



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: January 3, 2011

Approved

Date

1/10/11

COUNCIL DISTRICT: City-Wide

**SUBJECT: AMENDMENT TO THE CONSOLIDATED ANNUAL ACTION PLAN
REGARDING ADDITIONAL EMERGENCY SHELTER GRANT FUNDS
AND RELATED APPROPRIATION ACTIONS**

RECOMMENDATION

It is recommended that the City Council:

1. Hold a public hearing on a Substantial Amendment to the 2010-2011 Consolidated Annual Action Plan (ConPlan) to allocate \$114,109 of Emergency Shelter Grant (ESG) funds to a Downtown outreach-to-the-homeless program and to the operation of the cold weather shelter at the Boccardo Regional Reception Center.
2. Adopt a resolution approving the Substantial Amendment to the 2010-2011 Consolidated Annual Action Plan (ConPlan) and authorizing the Director of Housing, on behalf of the City, to:
 - a. Submit the Substantial Amendment to the U.S. Department of Housing and Urban Development (HUD).
 - b. Negotiate and execute with HUD all agreements and documents for the expenditure of \$114,109 of ESG funds.
3. Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:
 - a. Increase the appropriation to the Housing Department for the Emergency Shelter Grants project in the amount of \$114,109.
 - b. Increase the estimate for Earned Revenue by \$114,109.

OUTCOME

Approval of the recommended actions will provide funds to connect homeless individuals in the Downtown area with services and housing, and provide much needed funding to help operate the only cold-weather shelter in San Jose.

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BACKGROUND

On December 7, 2010, the City Council authorized the Director of Housing to repay HUD \$114,093 for having used ESG funds for what were deemed to be ineligible purposes in prior fiscal years. At that time, it was not known whether or to what extent those repaid funds would be available to the City for future expenditure.

The Housing Department has since been informed by HUD that the entire amount of the repayment is available to the City for ESG-eligible purposes so long as those expenditures are made within 180 days of the repayment being deposited with HUD.

ANALYSIS

Following the Council's December 7th approval, the Housing Department wired the ESG repayment to HUD on December 15, 2010 in the amount of \$114,109 (which includes a small amount of interest that the City had earned on the ESG funds that were on deposit with the City for a few months).

HUD has informed us that this supplemental grant must be expended by the end of the fiscal year. Therefore, there was no time to engage in an application process, so staff has identified two uses for the funds that meet urgent needs in the homeless shelter and services sector:

- a. Downtown Outreach Program is targeted to homeless individuals living in the Core Area, with a secondary emphasis on those individuals in encampments immediately adjacent to Downtown. In this pilot effort, EHC LifeBuilders (EHC) will provide outreach to and connect homeless individuals to the services available at the two One-Stop Homeless Prevention Centers in San Jose – including shelter, public benefits, medical services, and housing services – and offering transportation to the Centers. There will also be a hotline for the community to request assistance for the homeless on the streets; it is anticipated that responses to such requests would occur within one business day. Finally, the program will reserve five shelter beds at EHC's Boccardo Regional Reception Center so that some individuals served by the program can access shelter and services that connect them to permanent housing opportunities.

Staff is proposing to use \$29,740 of the ESG supplemental grant to partially fund three months of this program, starting February 1st. The Housing Trust Fund will be used for the remaining program costs for the five months ending in June, and staff is in discussions with Destination: Home – the public-private partnership to end homelessness in Santa Clara County – to identify a sustainable source of funding for future years.

- b. Cold Weather Shelter beds are available during the winter months. This year, the cold weather season (marked by the first overnight frost) began on November 21st. The only cold weather shelter in San Jose is at the Reception Center (other nearby cold weather shelters are located in National Guard armories in Sunnyvale and Gilroy). It is only in the cold weather season that the Reception Center is used to its full 250-bed capacity. EHC is running a deficit thus far this year in operating the cold weather shelter. Although EHC was awarded some of the City's 2010-2011 ESG entitlement grant for the operation of the Reception Center, that award did not cover the full cost of operation.

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Staff is proposing to use \$84,369 of the ESG supplemental grant to offset some of the deficit that EHC is projected to incur during February and March operating the cold weather shelter (which typically ceases operation on March 31st).

