



Office of the City Manager

17

CONSENT CALENDAR

April 14, 2020

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Lisa Warhuus, Director, Health, Housing & Community Services
 Department
 Subject: Shelter Plus Care Program Renewal Grants

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to receive funds and execute any agreements and amendments resulting from the renewal of the following grants:

1. Four Shelter Plus Care grants from U.S. Department of Housing and Urban Development (HUD) for up to: a) \$3,305,842 for Tenant-Based Rental Assistance (TBRA) for the period June 1, 2020 through May 31, 2021; b) \$191,491 for sponsor-based rental assistance for the Supportive Housing Network for the period of June 1, 2020 through May 31, 2021, with Resources for Community Development as the project sponsor; c) \$186,380 for sponsor-based rental assistance for the Pathways Project for the period June 1, 2020 through May 31, 2021, with Bonita House, Inc. as the project sponsor; and d) \$2,176,630 in tenant-based rental assistance for the COACH Project grant for the period of January 1, 2021 through December 31, 2021.
2. One grant from the County of Alameda for \$708,195 to provide tenant-based rental assistance to individuals who have HIV/AIDS and other disabilities from March 1, 2020 through February 28, 2021.

In its renewal application to HUD, the City requested to consolidate three of the above grants: 1) Tenant-Based Rental Assistance; 2) Supportive Housing Network and 3) Pathways Project. If approved, the three grants would be consolidated into one with a combine grant amount of up to \$3,683,713.

FISCAL IMPACTS OF RECOMMENDATION

Each of the four Shelter Plus Care grants and the grant from Alameda County provides funds for rental subsidies from the federal Department of Housing and Urban Development (HUD). The grants serve homeless and disabled individuals and families in Berkeley, and must be renewed on an annual basis. Four of the grants fund rental subsidies for units while city staff and community agency partners provide the supportive services that fulfills the 25% match required for these grants. The COACH grant also includes funding for supportive services provided by the City's Aging Services Division. The COACH grant serves single adults regardless of age.

The total award amount represents a 7% decrease in funding from FY2020. HUD uses its Fair Market Rent (FMR) limits as the basis for the amount it awards for rental assistance. Due to the annual fluctuation of the FMR amounts, the Shelter Plus Care program often has to balance the goal of enrolling as many eligible households as possible, especially when HUD's FMRs result in grant increases, while recognizing the uncertainty of future grant amounts. Additionally, since HUD's FMRs haven't kept pace with the actual cost of renting a unit in Berkeley, the Shelter Plus Care program, along with Berkeley Housing Authority, has set its FMR at 110% of the FMR, which is allowable by HUD. While this allows the Shelter Plus Care program to be more competitive while searching for units, these increased rents can sometimes result in budget constraints, especially, when HUD decreases its grant amounts. These decreases also impact staffing as both program delivery and administration costs are budgeted within the grant amounts.

HUD allows up to 7% of each grant to be used to administer the rental subsidies to support the Health, Housing and Community Service Department's grant-related administrative activities. (Budget codes for the four HUD grants are: 347-51-504-530/535 various; funds to be deposited in revenue accounts 805-7906-331-1023 and 6064 (FUND\$) and 347-51-504-535-0000-000-000-431110 (ERMA). For the contract with Alameda County, budget codes are: 348-51-504-530-535-various and funds to be deposited in revenue accounts 806-7906-331-1023 and 6064 (FUND\$) and 348-51-504-535-0000-000-000-431110 (ERMA).

CURRENT SITUATION AND ITS EFFECTS

Based on a national competition, the federal Department of Housing and Urban Development (HUD) and the County of Alameda awarded funding to the City of Berkeley to four Shelter Plus Care grants that provide rental assistance to a minimum of 272 households. The City's Shelter Plus Care Program provides federal rental subsidies that are matched by locally provided services to transition formerly homeless, disabled individuals and families into permanent, supportive housing. Two of the grants provide tenant-based rental subsidies for a minimum of 249 households to rent from private property owners in Berkeley, Oakland, Albany and Emeryville. The remaining two grants provide sponsor-based rental subsidies that are dedicated for units owned and operated by the project sponsors. Resources for Community Development is the sponsor for one of these grants which provides 12 subsidies to serve homeless individuals in Berkeley who are diagnosed with a serious mental illness and/or a history of drug and alcohol dependence. Bonita House, Inc. is the project sponsor for the other grant which provides 11 sponsor-based rental subsidies to serve homeless individuals in Berkeley who are dually diagnosed with a serious mental illness and a history of drug and alcohol dependence.

Each of the participants in the program receives case management and other supportive services provided by one or more of the following agencies: Bay Area

Community Services, Berkeley Food and Housing Project; City of Berkeley Mental Health Division; City of Berkeley Aging Services Division; Bonita House, Inc.; Building Opportunities for Self-Sufficiency; East Bay AIDS Center; Lifelong Medical Care; and the Women's Daytime Drop-In Center.

