Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

DATE: June 20, 2017

SUBJECT: EXTENSION OF AGREEMENTS FOR THE EXISTING PLACE-BASED RAPID RE-HOUSING AND TENANT BASED RENTAL ASSISTANCE PROGRAMS

REASON FOR ADDENDUM

This item is being added to the June 27, 2017 City Council agenda because the current agreements for the Place-Based Rapid Rehousing Program and Tenant Based Rental Assistance (TBRA) Program expire June 30, 2017. If the agreements are not extended at this Council meeting, these services will not be provided to homeless individuals until the new agreements are brought to City Council for approval in August.

RECOMMENDATION

Authorize a three (3) month extension to the current Place-Based Rapid Rehousing Program and Tenant Based Rental Assistance (TBRA) Program by authorizing the Director of Housing to negotiate and execute the following:

1) Third Amendment to the Place-Based Rapid Rehousing Services Agreement with San José Streets Team to increase the maximum funding by $150,000, from $2,180,000, to $2,330,000 and extend the Agreement from June 30, 2017 through September 30, 2017;

2) Third Amendment to the Rental Subsidy Program Administrator Place-Based Rapid Re-Housing Agreement with the Health Trust to increase the funding by $375,000 from $3,300,000 to $3,675,000 and extend the Agreement from June 30, 2017 through September 30, 2017; and

3) Third Amendment to the TBRA Program Agreement with the Health Trust to increase the funding by $600,000 from $2,350,000 to $2,950,000 and extend the Agreement from June 30, 2017 through September 30, 2017.
Approval of the extension of the agreements will allow for the continuation of Place-Based Rapid Re-Housing Program services and rental assistance to homeless individuals and families under the current program agreements until the agreements with the new service providers can be completed and considered for approval by City Council.

BACKGROUND

On June 23, 2009, the City Council approved $1,500,000 in Federal HOME funds for a Tenant-Based Rental Assistance (TBRA) Program to provide up to 100 homeless individuals and families with housing and case management. The goal of the program was to reduce the number of homeless persons living on the streets or in emergency shelters. On May 1, 2012, the City Council approved two additional phases of the TBRA Program through the federal Consolidated Annual Action Plan process.

In response to the growing need to directly serve encampment residents in San José, the Housing Department developed a Place-Based Rapid Re-Housing Program, targeting a specific, large encampment along the Coyote Creek in San José. Like the TBRA programs, the Rapid Re-Housing Program provides housing assistance, case management, and employment services for up to 100 homeless persons. On February 11, 2014, the City Council approved a $650,000 contract with San Jose Streets Team, an affiliate of the Downtown Streets Team (DST), to provide supportive services. The agreement with DST was for one year with options for four, one-year extensions.

To maximize programmatic efficiency and streamline services, the Housing Department issued a Request for Proposals (RFP) on April 4, 2014, seeking an organization(s) to serve as the Rental Subsidy Program Administrator (RSP) for both the Tenant-Based Rental Assistance Program and the Place-Based Rapid Re-Housing Program, serving up to 200 homeless households. The Health Trust was selected as the provider for both the TBRA program and the Place-Based Rapid Re-Housing Program. On June 6, 2014, the City Council approved two grant agreements with the Health Trust to administer both programs. The approval included options for four one-year extensions.

The term for the second option with DST was set to expire on February 28, 2017. On April 4, 2017, the Housing Department informed the City Council that it intended to issue a Request for Proposals to redesign the overall program and align services with current evidence-based, best practice standards for rapid re-housing services. The City Council accepted the Housing Department’s recommendation that the DST agreement be amended to allow the program to continue to house participants and provide employment placement services for an additional term through June 2017 to ensure service continuity until the new program could be implemented.
ANALYSIS

The Housing Department has completed a new RFP for Rapid Rehousing and TBRA services based on current evidence-based, best practice standards. The Department will bring a recommendation to City Council in August with proposed agreements for these services.

When the Department made its recommendation in April to extend the DST agreement, staff anticipated that the agreements would be ready to be executed by City Council in June. However, several challenges in identifying funding sources for these agreements have delayed the Department’s ability to meet this target. The first challenge was the delay in obtaining the City’s federal funding allocation from HUD. The amount of HOME funds needed for the TBRA Program was in question. In addition, the Mayor’s March Budget Message directed that the Housing Department’s General Fund appropriation for Rapid Re-Housing be reduced as a one-time budget balancing action. This reduction is intended to be offset by the Housing Authority Litigation Award funds that were received from HUD. The HUD funds have specific requirements that must be established before they can be utilized. Due to workload issues, staff has not yet finalized these requirements. Therefore, the agreements could not be completed for City Council approval in June.

In order to ensure the continued delivery of Rapid Rehousing and TBRA services, the Housing Department is recommending extension of the agreements for three additional months. While the extensions should be executed by July 1, the agreements will be written to include a retroactive clause to July 1 to ensure that the service providers can be paid for all work performed in July. It is anticipated that the new agreements will be ready for City Council review and approval in August. Once the new agreements are executed, the existing agreements will be terminated.

EVALUATION AND FOLLOW-UP

As mentioned, the Housing Department will be providing City Council with a recommendation of approval for agreements with service providers for Rapid Rehousing and TBRA services based on current evidence-based, best practice standards in August.

PUBLIC OUTREACH

This memo will be posted on the City Council Agenda Website for the June 27, 2017 meeting.

COORDINATION

This report has been prepared in coordination with the City Manager’s Budget Office and Office of the City Attorney.
COMMISSION RECOMMENDATION/INPUT

This item was not presented to the Housing and Community Development Commission as it does not represent a new program and therefore is not subject to review by the Commission.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City’s Consolidated Plan 2015-2020, adopted by the City Council on May 5, 2015, and with the City’s Adopted Housing Element 2014-2023 in that the action provides services to very low-income households. As mentioned, it also furthers the advancement of the Community Plan to End Homelessness approved by the City Council in February 2015.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract extension recommended as part of this memorandum:

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<th>Fund #</th>
<th>Appn #</th>
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*The 2017-2018 Operating Budget was adopted by the City Council on June 20, 2017.

CEQA

Not a Project, File No. PP10-066(e), Agreements and Contracts.

/s/  
JACKY MORALES-FERRAND  
Director of Housing

For questions, please contact Ray Bramson, Homelessness Response Team Manager, at (408) 535-8234.