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MEMORANDUM
NEIGHBORHOOD RESOURCES- COUNCIL MEMO NR11-047

DATE: NOVEMBER 30, 2011

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 JEFF CLARK, FIRE CHIEF *JC*
 JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*
 CARL MORGAN, CDBG PROGRAM SUPERVISOR *CM*

FROM: MARY FRENCH-JONES, COMMUNITY DEVELOPMENT COORDINATOR *MJ*

SUBJECT: APPROVAL OF RESOLUTION NO. 4549 AMENDING THE CITY OF CHANDLER'S 2011-2012 ACTION PLAN, SUBMITTING AMENDMENT 2 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR ITS CONSIDERATION IN ORDER TO AMEND FUNDING UNDER THE HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM

RECOMMENDATION: Staff and the Housing and Human Services Commission recommend City Council approval of Resolution No. 4549 amending the City of Chandler's 2011-2012 Action Plan and submitting Amendment 2 to the U.S. Department of Housing and Urban Development for its consideration in order to amend funding under the Homelessness Prevention and Rapid Re-Housing Program and authorizing the Neighborhood Resources Division Director to implement the Homeless Prevention and Rapid Re-Housing Program including the reallocation of funds.

BACKGROUND: In 2009, the City of Chandler received \$575,271 from the U.S. Department of Housing and Urban Development (HUD) in Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds. HPRP funds are a one-time federal grant that was passed as part of the 2009 American Recovery and Reinvestment Act. A Substantial Amendment to the City's Action Plan for the Community Development Block Grant (CDBG) Program was submitted to HUD in August 2009 to establish the program to be funded with HPRP dollars. One hundred percent (100%) expenditure is required by August 4, 2012.

There are two types of program categories under which state and local governments could utilize HPRP funds: Homelessness Prevention and Rapid Re-Housing. The primary difference between Rapid Re-Housing and Homeless Prevention is that Rapid Re-Housing assists homeless

individuals and families while Homeless Prevention programs assist families who are currently housed but would become homeless without the assistance. There are several activities associated with each category including the following:

- Financial Assistance includes short and medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance and motel or hotel vouchers.
- Housing Relocation/Stabilization includes case management, outreach, housing search and placement, legal services, mediation and credit repair.
- Data Collection & Evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.
- Administrative Cost up to 5% of allocation.

As of October 31, 2011 \$518,189 had been expended under this program, which represents 90% of Chandler’s total HPRP allocation. These expenditures have assisted 721 clients to date. To meet 100% expenditure by the August 4, 2012 deadline, staff conducted a second evaluation and review based on performance and expenditures relative to contract goals. This resulted in contract amendments being issued to all agencies with outstanding balances. The review resulted in \$19,626.92 in HPRP funds being available for reallocation.

A Request for Proposals (RFP) to existing HPRP sub-recipients was issued in October 2011. Staff indicated a preference would be given to providers who propose to provide Rapid Re-Housing services to assist homeless individuals and families. Staff received responses from the following agencies:

- A New Leaf – EMPOWER Program – To provide Rapid Re-Housing
- Community Services of Arizona – To provide Homeless Prevention
- Save the Family – To provide Rapid Re-Housing

A variety of elements were considered during staff’s proposal review and scoring including agency capacity, expenditure performance, proposed program delivery response, ability to serve Chandler’s homeless street population and the project budget. All respondents were asked to state their interest if additional funds should become available in the future. Based on the review, the agencies were scored as follows:

| <u>Agency</u> | <u>Activity</u> | <u>Score (max. 100 pts.)</u> |
|-------------------------------|---------------------|------------------------------|
| A New Leaf – EMPOWER Program | Rapid Re-Housing | 75 |
| Community Services of Arizona | Homeless Prevention | 67 |
| Save the Family | Rapid Re-Housing | 85 |

Save the Family produced the most comprehensive proposal and overall ability to meet the terms of the RFP by demonstrating the following strengths:

- 1) Providing services to a population considered homeless, including those living in a homeless shelter;
- 2) Significant Rapid Re-Housing experience;
- 3) Ability to quickly expend City of Chandler HPRP funds;
- 4) An established current client wait list; and
- 5) Strong partnerships.