BACKGROUND

Since 1995, the City of Berkeley Shelter Plus Care Program has been an important component of the continuum of housing available to disabled homeless people. The Shelter Plus Care Program is funded by HUD and the County of Alameda to provide housing subsidies for people who are homeless with a disability. The program combines a rental subsidy with ongoing supportive services to assist chronically homeless individuals and families to obtain and maintain housing.

The Berkeley Shelter Plus Care Program is a partnership between the Health, Housing & Community Service Department and nine community agencies. The Health, Housing & Community Service Department provides operational and programmatic oversight, and inspects rental units to ensure that each unit meets federal housing quality standards, and makes monthly rental subsidy payments to property owners. The community agencies along with the Department's Divisions on Aging Services and Mental Health provide ongoing case management and support to participants in the program. The City of Berkeley Shelter Plus Care grants provide 272 units of supportive housing for homeless and disabled people.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental impacts or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

The City of Berkeley Shelter Plus Care Program successfully provides stable housing and ongoing services to some of the most indigent and underserved of the City's residents. Authorizing the acceptance of the five Shelter Plus Care renewal grants, will assure that 272 homeless and disabled individuals and families in Berkeley continue to benefit from receiving ongoing rental assistance and the supportive services necessary to retain stable housing.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Jennifer Vasquez, Community Services Specialist, HHCS, (510) 981-5431

Attachment:

1: Resolution

RESOLUTION NO. ##,###-N.S.

SHELTER PLUS CARE PROGRAM RENEWAL GRANTS

WHEREAS, the U.S. Department of Housing and Urban Development and the County of Alameda have awarded the City of Berkeley Health, Housing & Community Services Department the following five Shelter Plus Care grants – up to: 1) \$3,305,842 for Tenant-Based Rental Assistance for the period June 1, 2020 through May 31, 2021; 2) \$191,491 for sponsor-based rental assistance for the Supportive Housing Network for the period of June 1, 2020 through May 31, 2021, with Resources for Community Development as the project sponsor; 3) \$186,380 for sponsor-based rental assistance for the Pathways Project for the period June 1, 2020 through May 31, 2021, with Bonita House, Inc. as the project sponsor; 4) \$2,176,630 in tenant-based rental assistance for the COACH Project grant for the period of January 1, 2020 through December 31, 2020; and 5) \$708,195 provided through a contract with Alameda County to provide tenant-based rental assistance to individuals who have HIV/AIDS or other disabilities from March 1, 2020 through February 28, 2021; and

WHEREAS, the combined total for the five grants is an estimated \$6,568,538 to provide direct rental assistance, and of this amount approximately 7% is available to support the Health, Housing and Community Service Department's grant-related administrative activities (For the four HUD grants budget codes 347-51-504-530/535 various; funds to be deposited in revenue accounts 805-7906-331-1023 and 6064 (FUND\$) and 347-51-504-535-0000-000-000-431110 (ERMA). For the contract with Alameda County, budget codes 348-51-504-530-535-various and funds to be deposited in revenue accounts 806-7906-331-1023 and 6064 (FUND\$) and 348-51-504-535-0000-000-000-431110 (ERMA); and

WHEREAS, the Shelter Plus Care grants are an annual renewal of an existing program that provides rental subsidies and ongoing support services for more than 272 homeless and disabled individuals and families in Berkeley; and

WHEREAS, the rent subsidies provided through the City's Shelter Plus Care Program are matched by services provided by the City's Mental Health Division and Aging Services Division and seven community-based agencies that assist formerly homeless, disabled individuals and families to retain stable housing.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or her designee is hereby authorized to receive funds and execute any agreements and amendments resulting from the five grants awarded from the U.S. Department of Housing and Urban Development and the County of Alameda for the City's Shelter Plus Care Program as follows – up to: 1) \$3,305,842 for Tenant-Based Rental Assistance (TBRA) for the period June 1, 2020 through May 31, 2021; 2) \$191,491 for sponsor-based rental assistance for the Supportive Housing Network for the period of June 1, 2020 through May 31, 2021, with Resources for Community Development as the project sponsor; 3) \$186,380 for sponsor-based rental assistance for the Pathways Project for the period June 1, 2020 through May 31, 2021, with Bonita House, Inc. as the

project sponsor; and 4) \$2,176,630 in tenant-based rental assistance for the COACH Project grant for the period of January 1, 2021 through December 31, 2021; and 5) \$708,195 provided through a contract with Alameda County to provide tenant-based rental assistance to individuals who have HIV/AIDS and other disabilities from March 1, 2020 through February 28, 2021. A signed copy of said documents, agreements and any amendments will be kept on file in the Office of the City Clerk.

