

Agenda Report

October 20, 2014

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: APPROVAL OF SUBMISSION OF THE 2014 CONTINUUM OF CARE HOMELESS ASSISTANCE APPLICATION TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECOMMENDATION:

It is recommended that the City Council adopt a resolution:

- 1) Authorizing the filing with the U. S. Department of Housing and Urban Development (HUD), the 2014 Continuum of Care (CoC) Homeless Assistance Application for a funding request in the amount of \$3,263,581 for sixteen projects; and
- 2) Authorizing the City Manager to execute, and the City Clerk to attest, the 2014 CoC Homeless Assistance Application and all other related documents, agreements and amendments.

BACKGROUND:

On September 16, 2014, HUD released its annual Notice of Funding Availability (NOFA) for CoC Homeless Assistance. The purpose of this NOFA is to fund programs which end homelessness by assisting homeless individuals and families to move to self-sufficiency and permanent housing. The NOFA makes available renewal and limited new funding for CoC programs. The deadline for the City to submit an application in response to the NOFA is October 30, 2014. Nationwide, approximately \$1.83 billion is available in competitive grant funding for new and renewal grants under this NOFA.

HUD Continuum of Care Strategy

HUD CoC funding is awarded to the designated Continuum of Care in a local area on an annual competitive basis rather than on an entitlement, formula basis (e.g., Community Development Block Grant and HOME program funds). This Continuum of Care is the entity in a geographic area that plans for and administers programs to

prevent and end homelessness, and submits an Annual Application to HUD for new and renewal funding. The application consists of an overview of the CoC's past year performance results and planning activities, as well as individual applications for specific projects. The City is the Collaborative Applicant/Lead Agency for the Pasadena CoC. The Application funds primarily existing homeless programs with some limited funding available for new projects.

The purpose of the CoC assistance programs is to reduce homelessness by assisting homeless individuals and families to move to self-sufficiency and permanent housing. CoCs that are successful in lowering the number of homeless persons in their communities, increasing the income of those who become homeless, and moving homeless persons quickly into housing will be scored higher in the national competition. Higher scoring CoCs are more likely to be approved for funding for any new project requests.

HUD prioritizes funding to programs that national data and research have shown are most effective, both in cost and outcomes, in ending homelessness. The most recent data shows that programs that move homeless persons to permanent housing as quickly as possible are the most effective interventions. Therefore, HUD is prioritizing CoC funding to permanent housing programs over transitional programs that provide time-limited housing for homeless persons, or supportive services programs that provide services to homeless persons without a housing component. CoCs are encouraged to review their inventory of programs and, if appropriate to the community's needs, reallocate funding from supportive service programs to programs that provide permanent housing.

The City's CoC Homeless Assistance Application to HUD requests funding in the total amount of \$3,263,581 for 16 reallocated, renewal and new projects as discussed below and summarized in Attachment "A".

Funding Reallocation

A total of \$978,417 of the City's CoC application consists of funding reallocations. Based on the information from HUD regarding effectiveness and best practices, current CoC funding for one program, Passageways, operated by Pacific Clinics, will be reallocated. Passageways has operated in Pasadena since 1999 and provides mental health and other supportive services for homeless persons, as well as providing intake services for shelter at Union Station, the City's only year-round homeless shelter, and referrals to other shelter services. It received \$978,417 in Program Year 2013 HUD CoC funding. Guidance from HUD indicates that Passageways funding is at risk for non-renewal as it funds supportive services without a permanent housing component. Therefore, the CoC made the determination to reallocate \$850,000 of this funding to three other projects which provide permanent housing: Permanent Supportive Housing-Rental Assistance; Rapid Rehousing for Families-Short Term Rental Assistance (up to 3

months' assistance); and Rapid Rehousing for Families-Medium Term Rental Assistance (4-24 months' assistance).

This funding was reallocated through a Request for Proposals (RFP) process initiated by the City on August 14, 2014. Two applications, one from Pacific Clinics and one from Union Station Homeless Services, were received. Based on scoring by an RFP panel comprised of staff from the Cities of Pasadena and Glendale and a representative from United Way of Greater Los Angeles, Union Station was selected to submit an application to HUD as part of this CoC Homeless Assistance Application to provide rental housing subsidy with outreach and services to 45 chronically homeless individuals and five families with children.

