



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
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Consent
August 25, 2009

Honorable Mayor and Members of the City Council

**Title: Sacramento's Homelessness and Rapid Re-Housing Program (HPRP):
Update and Applications to State Department of Housing and Community
Development**

Location/Council District: All

Recommendation: Adopt a **Resolution** authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to: 1) execute all required certifications, apply for, and accept the State of California Department of Housing and Community Development (HCD) HPRP funds in an amount not to exceed \$4.8 million; 2) to sign Standard Agreements and any subsequent amendments; and 3) perform any and all responsibilities in relationship to the contract.

Contact: Lisa Bates, SHRA Deputy Executive Director, 440-1319, Cindy Cavanaugh, Assistant Director, SHRA, 440-1317

Presenters: n/a

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis:

Issue: In July 2009, the U.S. Department of Housing and Urban Development (HUD) approved SHRA's application for HPRP funding for the City of Sacramento. As an entitlement jurisdiction, the City is receiving \$2,375,126 in one-time funding under the American Recovery and Reinvestment Act of 2009 (ARRA). The County of Sacramento's application for \$2,396,773 in entitlement funding was also approved. HPRP is intended to provide temporary financial assistance for housing-related costs and housing relocation and stabilization services to individuals and families who are homeless or would be homeless *but for* this assistance.

HPRP provides not only an opportunity to directly assist families and individuals facing homelessness as a result of the economic downturn, but is also an opportunity to transform Sacramento's system from one organized around shelter to one centered on prevention and a rapid return to housing stability. Since

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making application to HUD in April, SHRA and the Sacramento County Department of Human Assistance (DHA) staff have undertaken a number of activities to ensure HPRP will be fully operational by October 1st. Activities include an extensive community engagement process to design this new program, securing additional resources beyond the \$4.8 million from HUD, thereby enabling coverage to the entire county, soliciting provider proposals for HPRP services and working with 2-1-1 Sacramento.

Program Design

Sacramento's HPRP is designed to create a countywide housing-based intervention system focused on keeping households that are at risk of homelessness in housing (prevention) and on moving families quickly out of homelessness and shelters (rapid re-housing). Sacramento's program employs the following approaches:

- Transform the system of response with a countywide triage and referral system that uses 2-1-1 Sacramento and a risk assessment tool to help target and streamline connections to the right resources. In addition to HPRP, referral resources will include shelters, transitional housing and permanent housing options as appropriate to the household.
- Deliver comprehensive and coordinated prevention and rapid re-housing services throughout the County. An HPRP provider (or provider team) will deliver all core HPRP services and will focus on specific geographic areas in the County. Core services include financial assistance, housing search and location, housing stabilization services, and legal assistance.
- Create a housing resource database integrated with the Homeless Management Information Systems (HMIS) and available for use by the HPRP program, 2-1-1 staff, and community members at large.
- Structure financial assistance to provide only the assistance needed and for only as long as necessary to stabilize participants in housing. Provide services to achieve housing stability focusing on employment and income benefits provided primarily through linkages with mainstream resources. Financial assistance and housing relocation and stabilization services will be implemented consistently among HPRP providers.
- Collect countywide data to document individual and system-wide progress. Evaluate programs for continuous improvement and fund programs that demonstrate they are preventing homelessness and reducing the amount of time people are homeless.

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Expanded Resources

In addition to the HUD entitlement resources, staff has secured additional ARRA resources for HPRP, including \$1 million in Community Services Block Grant (CSBG). Work is underway to incorporate at least \$1 million in Temporary Assistance for Needy Families – Emergency Contingency Funds (TANF-ECF) for eligible families, and to identify the required 20 percent non-federal match.

State HPRP provides the opportunity to expand these resources. HCD announced funding availability under the State's HPRP program in mid-July with applications due August 6th. HCD allows entitlement jurisdictions to apply but encourages inclusion of non-entitlement areas. In consultation with the cities of Elk Grove, Citrus Heights and Rancho Cordova, SHRA has submitted three applications for a total of \$4.8 million to offer comprehensive services in three geographic regions covering the entire County. Because of the tight timeframe, HCD allowed the authorizing resolutions to follow the application submittals.

Program Goals

While HUD allows three years to expend funds, Sacramento's program assumes a two-year timeframe. Based on best estimates for levels of individual assistance and assuming all of the funding identified above can be secured, staff estimates that Sacramento HPRP can prevent or end homelessness for approximately 3,000 individuals and families over a two-year period. While this target could change with longer terms of assistance or with varying economic conditions, this program will, nonetheless, have a significant impact on homelessness in Sacramento.

Outcome data will be used not only to improve HPRP program delivery but may be used to improve overall systems and outcomes. Additional system-wide measures will be created in conjunction with Interagency Council to End Homelessness (ICEH) and the Policy Board. Outcomes may include reducing the length of time people are homeless, including decreasing shelter stays, and reducing the number of people experiencing homelessness for the first time.