In order to award these funds, it is necessary to amend the Consolidated Plan. The Citizen Participation Plan for public outreach in connection with the award of federal funds – most recently approved by the City Council on September 21, 2010 – defines an amendment to the ConPlan that exceeds \$100,000, among other reasons, as “substantial.” Substantial amendments require a 30-day public notice period and at least one public hearing each by the Housing and Community Development Advisory Commission and the City Council prior to Council approval (see the Public Outreach/Interest section below for details).

The draft language for the Supplemental Amendment to the ConPlan is attached to this report.

EVALUATION AND FOLLOW-UP

Contracts for both of these services can be approved without further approval by the City Council, and will be prepared in time for execution no later than February 1st.

The annual Consolidated Annual Performance Evaluation Report, anticipated to be presented to for City Council action in September 2011, will report on how well the programs proposed for funding in this report performed.

POLICY ALTERNATIVES

In developing the recommendations proposed in this report, staff considered the following alternative course of action:

Alternative #1: *Conduct an outreach process before awarding the supplemental grant of ESG funds*

Pros: An outreach process would provide other providers of homeless shelters and services the opportunity to compete for these funds.

Cons: Any outreach process would require too much – if not all – of the six-month expenditure deadline imposed by HUD.

Reason for not recommending: Because public funding for services and housing opportunities for people who are homeless or at risk of homelessness is so limited, being able to spend funds with short-term deadline is of greater importance than the process used to determine how to spend it.

PUBLIC OUTREACH/INTEREST

Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

Criterion 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

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- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The recommended actions do not meet any of the above criteria. Nonetheless, this report will be posted to the website for the Council's January 25, 2011 meeting, and:

- The Supplemental Amendment to the ConPlan was the subject of a public hearing before the Housing and Community Development Advisory Commission on January 13th.
- The public hearings at both the Commission and the City Council were noticed by being published in the San Jose Mercury-News and in Spanish-, Vietnamese- and Chinese-language newspapers on December 20, 2010.
- Notices of the two public hearings were sent by e-mail and the U.S. Postal Service on December 17, 2010 to approximately 460 individual addresses.

COORDINATION

The preparation of this report was coordinated with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

Funding for this proposal is consistent with the *10-Year Homeless Strategy to End Chronic Homelessness*, approved by the City Council on September 9, 2003 and the *Final Report of the Blue Ribbon Commission on Homelessness*, accepted by the City Council on March 11, 2008.

COST SUMMARY/IMPLICATIONS

As recommended as part of this memorandum, funding will be appropriated and recognized from the U.S. Department of Housing and Urban Development. The funds will connect homeless individuals in the Downtown area with services and housing; in addition, the funds will help operate a cold weather shelter in San José.

BUDGET REFERENCE

The table below identifies the additional funding recommended for ESG grants.

Fund #	Appn #	Appn. Name	Amount	2010-2011 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Additional Funding Recommended					
448	2236	Emergency Shelter Grants	\$114,109	N/A	10/19/2010, Ord. No. 28829

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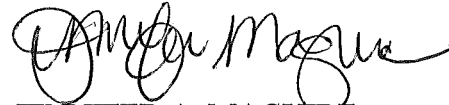
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CEQA

CEQA: Not a project, File No. PP10-066 (e), Agreements and Contracts for services that involve no physical changes to the environment.

/s/

LESLYE CORSIGLIA
Director of Housing



JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the Multi-Source Housing Fund in the Fiscal Year 2010-2011 monies in excess of those heretofore appropriated therefrom, said excess being at least \$114,409.



JENNIFER A. MAGUIRE
Budget Director

For questions please contact LESLYE CORSIGLIA, Director of Housing, at 408-535-3851

Attachment

**SUBSTANTIAL AMENDMENT TO THE
2010-2011 CONSOLIDATED ANNUAL ACTION PLAN
FOR THE CITY OF SAN JOSE
January 2011**

1. On page 122 of the approved Consolidated Annual Action Plan, amend the ESG discussion as follows (additions or deletions):

ESG

The City anticipates being awarded a an entitlement grant of \$442,295 in ESG funds for FY 2010-2011. These entitlement funds are being marketed affirmatively to nonprofit service providers that offer a wide range of services to people who are homeless or at risk of becoming homeless. The City also anticipates being awarded a supplement grant of \$114,109 in ESG funds for FY 2010-2011. Because this supplemental grant was awarded halfway through the fiscal year and because the City was given only six months to expend these funds, there was not sufficient time to undertake a marketing/outreach effort to solicit proposals for their use.

