

## COUNCIL AGENDA REPORT

September 15, 2009

**TO:** City Council

**FROM:** City Manager  
Prepared By: Director of Administrative Services

**SUBJECT: A PUBLIC HEARING TO RECEIVE PUBLIC COMMENTS AND CONSIDER THE BLOCK GRANTS ADVISORY COMMITTEE'S RECOMMENDATION FOR THE ALLOCATION OF FEDERAL FUNDS IN THE AMOUNT OF \$521,839 UNDER THE HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM**

### RECOMMENDATION:

That the City Council conduct a public hearing to receive public comments and consider the Block Grants Advisory Committee's recommendation for the allocation of Federal funds under the Homelessness Prevention and Rapid Re-Housing Program and adopt a resolution approving the final allocations.

### BACKGROUND:

On March 6<sup>th</sup>, the U.S. Department of Housing and Urban Development (HUD) informed the City that it would be eligible to receive \$521,839 in Federal funds under the Homelessness Prevention and Rapid Re-Housing Program (HPRP). The HPRP was created and funded through the American Recovery and Reinvestment Act of 2009 (Recovery Act). While the HPRP funding is a one-time grant, funding will be distributed over a 3-year period. In order to access the HPRP funding, the City was required to prepare and submit a Substantial Amendment to the City's 2008-09 Annual Action Plan.

On May 5<sup>th</sup>, the City Council conducted a public hearing and approved the Substantial Amendment. Staff submitted the application for the HPRP funding and the grant agreement was just received from HUD this week. The City must obligate funding to its subgrantees by September 30, 2009. The Recovery Act requires that 60 percent of HPRP grant funds be expended within two years of the date of HUD's grant agreement and 100 percent of the funds within three years of that date.

HPRP funds must be used for specific **housing** activities that primarily benefit individuals and families who are at risk of becoming homeless or already are experiencing homelessness. The funds are intended to target those whose income does not exceed 50 percent of the area median income. Eligible activities include:

- **Financial assistance**, such as rental assistance, security deposits, utility deposits, utility payments, moving costs, and hotel/motel vouchers; and
- **Housing relocation and stabilization services**, such as case management, outreach, housing search and placement, legal services, and credit repair.

The HPRP regulations require that anyone receiving financial assistance under the program must be case-managed. HPRP funds may not be used for mortgage assistance, capital development, emergency shelter operations or long-term, intensive support services.

### **DISCUSSION:**

In keeping with the City's usual process of allocating grant funds in a competitive manner, a Notice of Funding Availability (NOFA) was issued requesting proposals from private, non-profit organizations. A pre-application collaboration workshop was held on August 7<sup>th</sup>, to meet with potential applicant organizations. Five applications were received. Staff thoroughly analyzed each application to determine the ability of the applicant organization to comply with stringent Federal regulations, accountability standards and reporting requirements for the program. All of the applicants have been deemed to have excellent staff experience and administrative capacity to implement the HPRP activities. Two of the applicants, Cabrillo Economic Development Corporation and Peoples' Self-Help Housing Corporation, are HUD-certified housing counseling agencies.

Staff recommended that priority be given to those agencies providing those "core" services that best meet the intent of the HPRP legislation in assisting individuals and families that are hardest hit by current economic conditions and in need of direct financial assistance. The agencies recommended for priority are Domestic Violence Solutions of Santa Barbara County, Good Samaritan Shelter/Catholic Charities Collaborative and Legal Aid Foundation of Santa Barbara County. These agencies are on the "front lines" of being most accessible to the greatest number of low income target populations in need and experiencing the greatest demands for service. Over 84 percent of the HPRP funding is recommended for allocation to these "core" service agencies.

The remaining 13 percent is recommended for allocation to Cabrillo Economic Development Corporation (CEDC) and Peoples' Self-Help Housing Corporation (PSHHC). These agencies will provide supplemental services that are more limited in scope and focus on a smaller portion of the target population. CEDC will assist homeowners facing foreclosure that may be at risk of homelessness as well as those who have lost their homes and need help relocating to a rental unit. PSHHC will provide permanent housing and case management to those homeless individuals and families who will be referred from emergency or transitional shelter living programs.