Policy Considerations: HPRP moves Sacramento in the direction of national best practices and of federal policy reflected in recent legislation re-authorizing the McKinney-Vento Act (called HEARTH). HPRP requires data collection and reporting through an improved data management system that will enable Sacramento to improve its outcome measures and to align funding with what works to solve homelessness.

HPRP employs re-housing strategies similar to the Ten-year Plan to End Chronic Homelessness by focusing on housing stability, but targets this assistance to families and individuals likely to maintain stable housing when the temporary subsidy concludes. In most cases, HPRP is not an appropriate solution for chronically homeless individuals and families. These households require longer term support that transitional housing or permanent supportive housing provides.

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Because this pipeline does not meet the current need, staff anticipates that the shelter population will transition over time to those who need longer term support.

Environmental Considerations:

California Environmental Quality Act (CEQA): The HPRP Program activities related to financial assistance are categorically excluded from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines § 15301, which exempts leases of existing facilities. HPRP Program activities related to housing relocation and stabilization services, homeless data collection and evaluation, and administrative management activities do not constitute a project for the purposes of CEQA pursuant to CEQA Guidelines § 15378(b)(5), which excludes administrative activities of governments that do not result in direct or indirect physical changes in the environment.

National Environmental Policy Act (NEPA): The HPRP Program activities related to financial assistance are categorically excluded from the National Environmental Policy Act (NEPA) pursuant to 24 CFR § 58.35(b)(1), which excludes tenant based rental assistance. HPRP Program activities related to housing relocation and stabilization services are exempt from NEPA pursuant to 58.34(a)(4), which exempts public services that will not have a physical impact. HPRP Program activities related to data collection and data evaluation are exempt from NEPA pursuant to § 58.34(a)(2), which exempts information services. HPRP Program activities related to administrative costs are exempt from NEPA pursuant to § 58.34(a)(3), which exempts administrative and management activities.

Sustainability Considerations: All HPRP housing must meet minimum health and safety and lead-based paint requirements. Staff intends to seek collaboration with agencies that could address these issues or provide weatherization services to units with willing landlords.

Committee/Commission Action: It is anticipated that at its meeting on August 19, 2009, the Sacramento Housing and Redevelopment Commission will approve this item. In the event that they do not, staff will notify the Council on August 25, 2009.

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Rationale for Recommendation: HPRP funding represents an important opportunity to improve Sacramento's systems for preventing homelessness and reducing the amount of time people are homeless. Recommendations will expand funding for the program.

Financial Considerations: Approval of the recommendations listed above will allow SHRA to accept funds from State HPRP and allow coverage throughout the County.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

Recommendation Approved:



for RAY KERRIDGE
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

On date of

2009 HOUSING AND COMMUNITY DEVELOPMENT HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM APPLICATION

BACKGROUND

- A. On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA), which included \$1.5 billion for the new Homelessness Prevention and Rapid Re-Housing Program (HPRP).
- B. The City Council on May 12, 2009 approved the acceptance of the federal HPRP funds and authorized the Sacramento Housing and Redevelopment Agency (SHRA) to submit the application, and upon receipt of funds, to implement and administer the HPRP program with the Sacramento County Department of Human Assistance. (Resolution 2009-293).
- C. The U.S. Department of Housing and Urban Development (HUD) approved SHRA's application for \$2,375,126 in HPRP entitlement funds for the City of Sacramento.
- D. SHRA and DHA have developed a countywide programmatic approach to preventing and ending homelessness in consultation with a wide variety of community stakeholders, the planning bodies of Sacramento's Continuum of Care and Ten-Year Plan to End Chronic Homelessness, other community partners including Sacramento Employment and Training Agency, and the cities in the County who did not receive entitlement HPRP funds (Elk Grove, Citrus Heights and Rancho Cordova).
- E. SHRA has requested proposals from providers to deliver comprehensive prevention and rapid re-housing services in one of three geographic areas of the County.
- F. The State of California, Department of Housing and Community Development, Division of Financial Assistance, issued a Notice of Funding Availability under the ARRA for HPRP funding.
- G. The City of Sacramento is a unit of local government that is eligible, and authorizes the Sacramento Housing and Redevelopment Agency to apply for and receive HPRP grant funds from the State of California.

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- H. SHRA is a joint powers authority created pursuant to California law, and is a combination of the City of Sacramento and the County of Sacramento, and in its capacity as a combination of political subdivisions, has been consistently recognized by the HUD as a unit of general local government.
- I. The joint powers agreement governing SHRA specifically identifies one of the purposes of SHRA as devising, proposing, conducting, evaluating, and administering such public social service programs within the jurisdiction of City and County as are approved from time to time by both City and County for joint administration by SHRA
- J. Upon receipt of one or more grants from the State of California for HPRP, SHRA certifies that all uses of the funds will be in compliance with the HPRP Regulations and Contract.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Sacramento Housing and Redevelopment Agency is authorized to execute all required certifications, apply for, and accept the State of California Department of Housing and Community Development Homeless Prevention and Rapid Re-Housing grant funds in the amount of not more than \$4.8 million, and to sign Standard Agreements and any subsequent amendments thereto, and perform any and all responsibilities in relationship to such contracts.