Staff and the HHSC recommend the entire \$19,626.92 currently available for reallocation be awarded to Save the Family.

Staff is also requesting that the Neighborhood Resources Director be authorized to implement the HPRP program including reallocating any remaining funds after the current nonprofits' contract deadlines occur on March 31, 2012. This will allow for the reallocation of any program funds that are unexpended after the March 31, 2012 deadline and before the end of the grant. Only A New Leaf EMPOWER Program, Community Services of Arizona, and Save the Family would be eligible to receive reallocated funds as they indicated an interest in receiving reallocated funds in the October, 2011 RFP.

DISCUSSION

The table below includes funding awarded to the nine programs implementing Chandler's HPRP program. The \$19,626.92 proposed to be reallocated to Save the Family is included in the amounts below.

| HPRP Revised Budget Amendment # 2 | Proposed Re-allocation | | |
|--|------------------------|------------------|------------------|
| | Homeless Prevention | Rapid Re-Housing | Total |
| Financial Assistance | | | |
| A New Leaf – EMPOWER | | \$59,279 | \$59,279 |
| A New Leaf – EVMC | | \$42,012 | \$42,012 |
| A New Leaf - La Mesita | | \$23,113 | \$23,113 |
| Catholic Charities East Valley | | \$686 | \$686 |
| Chrysalis | \$665 | \$7,690 | \$8,355 |
| CSA - Community Services of AZ | \$168,949 | \$17,653 | \$186,602 |
| Save the Family | \$106,521 | \$17,272 | \$123,793 |
| Salvation Army | \$37,834 | | \$37,834 |
| UMOM | | \$29,900 | \$29,900 |
| Subtotal- Financial Assistance | \$313,969 | \$197,605 | \$511,574 |
| | | | |
| Housing Relocation and Stabilization | | | |
| A New Leaf – EMPOWER | | \$8,721 | \$8,721 |
| A New Leaf – EVMC | | \$5,525 | \$5,525 |
| A New Leaf - La Mesita | | \$975 | \$975 |
| Chrysalis | \$318 | \$297 | \$615 |
| Save the Family | \$9,222 | \$2,355 | \$11,577 |
| UMOM | | \$3,470 | \$3,470 |
| Subtotal- Housing Relocation | \$9,540 | \$21,343 | \$30,883 |
| | | | |
| Financial Assistance and Housing Reloc. | \$323,509 | \$218,948 | \$542,457 |

| HPRP Revised Budget Amendment # 2, (continued) | Total |
|--|------------------|
| Data Collection and Evaluation | |
| A New Leaf – EVMC | \$283 |
| A New Leaf - La Mesita | \$283 |
| CSA - Community Services of AZ | \$1,500 |
| Save the Family | \$2,620 |
| Salvation Army | \$1,136 |
| Subtotal- Data Collection + Evaluation | \$5,822 |
| | |
| Administration | |
| A New Leaf – EMPOWER | \$1,970 |
| A New Leaf – EVMC | \$3,234 |
| A New Leaf - La Mesita | \$1,599 |
| Save the Family | \$5,577 |
| UMOM | \$600 |
| COC Administration | \$14,012 |
| Subtotal- Administration | \$26,992 |
| | |
| Total HPRP Amount Budgeted | \$575,271 |

The Housing and Human Service Commission held a Public Hearing on the proposed Action Plan Amendment during their November 16, 2011 meeting. The public comments from this meeting are summarized on page three of Attachment A. The Commission discussed the proposed amendment and unanimously approved a motion recommending Council approval of Resolution 4549, and authorizing the Neighborhood Resources Director to implement the HPRP program including reallocating funds.

FINANCIAL IMPLICATIONS: All funding associated with the federal Homelessness Prevention and Rapid Re-Housing Program funds will be paid by the federal government and do not require repayment on the part of the City of Chandler.

