

Agenda Report

June 25, 2007

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION
FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER
SUBJECT: MODIFICATION AMENDMENT TO SUB-RECIPIENT AGREEMENT
BETWEEN COMMISSION AND PACIFIC CLINICS

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission ("Commission") authorize the Chief Executive Officer to:

- 1) Execute an amendment to the Sub-recipient Agreement between the Commission and Pacific Clinics/Hestia House which modifies the budget by moving \$71,241 from the Operations account to the Supportive Services account; and
- 2) Approve and execute future proposed budget amendments to Supportive Housing Program (SHP) Sub-recipient Agreements.

BACKGROUND:

Approval of the subject recommendation will authorize the Chief Executive Officer to modify the budget for Hestia House through execution of an amendment to the Sub-recipient Agreement between the Commission and Pacific Clinics, the project sponsor. Hestia House provides eight units of permanent supportive housing for chronically homeless young adults. The program is funded by a two-year renewable SHP grant from the U.S. Department of Housing & Urban Development to the Commission with a funding total of \$465,726, divided between Leasing, Supportive Services, Operations, and Administration. The Sub-recipient Agreement Amendment will move \$71,241 from the Operations account to the Supportive Services account to enhance the supportive services that are provided to the residents.

The Commission received \$465,726 from its 2003 Continuum of Care Application to HUD to provide eight units of permanent supportive housing for chronically homeless young adults. Pacific Clinics was selected as the project sponsor through a Request for

Proposals process. Hestia House began serving its first residents in October 2005, and is currently providing permanent housing with supportive services to five men and three women, all homeless individuals with disabilities between the ages of 18-24.

The original two-year grant from HUD allocated \$125,328 for Leasing, \$103,505 for Supportive Services, \$143,475 for Operations, and \$22,177 for Administration. During the eighteen months of operation, it became clear that the residents, many of whom were former foster youth and all of whom had spent at least one year on the streets, would benefit from intensive case management and supportive services. It was determined that transferring funds from Operations to Supportive Services would enable Pacific Clinics to pay for a full time Housing Specialist and a part-time Therapist to provide this intensive case management and supportive services. Other sources of funding are available to defray the cost of Operations.

Pacific Clinics has requested to move \$71,241 from Operations to Supportive Services. This request was submitted to HUD as required by the terms of the grant agreement and has been approved. To complete this process, the Chief Executive Officer is required to execute an amendment to the Sub-recipient Agreement that will modify the project budget. The terms of the Sub-recipient Agreement require Commission approval of a budget modification that is more than ten percent (10%) of the total Agreement amount or exceeds \$10,000 per budget cost category.

Requests for SHP budget modifications, though rare, do occur. Each budget modification is reviewed and approved by staff, and those greater than 10% per budget category are approved by HUD. In order to expedite these budget changes and limit any negative impact to the continued operations/provision of supportive services to the residents, it is recommended that the Chief Executive Officer be authorized to approve these modifications. Any proposed budget modification would effect only HUD SHP funding for supportive housing programs previously approved by the Commission and covered by a Sub-recipient Agreement.

HOUSING IMPACT:

Approval of the subject recommendation will allow Pacific Clinics to continue to provide housing with enhanced supportive services to eight chronically homeless young adults. The project is in accordance with the approved Pasadena Continuum of Care system which sets forth the mechanism to provide affordable decent, safe and sanitary housing with supportive services. The project in accordance with the approved Pasadena Continuum of Care system, General Plan Housing Element, Five Year Consolidated Plan, Five Year Public Housing Plan, and Implementation Plan.


FISCAL IMPACT:

Approval of the subject recommendation will allow \$71, 241 to be moved from Operations to Supportive Services in the two year SHP budget for Hestia House/Pacific Clinics.

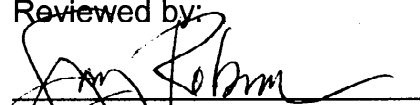
Respectfully Submitted,


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