

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KELLI KUYKENDALL, HOUSING AND COMMUNITY SERVICES
MANAGER
SUBJECT: HOUSING AND COMMUNITY SERVICES
AMENDMENT TO GRANT AGREEMENT FOR HOMELESS
OUTREACH SERVICES TEAM (HOST) PROGRAM PROVIDING
FUNDING FOR LANDLORD INCENTIVES AND RAPID RE-
HOUSING (HOUSING FIRST FUND)

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by Resolution: 1) approve an Amendment to Grant Agreement for Homeless Outreach Services Team (HOST) Program with Catholic Charities of the Diocese of Santa Rosa, in the amount of \$200,000, providing funding for landlord incentives and rapid re-housing (Housing First Fund), bringing the total amount under the agreement to \$686,450 for Fiscal Year 2017/2018; and 2) amend the Fiscal Year 2017/2018 adopted budget within the General Fund and Homeless Shelter Operations Fund to appropriate funding in the total amount of \$200,000.

EXECUTIVE SUMMARY

On July 11, 2017, Council, by motion, confirmed its direction on homeless services programing, including but not limited to the creation of a fund to provide landlord incentives, risk mitigation, and tenant assistance (Housing First Fund). Staff collaborated with Catholic Charities of the Diocese of Santa Rosa (Catholic Charities) to develop a budget, in the amount of \$534,000 annually, which was presented to Council on January 30, 2018, along with budgets to align the Homeless Services Center and Family Support Center, also operated by Catholic Charities and funded by the City, with the Housing First model. At the January 30 meeting, Council, by motion, approved partial funding for the creation of a Housing First Fund for the final quarter of Fiscal Year 2017/2018 (April 1 to June 30, 2018) and directed staff to return with a contract for their consideration.

Staff has collaborated with Catholic Charities to develop a modified budget and scope of work to provide funding for landlord incentives and rapid re-housing resources. Staff is seeking approval of an Amendment to Grant Agreement for Homeless Outreach Services Team (HOST) Program with Catholic Charities (Amendment), in the amount of \$200,000, bringing the total amount under the agreement to \$686,450 for Fiscal Year 2017/2018. This will be the second amendment to the HOST grant agreement. On November 21, 2017, Council approved an amendment providing \$20,000 to reimburse Catholic Charities for expenses incurred to continue operation of the disaster shelter at the Finley Community Center.

Staff also seeks approval to amend the Fiscal Year 2017/2018 adopted budget within the General Fund and Homeless Shelter Operations Fund to appropriate funding for this purpose in the total amount of \$200,000.

This item relates to Council Goal 6: Committed to making Santa Rosa a community where people feel safe to live, work, and play.

BACKGROUND

1. On July 11, 2017, Council, by motion, confirmed its direction on homeless service programming, including but not limited to the creation of a fund to provide landlord incentives, risk mitigation, and tenant assistance (Housing First Fund).
2. Staff collaborated with Catholic Charities to develop a budget for the creation of a Housing First Fund, which is approximately \$534,000 annually and includes funding for landlord incentives (leasing bonuses, support hotline, marketing), risk mitigation pool (insurance pool for landlords for excessive damage and/or non-payment of rent), and tenant assistance (transportation, housing preparation costs and location, and rapid re-housing) plus funding for administrative expenses.
3. On January 30, 2018, staff presented to Council the budget for the Housing First Fund along with budgets to align the Homeless Services Center and Family Support Center, also operated by Catholic Charities and funded by the City, with the Housing First model. Staff recommended that the Housing First Fund be administered through HOST, which is currently funded at \$486,450 for Fiscal Year 2017/2018.
4. At the January 30 meeting, Council, by motion, approved partial funding for the creation of a Housing First fund for the final quarter of Fiscal Year 2017/2018

(April 1 to June 30, 2018) and directed staff to return with a contract for their consideration.

5. Staff has collaborated with Catholic Charities to develop a modified budget and scope of work to provide funding for landlord incentives and rapid re-housing resources. Staff is seeking approval of an Amendment to Grant Agreement for Homeless Outreach Services Team (HOST) Program with Catholic Charities (Amendment), in the amount of \$200,000, bringing the total amount under the agreement to \$686,450 for Fiscal Year 2017/2018.

PRIOR CITY COUNCIL REVIEW

On June 20, 2017, Council, by Resolution No. RES-2017-115, approved a Grant Agreement for Homeless Outreach Services Team Program, in the amount of \$466,450, for the period July 1, 2017 to June 30, 2018 (Fiscal Year 2017/2018).

