

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KELLI KUYKENDALL, HOMELESS SERVICES MANAGER
HOUSING AND COMMUNITY SERVICES
SUBJECT: THIRD AMENDMENT TO HOMELESS OUTREACH SERVICES
TEAM PROGRAM AGREEMENT – HOUSING FIRST FUND AND
RISK MITIGATION FOR SECTION 8 HOUSING CHOICE
VOUCHER PROGRAM

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution, 1) approve a Third Amendment to Grant Agreement for Homeless Outreach Services Team (HOST) Program with Catholic Charities of the Diocese of Santa Rosa, in the amount of \$478,100, for the continued administration of a Housing First Fund (landlord incentives, risk mitigation, tenant assistance, housing assistance) to include access to risk mitigation funding for the Santa Rosa Housing Authority's Section 8 Housing Choice Voucher (HCV) Program, bringing the total amount of the agreement to \$1,035,450 for Fiscal Year 2019-2020; 2) authorize the Chief Financial Officer to appropriate \$35,000 from the General Fund unassigned reserves to the Homeless Shelter Operations Fund for HOST's administration of risk mitigation funding for the HCV Program; and 3) authorize the Director of Housing and Community Services to execute the Third Amendment.

EXECUTIVE SUMMARY

As part of the Fiscal Year 2019-2020 budget, Council approved \$1,000,450 for the HOST program. Of this amount, \$557,350 is committed to Catholic Charities via a Second Amendment to Grant Agreement for Homeless Outreach Services Team Program (Second Amendment) for the period July 1, 2019 to June 30, 2020, resulting in a balance of \$443,100 to be committed for Fiscal Year 2019-2020.

Catholic Charities is deploying the funds budgeted for housing assistance, necessitating commitment of the remaining \$443,100. Additionally, Council recently directed staff to expand access to risk mitigation funding to incentivize landlords to participate in the Santa Rosa Housing Authority's Section 8 Housing Choice Voucher (HCV) program. Staff seeks approval of the Third Amendment to Grant Agreement for Homeless Outreach Services Team Program (Third Amendment) to provide for the continued

administration of a Housing First Fund (landlord incentives, risk mitigation, tenant assistance, housing assistance) to include access to risk mitigation funding for the HCV program, and to bring the total amount of the agreement to \$1,035,450 for Fiscal Year 2019-2020. The Third Amendment commits \$443,100 previously budgeted for the HOST program, plus \$35,000 from the General Fund unassigned reserves for staff support to the HCV program, for a total of \$478,100 in additional funding.

BACKGROUND

1. The City has funded the HOST Program, operated by Catholic Charities, since Fiscal Year 2015/2016. HOST is a street outreach team that works to engage persons experiencing homelessness and living in unsheltered conditions into services, shelter, and housing as part of the “Housing First” model. HOST is the designated outreach provider for the City’s Homeless Encampment Assistance Pilot (HEAP) Program and operates a mobile bathroom-shower trailer (Clean Start) at various locations throughout the City, which serves as an outreach tool to further HOST’s efforts. Catholic Charities also receives funding from the Sonoma County Community Development Commission for the operation of a County-sponsored HOST Program.

2. In Fiscal Year 2017/2018, Catholic Charities first administered a Housing First Fund as part of the City’s HOST program, which initially provided for Rapid Rehousing rental assistance and landlord incentives. In Fiscal Year 2018/2019, the Housing First Fund was expanded to include the following components:
 - Landlord Incentives: Leasing bonuses and support hotline
 - Risk Mitigation: “Insurance Pool” or funding available to landlords in the event of non-payment of rent or excessive damage to a rental unit
 - Tenant Assistance: Transportation and housing preparation costs, and housing navigation, location, and stabilization support services
 - Housing Assistance: Security deposits and rental payments, including Rapid Rehousing, utility deposits and payments, moving costs
 - Marketing and outreach activities to promote the program to landlords

3. In Fiscal Year 2018/2019, Council approved \$1,000,450 for the HOST program, as follows:

\$466,450	Grant Agreement for HOST Program
<u>\$534,000</u>	First Amendment to Grant Agreement for HOST Program (First Amendment) for Housing First Fund
\$1,000,450	Total

The balance of funds remaining from the Housing First Fund for Fiscal Year 2018/2019, approximately \$189,500, have been made available to Catholic

Charities for Fiscal Year 2019-2020. This includes funding for landlord incentives, risk mitigation, tenant assistance, and marketing. All funds budgeted for housing assistance were drawn down.