For this fiscal year, the City has established funding priorities as follows: 1) essential services, and 2) operating costs. Furthermore, the City is prioritizing the funding of projects that will move its homeless clients from homelessness to permanent housing.

The City will require that each agency awarded ESG funds be an active user of the Homeless Management Information System (HMIS). Each participant will be required to receive a certification of completion of HMIS training, which is offered by the Community Technology Alliance (CTA), unless an agency demonstrates extenuating circumstances for why they can not legally participate (e.g. their clientele are victims of Domestic Violence or Unaccompanied Youth). The City is funding this technical assistance program through the City's Low Income and Moderate Income Housing Trust Fund.

2. On pages 142 and 143 of the approved Consolidated Annual Action Plan, amend the ESG discussion as follows (additions or deletions)::

ESG

In order to allocate its FY 2010-2011 ESG entitlement funds, in February 2010, the Housing Department convened an application evaluation panel comprised of staff from the Santa Clara Mental Health Department, the City of Santa Clara, City Team Ministries, and Community Technology Alliance. In support of its efforts to end homelessness the City decided to prioritize those programs that show success at move their homeless clients into permanent housing. The City's other ESG funding priorities for FY ~~2009-2010~~ 2010-2011 for both the entitlement and supplemental grants are as follows:

Essential Services – Outreach and counseling services concerned with health, substance abuse, education, employment, assistance in obtaining permanent housing, obtaining federal, State, and local assistance, including Veteran's benefits, supplemental Social Security Income, TANF, and Food Stamps.

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Operating costs - Reimbursement of costs associated with the operation of shelters, which may include utilities, food, maintenance, repair, security, insurance, equipment and furnishings, and up to 10% for the cost of operations staff.

The following chart illustrates the ESG funding requests and recommendations for FY 2009-2010 2010-2011 based on the City's anticipated allocation of ~~\$443,313~~ \$419,000 of entitlement funds to be disbursed to sub-recipients. The funding recommendations must be approved by both the Housing and Community Development Advisory Commission and the City Council prior to being adopted.

Agency	Activity*	Proposed Funding
AACI	Provide shelter, food and case management to 144 unduplicated clients	26,000
Bill Wilson 2nd Street Drop-In Center	Provide case management and Street Smart and Job Readiness workshops to 875 unduplicated clients	35,000
Bill Wilson-Runaway and Homeless Youth Shelter	Provide shelter, food and case management to 305 unduplicated clients	35,000
EHC LifeBuilders - Boccardo Reception Center	Provide shelter, food and case management to 135 unduplicated clients	80,000
Family Supportive Housing - San Jose Family Shelter	Provide shelter, food and case management to 600 unduplicated clients	50,000
InnVision, Commercial Street Inn	Provide shelter, food and case management to 276 unduplicated clients	35,000
InnVision, Georgia Travis Day Center	Provide shelter, food and case management to 276 unduplicated clients	40,000
InnVision, Montgomery Street Inn	Provide shelter, food and case management to 256 unduplicated clients	41,000
Next Door: Solutions to Domestic Violence	Provide shelter, food and case management to 230 unduplicated clients	27,000
Support Network for Battered Women	Provide shelter, food and case management to 1,100 unduplicated clients	25,000
West Valley Community Services	Provide shelter, food and case management to 135 unduplicated clients	25,000
Total		419,000

*The narrative provided in the "Activity" column reflects what each agency described as its objective in its application for funds. However, the objectives will need to be revised to reflect the actual final award amount approved by the City Council.

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The following chart illustrates the ESG funding recommendations for FY 2010-2011 based on the City's anticipated allocation of \$114,109 of supplemental funds. The funding recommendations must be approved by both the Housing and Community Development Advisory Commission and the City Council prior to being adopted.

<u>Agency</u>	<u>Activity</u>	<u>Proposed Funding</u>
<u>EHC Lifebuilders</u>	<u>Provide outreach efforts in the Downtown area and adjacent creeks geared toward linking homeless individuals to services such as shelters, public benefits, medical services, and housing assistance, including provision of transportation to Homeless One-Stop Centers</u>	<u>29,740</u>
<u>EHC Lifebuilders – Cold Weather Shelter</u>	<u>Provide two months of funding to support the cold weather shelter at the Boccardo Regional Reception Center</u>	<u>84,369</u>
<u>Total</u>		<u>114,109</u>