



# Using HFA Funds for Tenant-Based Rental Assistance

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**L**ocal Housing Finance Authorities and local Homeless Coalitions seem unlikely partners. By their nature, HFA's function as public purpose lending institutions—selling bonds to finance developments that must make sense economically. Homeless Coalitions serve a clientele that often has little ability to pay rent, making financing of developments targeted to the homeless very difficult to structure from a lending perspective.



Before entering the program, the participants must develop a self sufficiency case management plan with a recognized case management provider in the Tampa/Hillsborough system of care. They are required to meet at least monthly with their case manager, with flexibility given if employment, education or child care limits their ability to meet in person.

Like most housing finance agencies, the HFA of Hillsborough County does not receive any appropriated monies, such as SHIP, SAIL, HOME, or CDBG funds. However, by financing successful rental developments and prudent structuring of homeownership bond issues, the HFA generates a limited amount of funds that can be used to subsidize either its own bond programs or create small innovative new programs.

The Board of the HFA of Hillsborough County decided to invest some of its resources in new programs where the HFA's limited monies could actually make a difference. HFA's cannot replicate SHIP, but they can focus on innovative actions where a limited amount of money can be effective. The partnership with the Homeless Coalition of Hillsborough County provided such an opportunity—with funding for the Up and Out Program.

Up & Out provides a two-year rental subsidy to formerly homeless households that are securing housing at an approved HFA property. Eligible households include single adults or families that are employed and involved in on-going case management services to attain self-sufficiency. Emergency and transitional housing programs in Hillsborough serve as the referring agencies for this program.

From the HFA's perspective, the key component is that the homeless clients are in transition to self sufficiency—meaning that they will need HFA subsidy for only a 1-2 year period.

The program accepted its first participant in October 2006, and today is at full capacity of ten families. The program has been so successful and cost effective that the HFA has recently increased funding to 15 households for the upcoming fiscal year. An individual in a one-bedroom apartment receives a rental subsidy of \$286 a month and a family in a two-bedroom or larger receives \$403.

Two entities that seemingly serve different parts of the needs continuum have created a mutually beneficial and successful partnership. From the HFA of Hillsborough County's perspective, this partnership has provided an opportunity to invest a limited amount of funds, yet still achieve meaningful ongoing impact with a segment of our community that we cannot serve with traditional bond programs. Families moving from homelessness need temporary assistance, and the HFA can cost effectively provide that assistance.

According to Rayme Nuckles, the Chief Executive Officer of the Homeless Coalition of Hillsborough County, "Overall, the families and individuals participating in the Up & Out program have had a positive experience; four consumers have moved out of the program. Our first participant completed her self sufficiency plan in twelve months by improving her employment and moving to an affordable, unsubsidized, property near her new employer. Another participant finished her training ahead of schedule and moved from the program to take a well paying job in another county. The majority have been able to set aside some income for their future and are working together with their case manager to attain their goal of self sufficiency."