PROPOSED MOTION: Move to approve Resolution No. 4549 amending the City of Chandler’s 2011-2012 Action Plan and submitting Amendment 2 to the U.S. Department of Housing and Urban Development for its consideration in order to amend funding under the Homelessness Prevention and Rapid Re-Housing Program and authorizing the Neighborhood Resources Division Director to implement the Homeless Prevention and Rapid Re-Housing Program including the reallocation of funds.

Attachments: Resolution 4549
 A: Amendment 2 to the City of Chandler’s 2011-12 Action Plan

RESOLUTION NO. 4549

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA APPROVING AMENDMENT 2 OF THE FY 2011-2012 ACTION PLAN AND SUBMITTING AMENDMENT 2 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR ITS CONSIDERATION IN ORDER TO AMEND FUNDING UNDER THE HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM

BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

WHEREAS, in 2009, Congress enacted Public Law 111-5, the American Recovery and Reinvestment Act, which provided funding for the Homelessness Prevention and Rapid Re-Housing Program (HPRP), a one-time federal grant, to provide communities with assistance to either prevent families and individuals from becoming homeless or help those who are experiencing homelessness to become quickly re-housed and stabilized; and

WHEREAS, there are two types of program activities under which state and local governments may utilize HPRP funds Eviction Prevention and Rapid Re-Housing; the City of Chandler committed funds to both program activities; and

WHEREAS, the City of Chandler, Arizona has been allocated \$575,271.00 in funding from HUD to be used toward the above-mentioned purposes; and

WHEREAS, in order to reallocate this funding, the City must amend its FY 2011-2012 Action Plan which was approved by Council through Resolution No. 4465, and submit said Amendment 2 to U. S. Department of Housing and Urban Development for its consideration; and

WHEREAS, the City of Chandler is proposing that reallocated funds be applied to the Rapid Re-Housing program activity to best fulfill and successfully complete HPRP contract requirements, and to better serve the City of Chandler's growing homeless population,

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve the submission of Amendment 2 to the U.S. Department of Housing and Urban Development with all documents, submissions, plans and materials required by the Act: and

FURTHER, that the Mayor or City Manager or their designee(s) are authorized to execute and submit the aforesaid Amendment 2 to the U.S. Department of Housing and Urban Development.

FURTHER, that Amendment 2 to the 2011-2012 Action Plan prepared pursuant to the Housing and Economic Recovery Act of 2008, a copy of which, in substantial form, is on file in office of the Director of Neighborhood Resources and is incorporated herein by reference, is hereby approved.

FURTHER, the City Manager or their designee(s) shall have authority to provide required policy and administrative assurances including civil rights, equal opportunity, citizen participation, future program amendments and others as may be specified.

FURTHER, that the Neighborhood Resources Division Director be and is hereby authorized to take those actions necessary and prudent to implement the program outlined by the City Council including the expenditure and reallocation of funds, contract amendments, the hiring of personnel and/or contractors, the scheduling of activities, the establishment of procedures for monitoring and evaluation of program activities and other steps necessary to insure that the program can be completed in a timely and effective manner.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA THIS _____ DAY OF _____, 2011.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. 4549 was duly passed and adopted by the City Council of the City of Chandler, Arizona at a regular meeting held on the ____ day of ____, 20 ____, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY GAB

ATTACHMENT A

AMENDMENT – 2 TO THE CITY OF CHANDLER’S FY 2011-2012 ACTION PLAN AMENDING THE HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM

| | |
|--|---|
| <u>Jurisdiction(s):</u> City of Chandler | <u>HPRP Contact Person:</u> Jennifer Morrison, Director Neighborhood Resources Division |
| <u>Jurisdiction Web Address:</u> www.chandleraz.gov/communitydev | Address: 235 South Arizona Avenue, Chandler, AZ 85225 Telephone: 480.782.4320 Fax: 480.782.4350 Email: Jennifer.Morrison@chandleraz.gov |

HPRP Substantial Amendment – 2 to the City of Chandler’s FY 2011-2012 Action Plan Amending the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

The U.S. Department of Housing and Urban Development (HUD) approved the City of Chandler’s Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds in the amount of \$575,271 on August 4, 2009.