On August 26<sup>th</sup> & 27<sup>th</sup> staff and several Advisory Committee members conducted applicant interviews. Staff presented a recommendation to the Block Grants Advisory Committee at a special deliberations meeting held on August 31<sup>st</sup>. After considerable discussion and review, the Advisory Committee unanimously approved staff's

recommendation with no revisions. The recommendation includes approval of the following agencies and funding allocations:

**CORE SERVICES**

Domestic Violence Solutions of Santa Barbara County	\$ 31,058
Good Samaritan Shelter/Catholic Charities Collaborative	\$343,375
Legal Aid Foundation of Santa Barbara County	\$ 65,685

**SUPPLEMENTAL SERVICES**

Cabrillo Economic Development Corporation	\$ 41,000
Peoples' Self-Help Housing Corporation	\$ 27,675

The attached summary (Attachment A) outlines the funding amounts requested and recommended by applicant and by activity category. The activity categories are further classified by either services or direct financial assistance. Also, each applicant's program is identified by an objective of either "homelessness prevention" or "rapid rehousing."

Once the allocations are approved, staff will require the subgrantees to collaborate and coordinate with one another so as to maximize resources, serve the greatest number of clients in need and prevent duplication of service. In addition to quarterly reporting, staff will conduct periodic meetings with the subgrantees to troubleshoot any problems that may occur during the course of program implementation. Staff will develop standardized client intake and reporting forms as well as institute a system for pre-approval of program participants.

**Fiscal Considerations:**

The proposed action will provide \$521,839 in Federal funds over the next three years for social services that will help relieve pressures on the City for increased demands for service due to the current economic crisis. Also, 5 percent or \$26,091 of the funding may be used for administrative costs, half of which will be provided to the subgrantees and the other half to the City to help defray operating costs of the Special Projects Division. There are no matching fund requirements.

**Impact to the Community:**

The proposed action will build a more stable economic environment in the community by providing services and direct assistance to those individuals and families that are in the greatest need and have been hardest hit by the current economic crisis.

*Celeste Coelho-Hudson*  
CELESTE COELHO-HUDSON  
Community Programs Manager

*Lynda Snodgrass*  
LYNDA SNODGRASS  
Director of Administrative Services

**ATTACHMENTS**

Attachment A – Summary of Recommended Allocations



City of Santa Maria  
 Homelessness Prevention & Rapid Re-Housing Program (HPRP)  
 Fiscal Year 2009-10  
 Staff & Block Grants Advisory Committee Recommended Allocations

Summary of Applications

Applicant		ADMIN		SERVICES				DIRECT FINANCIAL ASSISTANCE				Proposed Allocation	# to be Assisted	% of Grant Amount	
		Program Admin. (2.5%-cap)	Case Management	Outreach / Marketing	Other: Data Collection HMIS	Legal Services	Credit Repair & Counseling	Security/ Utility Deposits	Rental Assistance	Utility Payments	Moving Costs				
Supplemental Services	1) Cabrillo Economic Development Corporation Homelessness Prevention	Recommendation	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 41,000	100	7.86%
		Requested Amount	\$ 5,625	\$ 205,000	\$ 14,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	500	
Core Services	2) Domestic Violence Solutions of Santa Barbara County Rapid Re-Housing	Recommendation	\$ 758	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ 3,800	\$ 4,000	\$ 31,058	20	5.95%
		Requested Amount	\$ 2,157	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ 60,800	\$ -	\$ 3,800	\$ 15,200	\$ 88,457	200	
	3) Good Samaritan Shelter / Catholic Charities 50/50 Homelessness Prevention Rapid Re-Housing	Recommendation	\$ 8,375	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ 130,000	\$ 40,000	\$ -	\$ 343,375	450	65.80%
		Requested Amount	\$ 11,775	\$ 186,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 150,000	\$ 60,000	\$ -	\$ 482,775	450	
4) Legal Aid Foundation of Santa Barbara County 75/25 Homelessness Prevention Rapid Re-Housing	Recommendation	\$ 1,602	\$ 24,083	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,685	150	12.59%	
	Requested Amount	\$ 4,650	\$ 57,105	\$ 4,875	\$ -	\$ 114,210	\$ 19,035	\$ -	\$ -	\$ -	\$ -	\$ 199,875	150		
Supplemental Services	5) Peoples' Self-Help Housing Corporation Rapid Re-Housing	Recommendation	\$ 675	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,675	30	5.30%
		Requested Amount	\$ 3,000	\$ 90,000	\$ -	\$ 3,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 126,000	300	
	6) City of Santa Maria		\$ 13,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,046		2.50%	
<b>Recommendations</b>			\$ 25,456	\$ 177,583	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ 81,000	\$ 130,000	\$ 43,800	\$ 4,000	\$ 521,839	750	100.00%
<b>Applicant Requests</b>			\$ 40,253	\$ 544,605	\$ 19,250	\$ 3,000	\$ 114,210	\$ 49,035	\$ 135,800	\$ 150,000	\$ 63,800	\$ 15,200	\$ 1,135,153	1600	