



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No.** _____

FROM: City Administrator

SUBJECT: Update on the Senior Rent Subsidy Program

MEETING DATE: August 2, 2017

RECOMMENDATION:

Receive an update on the City's Senior Rent Subsidy Program and provide City staff with further direction.

BACKGROUND:

The following is background on the City's Senior Rent Subsidy Program and subsequent Council actions related to the Program:

- Mid 1980's - the Commerce Community Development Commission (the "Commission"), which operated as the City's redevelopment agency, established the Senior Rent Subsidy Program, to be funded by State Redevelopment Housing Set-aside funds.
- July 16, 1996 and November 6, 2001 - the Commission Board of Directors approved modifications to the Senior Rent Subsidy Program participation requirements.
- Effective February 1, 2012, pursuant to AB 26, the State Legislature dissolved redevelopment throughout the state. AB 26 established successor agencies for the dissolved redevelopment agencies which were tasked with the dissolution of redevelopment. The Successor Agency to the Commission was established for the City of Commerce and is governed by the members of the City Council, as the Board of Directors of the Successor Agency; pursuant to AB 1484, the Successor Agency is considered to be a separate public entity.
- Redevelopment Housing Set-aside funds were eliminated. Consequently, there was no more funding for the Senior Rent Subsidy Program.
- April 3, 2012 – the Successor Agency Board of Directors and the City Council considered options in response to the termination of the redevelopment funding. The decision was postponed until City staff conducted an audit of all Senior Rent

Subsidy Program participants and so that the Successor Agency review whether any alternatives existed under AB 26 for continuation of the Program.

- April 3, 2012 – the City Council was concerned that the abrupt termination of the Senior Rent Subsidy Program would cause potential hardships to the existing participants. The City Council therefore decided to temporarily fund the Senior Rent Subsidy Program with General Fund monies through June 30, 2012.
- June 5, 2012 – the Successor Agency confirmed that, pursuant to AB 26, the State would not allow continued funding for the Senior Rent Subsidy Program. Following an audit of the 38 participants, City Staff confirmed that an abrupt termination of the Program would result in a financial hardship for them. The City Council therefore approved a transition program called the *City of Commerce Temporary Senior Citizen Rent Subsidy Program* (the “City Temporary Program”) that would be funded with General Fund monies and that would end on June 5, 2013. The City Temporary Program included only those participants that had been part of the Senior Rent Subsidy Program at the time that redevelopment was dissolved. City staff was directed to provide alternate solutions and an update in six months.
- June 6, 2012 – the Senior Rent Subsidy Program participants were notified that the City Temporary Program had been established and that it had been extended to June 5, 2013.
- September 1, 2012 – the number of City Temporary Program participants decreased to 34; three had moved out of the City and one was no longer eligible.
- March 14, 2013 – City staff updated qualifying information for 20 of the City Temporary Program participants.
- May 23, 2013 – City staff reported that of the 34 City Temporary Program participants, 25 were considered to be “extremely low” income level, eight were “very low” income level, and one was “low” income level.
- May 23, 2013 – the City Council extended the City Temporary Program through June 30, 2014, and approved modifications to the participation requirements. One of the criteria was that funding would continue only for qualified participants who were enrolled in the Senior Rent Subsidy Program previously funded by the Commission with redevelopment funds.
- April 10, 2014 – The number of City Temporary Program participants decreased to 29.
- April 15, 2014 – the City Council extended the City Temporary Program through June 30, 2016.
- June 21, 2016 – the number of City Temporary Program participants decreased to 19, due to relocation out of the City, no longer meeting Program requirements, or being deceased.

- June 21, 2016 – the City Council extended the City Temporary Program through June 30, 2018.

ANALYSIS:

As of July 20, 2017, the number of City Temporary Program participants decreased to 11. The City's Social Services staff continues to work with the City Temporary Program participants by providing resources and referrals to the Los Angeles County Housing Authority, California Tenants Guide, and to other apartment buildings for seniors and disabled persons.

ALTERNATIVES:

1. Allow the City Temporary Program to expire June 30, 2018;
2. Approve a continuation of the City Temporary Program for period of June 30, 2018 through June 30, 2019 or another period of time, as determined by the City Council.
This is the recommended alternative; or
3. Approval of a continuation of the City Temporary Program indefinitely by attrition of the participants is not recommended because it undermines the ability of the City Council to prioritize the continuation of the Program based on its annual effectiveness, the viability of other outside replacement resources (State or Federal funding) and/or the financial condition of the City; or
4. Provide staff with further direction.

FISCAL IMPACT:

The recommended action to continue this program will require General Fund appropriations of approximately \$36,600. If City Council wishes this item can be included as part of the budget workshop on August 19, 2017.

RELATIONSHIP TO STRATEGIC PLAN:

This matter is applicable to the following Strategic Focus Area and Guiding Principle: Community Quality of Life – Guiding Principle 4: Support and evaluate community services, programs and events that promote healthy and quality lifestyles for our residents. Enhance public safety and social services through innovative programs that meet the needs of the residential and business communities.

Respectfully Submitted: Matthew C. Rodriguez, Interim City Administrator
Recommended by: Matthew C. Rodriguez, Interim City Administrator
Reviewed by: Vilko Domic, Director of Finance
Approved as to form: Eduardo Olivo, City Attorney