The HPRP allocation is a one-time federal grant. The program is designed to address the growing homeless population specifically created by the recession. The main purpose of the program is to provide communities with assistance to either prevent families and individuals from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized. The City of Chandler HPRP funds were allocated to 9 different programs, with the City retaining 2% for program administration and oversight. Over the past 2.5 years, 721 unduplicated clients were assisted with funding to place them in a housing unit to end their homelessness or funding to prevent them from becoming homeless. These activities expended 90% of Chandler’s HPRP resources.

The City of Chandler has determined that it is in the best interest of the community to reallocate the remaining individual contract funds to ensure full utilization of HPRP funds prior to the grant deadline. The City of Chandler is proposing to amend its Homelessness Prevention and Rapid Re-Housing Program through Amendment 2 to the FY 2011-2012 Action Plan, which was submitted to HUD in May 2011. The Amendment 2 to the City of Chandler’s Action Plan reflects that HPRP funds for Chandler residents have been primarily utilized for financial assistance (rental assistance, security deposits, utility assistance, etc.) rather than case management services, and demonstrates the City’s commitment to expend all program funds prior to the August 4, 2012 deadline.

SUMMARY OF PROPOSED AMENDMENT

- 1 The City of Chandler is proposing to increase budget authority for the total Financial Assistance Category by \$349,060;
- 2 The City of Chandler is proposing to increase budget authority for the total Data Collection and Evaluation Categories by \$5,822;
- 3 The City of Chandler is proposing to decrease budget authority for the total Housing Relocation and Stabilization Category by \$353,113;
- 4 The City of Chandler is proposing to decrease budget authority for the total Administration Category by \$1,769.

| Initial HPRP Budget Summary- August, 2009 | | | |
|--|--------------------------------|-------------------------|------------------------------|
| | Homelessness Prevention | Rapid Re-housing | Total Amount Budgeted |
| Financial Assistance ¹ | \$ 81,257 | \$ 81,257 | \$ 162,514 |
| Housing Relocation and Stabilization Services ² | \$ 279,991 | \$ 104,005 | \$ 383,996 |
| Subtotal (add previous two rows) | \$ 361,248 | \$ 185,262 | \$ 546,510 |
| Data Collection and Evaluation ³ | | | \$ 0 |
| Administration (up to 5% of allocation) | | | \$ 28,761 |
| Total HPRP Budgeted⁴ | | | \$ 575,271 |

| Revised HPRP Budget Summary-December, 2011 | | | |
|--|--------------------------------|-------------------------|------------------------------|
| | Homelessness Prevention | Rapid Re-housing | Total Amount Budgeted |
| Financial Assistance ¹ | \$ 313,969 | \$ 197,605 | \$ 511,574 |
| Housing Relocation and Stabilization Services ² | \$ 9,540 | \$ 21,343 | \$ 30,883 |
| Subtotal (add previous two rows) | \$ 323,509 | \$ 218,948 | \$ 542,457 |
| Data Collection and Evaluation ³ | | | \$ 5,822 |
| Administration (up to 5% of allocation) | | | \$ 26,992 |
| Total HPRP Budgeted⁴ | | | \$ 575,271 |

¹Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

²Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

³Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

⁴This amount must match the amount entered in the cell on the table in Section A titled "Amount Grantee is Requesting."

PUBLIC COMMENTS

November 9, 2011
City of Chandler – Public Hearing
Neighborhood Resources Division
235 S. Arizona Avenue, Chandler, AZ 85225

- **No Comments**

November 16, 2011
Housing and Human Services Commission Meeting – Public Hearing
235 S. Arizona Avenue, Chandler, AZ 85225

- **Comments and City of Chandler's Response**

- 1) Commissioner Ann Stephani stated these are very interesting times and wondered if the economic downturn and possible change in the demographics of people seeking assistance are moving agencies towards providing Financial Assistance and away from Case Management. She asked if that is the reason why staff is proposing more funds towards Financial Assistance.

Carl Morgan stated yes, when the 2009 table for the Substantial Amendment was created for the HPRP Program as part of the City receiving funds, staff needed to estimate how the funds would be used before Chandler's program existed. A positive benefit is that the majority of funds over the grant duration were used for direct financial assistance rather than case management services.

