

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Department of Human Services
DATE: May 5, 2009

RE: **A Report And A Resolution 1) Authorizing The City Administrator To Amend The Consolidated Plan Annual Action Plan For Housing And Community Development For Fiscal Year 2008-2009 Action Plan To The U.S. Department Of Housing And Urban Development; 2) Authorizing The City Administrator To Accept And Appropriate Funds Totaling \$3,458,120 To The Department Of Human Services To Develop And Administer The Homelessness Prevention And Rapid Re-Housing Program (HPRP); 3) Authorizing The Department Of Human Services To Issue A Request For Proposal / Qualifications For The Homeless Prevention And Rapid Re-Housing Program; And 4) Authorizing Use Of HPRP As Needed For Housing Assistance Services And Rapid Re-Housing**

SUMMARY

This item is a request for City Council approval of a resolution authorizing the City Administrator to amend the Consolidated Plan Annual Action Plan for Housing and Community Development for Fiscal Year 2008-09 to the U.S. Department of Housing and Urban Development (HUD); to accept and appropriate funds totaling \$3,458,120 for the Emergency Shelter Grant (ESG) program to develop and administer the Homelessness Prevention and Rapid Re-Housing Program (HPRP); authorizing the Department of Human Services to issue a Request For Proposal/Qualifications for the HPRP; and authorization to use HPRP funds as needed for housing assistance services and rapid re-housing.

FISCAL IMPACT

The resolution accepts and appropriates \$3,458,120 for the FY 2009-10 budget allocation from HUD. The resolution also authorizes the use of HPRP Funds (Fund 2103, Project to be determined) as need to support the HPRP. The grant funds for the HPRP will be appropriated into HUD-ESG (Fund 2103, Org 78111, Project G359020, G359030, G35940, and G35950).

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BACKGROUND

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009, which included a \$1.5 billion allocation nationally for a Homelessness Prevention fund. The Homelessness Prevention and Rapid Re-Housing Program (HPRP) Notice was published in the Federal Register on March 19, 2009. The primary objectives of the program are to prevent individuals and families from becoming homeless, as defined by section 103 of McKinney-Vento Homeless Assistance Act, and to help those who are experiencing homelessness to be re-housed quickly. The HPRP funds have been distributed to states, metropolitan cities, and urban counties according to the current federal Emergency Shelter Grant (ESG) formula allocation, although this is a separate program.

Program Funding Eligibility

HUD has determined that an eligible use of funds will be programs and services aimed at rapidly transitioning individuals who are still housed but at risk of becoming homeless and persons who are already homeless, either through their own means or through public assistance as appropriate. The HPRP program has four categories of eligible activities: (1) financial assistance; (2) housing relocation and stabilization services; (3) data collection and evaluation, and (4) administrative costs, up to 5%. In general the funds can be provided to target populations for a variety of assistance, including: short-term (a period of 3 months) or medium-term (over a period of 4 to 18 months) rental assistance, housing stabilization services, security or utility deposits, utility payments, moving cost assistance, case management, legal services, credit repair, and other housing placement services.

Applying for HPRP Funds

HUD has also determined that the award process will include an application for funds that will take the form of a substantial amendment to the City of Oakland's 2008 Annual Action Plan. The substantial amendment and other required documents must be postmarked no later than May 18, 2009. Grantees are advised to follow their citizen participation plan as outlined in Oakland's Consolidated Plan, with the caveat that the minimum time period for citizens to comment on the substantial amendment may be reduced to 12 days. City staff has taken the necessary steps to publicly notice the substantial amendment for comment either in writing or during the hearing of this item at City Council meeting on May 5, 2009. Additional items that must be included in the substantial amendment are:

- a. grantee contact information
- b. grantee's plan for distribution, administration, and oversight of funds
- c. grantee's plan for collaboration with local organizations receiving Recovery Act funds and Continuum of Care, and ensuring consistency with the Consolidated Plan;
- d. an estimated budget for HPRP fund; and
- e. Signature of the official authorized to sign the substantial amendment.

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Summary of Timeline HPRP Grant Allocations

- Final application submitted to HUD on or before May 18, 2009 (grant application includes the substantial amendment, SF-424, and certifications);
- HUD expedites review, completing all reviews not requiring additional information from the grantee by July 2, 2009;
- HUD either accepts the substantial amendment and prepares a cover letter, grant agreement, and grant conditions, or disapproves it after allowing the grantee a resubmission;
- Grant agreement is signed by HUD and immediately transmitted to the grantee, “starting the clock” for statutory expenditure deadlines;
- Grantee signs and return the grant agreements;
- Grantee signs agreements with sub-grantees by September 30, 2009;
- Grantee expends 60% of grant funds within 2 years of the date that HUD signed the grant agreement; funds may be recaptured and reallocated if not spent;
- Grantee expends 100% of grant funds within 3 years of the date HUD signed the grant agreement. Funds will be recaptured if not spent.

KEY ISSUES AND IMPACTS

The City of Oakland has been allocated \$3.45 million to implement a Homelessness Prevention and Rapid Re-Housing Program (HPRP). Additionally, the State of California has been allocated \$44,466,877 to implement a HPRP. City staff is in conversation with state representatives to determine how state funds might be accessed to augment local programs. Once city staff receives notification of funds being available at the state level, staff may return to request authorization to apply for and accept state HPRP funding.