With the remaining \$128,417 of the reallocated funding, the City will apply for the two Rapid Rehousing reallocation projects, and will select a provider via an RFP process if funded. These projects will provide case management and short or medium term housing subsidies (funding requests for \$56,149 and \$72,268 respectively) to homeless families to divert them from needing to enter the shelter system and allow them instead to lease private dwelling units in the community.

The homeless intake services provided through Passageways will continue to operate through the end of the current grant year on March 30, 2015, and will then be provided through the Coordinated Entry System (CES), which is operated by Union Station Homeless Services and funded through a United Way grant. CES assesses homeless persons using a detailed survey and matches them with the most appropriate housing intervention, based on length of time homeless, disability, and other factors.

Renewal Funding Process

A total of \$1,828,960 of the City's CoC application consists of funding renewals for existing projects. The CoC NOFA process allows jurisdictions to submit renewal applications for currently funded recipients whose projects are ongoing and are performing well, as verified by annual performance outcomes. Renewal projects are existing projects whose HUD funding will expire during the 2015 calendar year. There are eleven projects which are eligible for renewal funding in the total amount of \$1,828,960. Project sponsors of eligible projects were notified of their ability to apply for renewal funding. All eligible project sponsors responded and submitted applications prior to the October 10, 2014 deadline. If awarded CoC funds by HUD, the City will enter into sub-recipient agreements with the sponsor agencies of the renewal projects.

The City is the sponsor agency for five of the eleven renewal projects. For one of the City-sponsored projects, the Homeless Management Information System (HMIS), HUD requires a 25% match of sponsor funds in the amount of \$35,095. As in previous program years, the City will satisfy this match requirement using General Funds which are currently in the Housing and Career Services Department FY 2015 operating budget.

New Project Funding

In addition to the eleven renewal projects and three reallocated projects, the CoC application will include two new projects for funding in the total amount of \$456,204. The first new project will be a City application to fund CoC planning activities in the amount of \$35,097. If awarded, these funds would be available for costs associated with planning and monitoring new and existing CoC projects. For this project HUD also requires a 25% match of sponsor agency funds in the amount of \$8,774. As proposed, the match requirement would be satisfied with General Funds which are currently in the Housing and Career Services Department FY 2015 operating budget.

The second new project application would be for Permanent Supportive Housing Bonus funding. In the 2014 NOFA, CoCs are eligible to apply for up to 15% of their combined annual renewal and reallocated funding amounts for one project to provide permanent housing and services to chronically homeless persons. The City will apply for these funds in the amount of \$421,107 (15% of \$2,807,377) to provide tenant-based rental assistance and case management to up to 30 chronically homeless individuals. A 25% percent match is also required for these funds, which would be met through in-kind supportive services provided by non-profit agencies serving the chronically homeless population. There is \$40 million available nationwide for this new competitive application.

COUNCIL POLICY CONSIDERATION:

Approval of the subject recommendation has the potential to provide housing and supportive services for over 1,000 homeless individuals/families. The proposed projects are in accordance with the approved Ten-Year Strategy to End Homelessness, Pasadena Continuum of Care system, General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

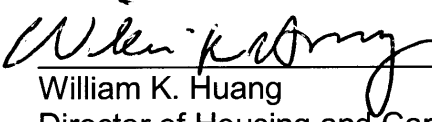
FISCAL IMPACT:

The City has the potential to gain \$3.26 million in grant funding for existing homeless services programs new projects, and planning costs should HUD award the full amount requested in the CoC application; this would represent a \$339,545 increase over the amount awarded to the City in CoC Program Year 2013. CoC funds awarded by HUD will be recognized as new revenue and the Housing and Career Services operating budget will be brought to City Council to be amended accordingly.

HUD requires a 25% match of local funds for two City-sponsored projects:


- HMIS project: A match in the amount of \$35,095 is required. As in previous program years, the City will satisfy this match requirement using General Funds which are currently in the Housing and Career Services Department FY 2015 operating budget.
- CoC Planning project: A match in the amount of \$8,774 is required should HUD approve the award. The match requirement would be satisfied with General Funds which are currently in the Housing and Career Services Department FY 2015 operating budget.

Respectfully submitted,




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Director of Housing and Career Services

Prepared by:



Anne Lansing, Project Planner

Approved by:



for MICHAEL J. BECK
City Manager

Attachments:

Attachment A – 2014 CONTINUUM OF CARE APPLICATION