On July 11, 2017, Council, by motion, confirmed its direction on homeless services programing, including but not limited to: 1) participation in long-term regional planning efforts through the Sonoma County Continuum of Care to develop a system-wide Housing First approach; 2) implementation of short-term efforts including a pilot program to address the health and safety needs of known encampments and activation of a 50-bed housing-focused shelter; 3) evaluation of existing City-sponsored programs while regional planning recommendations are developed; 4) decision to fund a former County-sponsored program – Safe Parking; 5) decision to develop sanctioned encampments; and 6) other topics which included the creation of a fund to provide landlord incentives, risk mitigation, and tenant assistance (Housing First Fund). Council supported items 1 through 3, directing staff to prioritize the pilot program including the consolidation of the year-round and winter shelter programs at the Samuel L. Jones Hall Homeless Shelter into a 188-bed year-round housing-focused shelter; and declined items 4 and 5 opting not to fund Safe Parking or to develop a sanctioned encampment program.

On November 21, 2017, Council, by Resolution No. RES-2017-224, approved an Amendment to Grant Agreement for Homeless Outreach Services Team (HOST) Program with Catholic Charities, in the amount of \$20,000, to reimburse Catholic Charities for expenses incurred to continue operation of the disaster shelter at the Finley Community Center, bringing the total amount under the agreement to \$486,450 for Fiscal Year 2017/2018.

On January 30, 2018, Council, by motion, approved partial funding for the creation of a Housing First fund for the final quarter of Fiscal Year 2017/2018 (April 1 to June 30, 2018) and directed staff to return with a contract for their consideration.

On January 30, 2018, staff sought direction from Council regarding shelter expansion through a Housing First-focused Safe Parking and Camping Program to include a City-sponsored site plus support to private sites as part of the Community Homeless Assistance Program (CHAP). Council declined the proposal opting not to fund a Safe Parking and Camping program.

ANALYSIS

1. Partial funding limits Catholic Charities ability to fully implement all components of the Housing First Fund, as presented to Council on January 30. The proposed budget provides funding for landlord incentives (leasing bonuses) and tenant assistance (rapid re-housing). A comparison of the budget presented to Council on January 30 and the proposed budget are provided below.

January 30 Budget Request	Proposed Funding
Landlord Incentives: -Leasing bonuses, support hotline, marketing	\$100,000
Risk Mitigation: -Insurance pool for excessive damage and/or non-payment of rent	\$100,000
Tenant Assistance: -Transportation and housing preparation costs, housing locator (1 FTE), rapid re-housing	\$304,000
Operational Expenses	\$ 30,000
TOTAL	\$534,000

Budget Direction	Proposed Funding
Landlord Incentives: -Leasing Bonuses	\$ 20,000
Tenant Assistance: -Rapid Re-Housing	\$180,000
TOTAL	\$200,000

2. Subject to Council approval, the \$200,000 will enable Catholic Charities to implement the landlord incentives and tenant assistance components through HOST's existing staff and resources. Catholic Charities anticipates being able to assist approximately 35 households, which equates to roughly \$5,000 per household. The scope of work and quarterly report have been revised to reflect these projected outcomes.
3. As of the second quarter (July 1, 2017 to December 31, 2017), Catholic Charities reports that HOST has placed 274 individuals into safe shelter (safe parking, hotel, campground, emergency shelter, reunification to supportive living situation) and 118 individuals into housing (transitional or permanent housing). HOST is

currently funded at \$486,450 for Fiscal Year 2017/2018, \$200,000 of which is budgeted for housing assistance (safe shelter, reunification, and housing placement) plus approximately \$93,000 in rapid re-housing resources from Fiscal Year 2016/2017. These funds have been completely expended.

4. If Council determines, as part of the Fiscal Year 2018/2019 budget process, that there is sufficient funding to fully support the Housing First Fund, staff will return in June 2017 with a contract for the upcoming fiscal year, subject to Council direction.
5. Support of a Housing First Fund aligns with the Council's priority to address homelessness in our community and its Housing First Strategy.

FISCAL IMPACT

Funding for the creation of a Housing First Fund (\$200,000) was not included in the Fiscal Year 2017/2018 adopted budget and will require an appropriation of General Funds, subject to Council direction.

ENVIRONMENTAL IMPACT

The proposed services under the Grant Agreement are exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution/Exhibit A (Amendment)

CONTACT

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