Jennifer Morrison explained how the current reallocation could be a benefit to Chandler residents based on current activities. Rapid Re-housing is used for more long-term assistance for persons that are homeless rather than the Homeless Prevention which is traditionally a short-term model. Chandler's service providers are more familiar with the Eviction Prevention model. Rapid Re-housing presents more of a challenge for the agencies.

- 2) Commissioner Kris Kylo asked if residents (clients) receive referrals to other agencies for assistance with the Homelessness Prevention activities. Do the agencies offer assistance for credit repair after financial assistance is received? Do agencies assist clients by offering advice or refer them to counseling to prevent the continued struggle with the mortgage payments. Do agencies provide referrals for that type of assistance?

Carl Morgan explained that most agencies help their clients identify long-term issues and assist the client with finding other agencies to assist them in solving their problems.

- 3) Commissioner Ann Stephani requested clarification regarding contracts audit parameters performed during the late-term agency performance assessment.

Carl Morgan stated that the audit was a review of the agencies' expenditures compared to contract deadlines not program performance-based program concerns.

- 4) Commissioner Ann Stephani asked for clarification regarding individual agencies listed. In the Substantial Amendment it is unclear if Save the Family was receiving the funds. Does the Substantial Amendment address individual organizations? Carl Morgan stated that the funds proposed to be reallocated to Save the Family are included in the amounts shown in the Amendment's Revised Budget Summary.
- 5) Commissioner Ann Stefani stated that the numbers in the August 2009 table helps people find housing and keep their independence, and the transition is to assist clients in paying their rent. Commissioner Stefani asked if this concept makes clients more vulnerable and more dependent on others for continuing assistance. Commissioner Stephani expressed concerned regarding the grant deadline and further program provision.

Carl Morgan stated that the program may create some dependency. But in the current economy, agencies have staff available for case management, but don't have funds for rental assistance. The recipient of rental assistance may be more vulnerable, but one of the program's expectations is to provide a transition plan for clients. Agencies have resources to help their clients in becoming more independent through comprehensive case management.

- 6) Commissioner Brigita-Landstrom commented that the reallocation process is related to agency contract audits receiving HPRP funds. She asked if the audit determined concerns for the different agencies that received funds.

Carl Morgan explained that the audit determined that some agencies struggled with contract expenditure deadlines. He also stated that one agency returned funds because they were unable to expend the funds, while another other agency requested to use the money for a different program. He stated that there were not any problems with the agencies meeting program requirements but, rather with expenditure rates related to the overall grant deadline. The information provided in the Substantial Amendment does not reflect individual sub-recipients, but four broader funding categories. The reallocation is incorporated in these broader funding categories.

- 7) Commissioner Brigita-Landstrom stated people receiving funds are assisted in numerous ways such as case management and program referrals, creating a scenario for teaching clients "How to Fish." These programs offer clients a broad spectrum of services to assist them with moving towards a goal of independence.

Carl Morgan confirmed that agencies have a variety of resources and/or referral mechanisms to help their clients with gaining independence.

- 8) Commissioner Francisco Heredia asked how long the resident (client) is required to wait to apply for further assistance.

Jennifer Morrison stated one calendar year. Carl Morgan stated that the Rapid Re-housing program allows up to 18 months of rental assistance, but Chandler's Eviction Prevention activities provides more short-term assistance. Chandler residents are assisted with up to 3 months of rental assistance.

- 9) Commissioner Ann Stephani asked for clarification regarding the reallocation and project ranking for Save the Family, A New Leaf EMPOWER Program and Community Services of Arizona.

Carl Morgan reviewed the ranking criteria for the Commissioners and stated that all agencies provided beneficial programs and services to Chandler residents, but some agencies were better equipped to expend funds quickly using the Rapid Re-housing model. He explained that a Substantial Amendment is required for any changes in budget categories of more than 10%.

Jennifer Morrison explained that staff will continue to reallocate funds as necessary to expend funds by the HPRP grant deadline. Carl Morgan explained how funds were initially allocated to HPRP sub-recipients and the City's reallocation process.