



Agenda Report

20-570

Agenda Date: 6/23/2020

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 1 to the Public Service Grant Agreements with Abode Services and Bill Wilson Center City's Tenant-Based Rental Assistance Program [Council Pillar: Promote and Enhance Economic, Housing, and Transportation Development]

BACKGROUND

The City of Santa Clara's Tenant-Based Rental Assistance (TBRA) program assists homeless households and households in jeopardy of becoming homeless with an emphasis on assisting families with children and/or domestic violence survivors. The goal of the program is to assist participants in stabilizing their housing situation with housing search assistance, payment of housing deposits and monthly rental subsidies for up to a two-year period. The program is designed to act as a "bridge" until participants enhance their self-sufficiency and are able to cover their full contract rent. Case management services are provided to help participants connect with social services, get on waitlists for long-term affordable housing, develop financial budgeting skills and improve employment/educational standing with the intent to help participants transition to a stable housing situation at the end of the program term.

Participants pay 30% of their adjusted gross income towards their total housing costs and the program subsidizes the balance. Criteria for eligibility includes homeless families with an income of 60% or less of Area Median Income (AMI) or Person or family fleeing a domestic violence situation; and:

- Current or last place of residence in the City of Santa Clara; or
- Employment or a bonafide job offer in Santa Clara; or
- Children attending school in the Santa Clara school district.

The TBRA Program is funded primarily through use of the City's Home Investment Partnership Act (HOME) federal Housing and Urban Development (HUD) grant funds which are used to provide rental subsidies and deposits, while case management activities and much of the administration costs are paid for with City Housing Funds.

The City has historically contracted with a non-profit agency to administer the TBRA program. The program is currently being administered by two agencies, Abode Services and Bill Wilson Center, which were selected through a Request for Proposals (RFP) issued by the City in April 2019. On June 25, 2019, the City Council approved one-year Agreements with both Abode Services and Bill Wilson Center. These Agreements are scheduled to expire on June 30, 2020.

DISCUSSION

The TBRA program is one of the City's key implementation tools to achieve the City's Consolidated Action Plan (Con Plan) goal for use of HUD funding to address homelessness issues.

During the RFP process, the proposals from both agencies were very similar and both agencies have an established track record of providing services to the Santa Clara community. Prior to the RFP the City was contracting solely with Abode to administer the TBRA program. Adding Bill Wilson Center to share in the administration of the TBRA program provided additional capacity and helped to open the TBRA program to an underserved population: homeless youth with children and youth transitioning out of foster care.

Both Abode Services and Bill Wilson Center provide an array of housing services to ensure that eligible homeless families or families at risk of homelessness, identified through the county's Continuum of Care network, can access TBRA program services. These services include, but are not limited to, assessment for eligibility, housing search and placement, housing quality inspections, practical tenancy training, permanent housing plan development, case management services, subsidy invoicing and payment, data collection and reporting.

Staff is recommending an increase of approximately 50% over the first-year appropriation. The reason for the increase is due to funds being rolled over from the first-year contract and because HUD waived several HOME requirements to help grantees address the COVID-19 crisis. One of the waivers the City requested - and HUD has granted - is the ability to use Community Housing Development Organization (CHDO) set aside funds from 2017-2020 for TBRA activities. This will allow the City to invest approximately \$220,000 of CHDO funds to expand the City's TBRA program in order to assist families at risk of homelessness. These CHDO funds have been a challenge to spend over the past Con Plan cycle, and this waiver allows the City to use these funds and avoid the risk of funds being returned to HUD.

With this increase, the TBRA program is intended to serve a total of 45-50 unduplicated households. As Abode is currently case managing and administering subsidies for a larger portion of the program capacity, approximately 25-30 households, Abode is proposed to receive a larger portion of the City's funding. Bill Wilson Center does not currently require as much funding as they are in the process of ramping up services to reach a clientele level of 20. Abode will continue to manage the 25 households already in the program and all new clients will be assisted by Bill Wilson Center. The services and planned outcomes are more fully described in Exhibit A and Exhibit B of the attached Agreements.

The proposed Agreement includes an option, at the City's sole discretion, and subject to HUD funding availability and City Council appropriation, to extend the terms of the Agreement for a second year for an amount not to exceed 105% of the first-year appropriation.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The funds allocated to the City's TBRA program total \$2,047,315; \$1,746,618 of HOME funds in the Housing and Urban Development Fund, \$160,697 in the City Affordable Housing Fund, and \$140,000 in the Housing Successor Agency Fund. The Abode Services' agreement will be for an amount not to exceed \$1,130,923, and Bill Wilson Center's agreement will be for an amount not to exceed \$916,392. Funding for both agreements, effective July 1, 2020 through June 30, 2021, is included in the FY 2020/21 Annual Action Plan approved by the City Council on May 12, 2020. The Proposed FY 2020/21 Operating Budget Changes included in the FY 2020/21 and FY 2021/22 Proposed Biennial Capital Program will also be adjusted to reflect these final allocations with the adoption of the budget. The HOME funds are strictly reserved for deposits, subsidies, inspection services, and income review. The funding in the other funds cover case management and program administrative costs.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve and authorize the City Manager to execute Amendment No. 1 to the Public Service Grant Agreement with Abode Services for an amount not to exceed \$1,130,923 to administer the City's Tenant-Based Rental Assistance Program, and all related documents for the provision of administrative services for the TBRA Program effective July 1, 2020 through June 30, 2021 with an option for a third year, contingent upon available funding and appropriation, to extend the terms; and
2. Approve and authorize the City Manager to execute Amendment No. 1 to the Public Service Grant Agreements with Bill Wilson Center for an amount not to exceed \$916,932 to administer the City's Tenant-Based Rental Assistance Program, and all related documents for the provision of administrative services for the TBRA Program effective July 1, 2020 through June 30, 2021, with an option for a third year, contingent upon available funding and appropriation, to extend the terms.

Reviewed by: Andrew Crabtree, Director, Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. TBRA Amendment No. 1 (Abode Services)
2. TBRA Amendment No. 1 (Bill Wilson Center)