDATION

Staff recommends that the City Council:

- Approve the Subrecipient Agreement between the City and Authority for the administration of a Tenant Based Rental Assistance Program;
- Authorize the City Manager to execute the Agreement and any pertinent documents to effectuate the Agreement, and to make minor modifications as appropriate; and

Staff recommends the Housing Authority:

- Approve the Subrecipient Agreement between the City and Authority for the administration of a Tenant Based Rental Assistance Program;
- Authorize the Director to execute the Agreement and any pertinent documents to effectuate the Agreement, and to make minor modifications as appropriate.



SUSAN EMERY  
Community Development Director



By: Allison Mills  
Neighborhood Improvement Manager

Attachment 1: Subrecipient Agreement

Recommended for Approval



Matthew Fertal  
City Manager

**Subrecipient Agreement has been included in with the  
Housing Authority Agency**