As noted above, in order to receive the HPRP allocation, the City of Oakland must submit to the HUD local office by May 18, 2009, a Substantial Amendment Action Plan to the Consolidated Annual Action Plan for FY 2008-09. Below are some of the more critical elements required in the Substantial Amendment -- **Attachment A** is a substantially completed copy.

Selection of Sub-grantee

HUD asks the City to describe its plan for selecting sub-grantees. Given the timeframe that grantees have to put a program in place: design program, solicit application, select and execute contracts, Oakland will allocate programmatic funds through a competitive process. The City of Oakland will issue a Request for Proposal/Qualifications and/or a Solicitation of Interest for the prevention and rapid re-housing in coordination with other jurisdictions in the same geographic region.

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Use of Funds

The City of Oakland and its network of housing and services providers participated in a county-wide forum to discuss and develop a coordinated system for prevention and rehousing services that is effective and efficient. The Plan includes the creation of regional housing assistance centers that will provide a variety of prevention and rehousing services linked through a coordinated, county-wide referral, assessment and outcome tracking system. A more detailed description can be found in *Attachment A*.

Budget of Funds

Financial Assistance Fund Allocation

\$2,171,750

These funds will cover the cost of direct payment for housing costs both to rapidly re-house persons who have lost their housing or are temporarily and precariously housed, as well keeping people in housing that they have. Funding will also be used for rental assistance which includes rental arrears and rental subsidies, moving costs and hotel vouchers for shelter diversion. HPRP funds must serve persons whose incomes do not exceed 50% of area median income.

Housing Relocation and Stabilization Services Funds

\$930,064

These funds will be used to cover case management, outreach, housing locators, legal services, and credit repair. These costs will likely be primarily staffing costs and must be used strategically as they will be downsized at the end of three years.

Data Collection and Evaluation Funds

\$178,153

These funds will be used to invest in our county-wide Homeless Management Information System (HMIS) so that new providers are brought into the systems; development of a housing assessment tool that will interface with HMIS data and be completed in real time; tracking and analyzing utilization patterns of households requesting and receiving HPRP assistance. City staff, in coordination with county-wide effort, will likely apply to the State for funds to expand and enhance our ability to track outcomes and perform a more thorough evaluation than proving the negative.

Administration Costs for the HPRP

\$178,153

These funds must be reasonably and appropriately shared with sub-grantees. Administrative funds may be used for pre-award administrative costs, accounting for use of grant funds, preparing reports to HUD, obtaining program audits, similar costs related to administering the grant and grantee or sub-grantee staff salaries associated with these administrative costs

TOTAL \$3,458,120

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SUSTAINABLE OPPORTUNITIES

Economic: As noted in the report, these HPRP funds are for the purpose of providing homelessness prevention and rapid re-housing assistance to persons at eminent risk of homelessness or who are already homeless.

Environmental: The provision of housing for at risk and homeless persons is intended to address the environmental degradation caused by homeless families and individuals precariously housed or living on the streets.

Social Equity: The expenditure of these funds is targeted to the most vulnerable and at-risk population in this City and is providing essential and basic human services - housing and support.

DISABILITY AND SENIOR CITIZEN ACCESS

These funds do not provide specific benefits or programs for disabled or senior citizen access; however, if these individuals are in eminent danger of being homeless or are precariously housed, appropriate assistance will be available to them.

RECOMMENDATION AND RATIONALE

In order to receive the HPRP allocation, grantees must submit to the HUD local office by May 18, 2009, a Substantial Amendment Action Plan to the Consolidated Annual Action Plan for FY 2008-09. Therefore, staff recommends that the City Council:

- approve a resolution authorizing the City Administrator to amend the Consolidated Plan Annual Action Plan for Housing and Community Development for Fiscal Year 2008-09 to the U.S. Department of Housing and Urban Development (HUD)
- accept and appropriate funds totaling \$3,458,120 for the Department of Human Services to develop and administer the Homelessness Prevention and Rapid Re-Housing Program (HPRP)
- authorize the Department of Human Services to issue a Request For Proposal / Qualifications for the Homelessness Prevention and Rapid Re-Housing Program
- authorize the use of HPRP funds as needed for housing assistance services and rapid re-housing.

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ACTION REQUESTED OF THE CITY COUNCIL

The Department of Human Services requests that the City Council accept this report and approve a resolution authorizing the City Administrator to amend the Consolidated Plan Annual Action Plan for Housing and Community Development for Fiscal Year 2008-09 to the U.S. Department of Housing and Urban Development (HUD); to accept and appropriate funds totaling \$3,458,120 for the Department of Human Services (DHS) to develop and administer the HPRP; authorizing DHS to issue a Request For Proposal/Qualifications for the HPRP; and authorization to use HPRP funds as needed for housing assistance services and rapid re-housing

Respectfully submitted,

Andrea Youngdahl, Director
Department of Human Services

Prepared By:
Susan Shelton, Manager
Community Housing Services Division

ATTACHMENT A:
Substantial Amendment to the Consolidated Plan 2008 Action Plan for the
Homelessness Prevention and Rapid Re-Housing Program (HPRP)

APPROVED AND FORWARDED TO
CITY COUNCIL:

Office of the City Administrator

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