



Office of the City Manager

CONSENT CALENDAR
June 25, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Kelly Wallace, Interim Director, Health, Housing & Community Services Department

Subject: Revenue Contract: Community Services Block Grant Discretionary Funding for June 1, 2019 – May 31, 2020

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or her designee to accept the Community Services Block Grant (CSBG) Contract Number 19F-4404 for the amount of \$30,000 to provide services for low-income people for the period June 1, 2019 – May 31, 2020.

FISCAL IMPACTS OF RECOMMENDATION

Berkeley's Community Services Block Grant (CSBG) received additional discretionary funding for the period June 1, 2019 – May 31, 2020 in the amount of \$30,000 (Community Action Program Fund - 334-51-504-530-0000-000-000-431110-). The CSBG allocation amount is included in the City's anti-poverty Community Action Fund and supports oversight and management of anti-poverty funds within the Health, Housing and Community Services Department. These discretionary funds are recommended to be used for rental assistance for formerly homeless clients in the City's Shelter Plus Care program.

CURRENT SITUATION AND ITS EFFECTS

On January 22, 2019 City Council authorized the City Manager and her designee to execute CSBG Contract Number 19F-4001 for the amount of \$266,863 (Resolution No. 68,728-N.S.) On April 3, 2019, the State Department of Community Services and Development (CSD) issued a letter, stating that the City will receive additional discretionary funding in the amount of \$30,000 as a separate contract.

The City Manager recommends that these discretionary funds be used to cover rent subsidies for clients who participate in the Shelter Plus Care program. The City of Berkeley Shelter Plus Care Program administers federal rental subsidies that are matched by locally provided services to transition formerly homeless, disabled individuals and families into permanent, supportive housing. Currently, the City of Berkeley administers six Shelter Plus Care grants, providing approximately 260 units of

supportive housing for homeless and disabled people. These housing subsidies allow tenants to pay no more than 30% of their income on rent.

City staff recommend using the additional \$30,000 to fund rental subsidies to help offset increasing program costs due to increasing rents as the Bay Area continues to experience a rental housing crisis making it harder to find permanent housing for people with no or limited income. The City's HUD grants slightly increased in FY2020 but not enough to cover the rise in rent and security deposit costs expected by landlords. Additionally, HUD recently released its 2019 rent payment standards, approximately 9% less than 2018 rent standards, which will result in a significant overall funding gap across the City's four S+C grants next year. The variation and unpredictability in HUD's annual grant amounts has required the City's to leverage other funding sources. The \$30,000 will allow the City to continue to provide stable, long-term housing and ongoing services to current Shelter Plus Care tenants. Staff are continuing to identify other cost-cutting measures to ensure that expenses for Shelter Plus Care program stay within the budgeted amount to make up the difference between the additional CSBG funding and the future shortfall.

Human Welfare and Community Action Commission Action

The Human Welfare and Community Action Commission (HWCAC) acts as the tripartite advisory Board for CSBG funding. As such, it is responsible for reviewing performance of funded programs, reviewing compliance with the implementation of the community action program, and advising Council on CSBG funding decisions. The Berkeley City Council is responsible for all final CSBG funding decisions.

City staff shared the recommendation for the use of the additional funds with the HWCAC at its April 17, 2019 meeting. The HWCAC discussed the City Manager recommendation, and agreed with the Shelter Plus Care funding recommendation. This motion passed (M/S/C: Kohn/Smith. Ayes: Dunner, Smith, Sood, Kohn, Romo. Noes: Bookstein, Deyhim. Abstain: Omodele. Absent: Holman).

BACKGROUND

The City of Berkeley is a Community Action Agency (CAA) and therefore receives federal Community Services Block Grant funds (CSBG) to support anti-poverty programs. CSBG funds are part of the federal Department of Health and Human Services budget passed through the state to local CAAs. Historically, the City of Berkeley has awarded Community Services Block Grant funds to community service programs.

ENVIRONMENTAL SUSTAINABILITY

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

RATIONALE FOR RECOMMENDATION

The Community Services Block Grant is necessary to support the provision of services for residents living in poverty in Berkeley.

ALTERNATIVE ACTIONS CONSIDERED

Rejecting CSBG funding would reduce funding for services to low-income Berkeley residents and HHCS staffing. This would negatively impact low-income services in Berkeley.

CONTACT PERSON

Mary-Claire Katz, Associate Management Analyst, HHCS, (510) 981-5414

Attachments:

1: Resolution

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

REVENUE CONTRACT: ADDITIONAL \$30,000 OF 2019 COMMUNITY SERVICES
BLOCK GRANT (CSBG) DISCRETIONARY FUNDING

WHEREAS, the City of Berkeley is a Community Action Agency and receives CSBG funds as the Berkeley Community Action Agency to support anti-poverty programs; and

WHEREAS, the Human Welfare and Community Action Commission (HWCAC) acts as an advisory tri-partite Board to the Council providing public participation in the governing process; and

WHEREAS, at the April 17, 2019 HWCAC meeting a motion was passed recommending that the City accept the Community Service Block Grant Discretionary Funds; and

WHEREAS, this CSBG revenue contract covers of the period June 1, 2019 – May 31, 2020 for a contract amount of \$30,000 (351-7902-331-1012); and

WHEREAS, the funds have historically been used to support anti-poverty services and to support City of Berkeley oversight and management of anti-poverty programs (Community Action Program Fund - 334-51-504-530-0000-000-000-431110-).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or her designee is authorized to 1) accept Community Service Block Grant Contract Number 19F-4404 for the amount of \$30,000, 2) utilize these additional funds to provide rental assistance to formerly homeless clients participating in the City's Shelter Plus Care program, and 3) execute any resultant agreements and amendments including amendments that may increase the contract amount to provide low-income services for the time period June 1, 2019 – May 31, 2020. A record signature copy of said agreement and any amendments shall be on file in the office of the City Clerk.