4. As part of the Fiscal Year 2019-2020 budget, Council approved \$1,000,450 for the HOST program, as follows:

\$557,350	Second Amendment to Grant Agreement for HOST Program (Second Amendment)
<u>\$443,100</u>	Balance to be committed for Fiscal Year 2019-2020
\$1,000,450	Total

5. Catholic Charities is deploying the funds budgeted for housing assistance, necessitating commitment of the remaining \$443,100. Additionally, Council recently directed staff to expand access to risk mitigation funding to incentivize landlords to participate in the HCV program.

6. The proposed Third Amendment to Grant Agreement for HOST Program (Third Amendment) commits a total of \$478,100 in additional funding, as follows:

\$443,100	Balance to be committed for Fiscal Year 2019-2020
<u>\$35,000</u>	General Fund unassigned reserves for staff support to the HCV program
\$478,100	Total

7. The Third Amendment provides funding for the continued administration of a Housing First Fund to include access to risk mitigation funding for the HCV program. The additional \$478,100 will be budgeted as follows:

\$350,000	Housing Assistance
\$50,000	Landlord Incentives
<u>\$43,100</u>	Operational Expenses
\$443,100	Balance to be committed for Fiscal Year 2019-2020
<u>\$35,000</u>	HCV Support – General Fund unassigned reserves
\$478,100	Total

8. Subject to Council’s approval of the Third Amendment, the total combined funding for Fiscal Year 2019-2020 is \$1,035,450 as follows:

\$557,350	Second Amendment
<u>\$478,100</u>	Third Amendment
\$1,035,450	Total

9. The Third Amendment includes a detailed scope of services, budget, and a quarterly status report, included as exhibits to the Third Amendment, attached.

PRIOR CITY COUNCIL REVIEW

1. On June 19, 2018, Council approved a Grant Agreement for Homeless Outreach Services Team Program (HOST Agreement), in the amount of \$466,450, for the period July 1, 2018 to June 30, 2019 (Year One). Council also approved an additional \$534,000 for a Housing First Fund to provide landlord incentives, risk mitigation, and tenant assistance as part of the Fiscal Year 2018/2019 budget.
2. On August 7, 2018, Council awarded the \$534,000 to Catholic Charities via a First Amendment to Grant Agreement for HOST Program (First Amendment).
3. On June 18, 2019, Council approved the Fiscal Year 2019-2020 budget, including an appropriation for the HOST Program in the amount of \$1,000,450.

ANALYSIS

1. Catholic Charities has successfully operated the HOST Program for four (4) years starting in August 2015, including operation of the mobile bathroom-shower trailer (Clean Start) and a Housing First fund starting in March 2018. Approval of the Third Amendment will provide additional funding for continued administration of the Housing First Fund, to include access to risk mitigation funding for the HCV program.
2. Staff is seeking Council's approval to execute the Third Amendment. Support of the HOST and HCV programs aligns with the Council's goals to meet housing needs and attain functional zero homelessness.

FISCAL IMPACT

The proposed Third Amendment will provide \$443,100 from the General Fund, approved as part of the Fiscal Year 2019-2020 budget, plus \$35,000 from the General Fund unassigned reserves for a combined total of \$478,100 in additional funding to Fund 1209- Homeless Shelter Operations Fund.

ENVIRONMENTAL IMPACT

The proposed services under the Third Amendment 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 Guidelines section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution/Exhibit A (Third Amendment)

CONTACT

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