

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 10/28/2014	(3) CONTACT/PHONE Morgan Torell, Planner III/(805) 781-5113	
(4) SUBJECT Submittal of a resolution authorizing the Director of the Department of Planning and Building to 1) submit a grant application in the amount of approximately \$1,252,423 to the U.S. Department of Housing and Urban Development (HUD) for the Federal Fiscal Year 2014 Continuum of Care program and 2) sign the agreements necessary to participate in the program. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution authorizing 1) the Director of the Planning and Building Department to submit an application in the amount of approximately \$1,252,423 and certifications to the U.S. Department of Housing and Urban Development (HUD) for the Federal Fiscal Year 2014 Continuum of Care program and, 2) the Director of Planning and Building to sign the Standard Agreements and execute all agreements necessary to implement programs if the application is approved.			
(6) FUNDING SOURCE(S) Continuum of Care Program	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Morgan Torell, Planner III/(805) 781-5113

VIA: Trevor Keith, Division Manager

DATE: 10/28/2014

SUBJECT: Submittal of a resolution authorizing the Director of the Department of Planning and Building to 1) submit a grant application in the amount of approximately \$1,252,423 to the U.S. Department of Housing and Urban Development (HUD) for the Federal Fiscal Year 2014 Continuum of Care program and 2) sign the agreements necessary to participate in the program. All Districts.

RECOMMENDATION

It is recommended that the Board adopt the attached resolution authorizing 1) the Director of the Planning and Building Department to submit an application in the amount of approximately \$1,252,423 and certifications to the U.S. Department of Housing and Urban Development (HUD) for the Federal FY2014 Continuum of Care program and, 2) the Director of Planning and Building to sign the Standard Agreements and execute all agreements necessary to implement programs if the application is approved.

DISCUSSION

Background

The federal Continuum of Care (CoC) program is designed to 1) promote a communitywide commitment to the goal of ending homelessness, 2) provide funding for efforts to quickly re-house homeless individuals and families, 3) promote access to an effective utilization of mainstream programs by homeless individuals and families, and 4) optimize self-sufficiency among individuals and families experiencing homelessness. The program funds permanent supportive housing, transitional housing, supportive services, and Homeless Management Information System (HMIS) programs to serve homeless individuals and families in our community.

In September, the U.S. Department of Housing and Urban Development (HUD) released a Notice of Funding Availability (NOFA) for the Fiscal Year (FY) 2014 CoC grant application competition. The FY 2014 competition provides funds for the 2015-2016 program year. HUD anticipates that all renewal programs will be funded in this year's competition, and also announced the availability of new bonus funding for permanent supportive housing projects. The funding and programs are described in more detail in this report.

Current Program

The County of San Luis Obispo is the lead agency for seven renewal CoC program grants totaling \$1,045,079. The programs assist homeless individuals and families in transitioning to self-sufficiency and permanent housing. The grants are implemented by Community Action Partnership of San Luis Obispo County (CAPSLO), Transitions Mental Health Association (TMHA), and the County of San Luis Obispo. TMHA operates two permanent supportive housing projects in the north county area and one transitional housing project in San Luis Obispo. CAPSLO operates two permanent supportive housing projects, one in the north county and one in the south county area, and supportive services in the south county and San Luis Obispo areas. The Department of Planning and Building administers the Homeless

Management Information System (HMIS) which provides data for services provided to homeless individuals. The projects are described in more detail below in the "Renewal Programs" section.

New Bonus Funds Available

HUD is making permanent housing bonus funds available for the FY 2014 competition. The San Luis Obispo County CoC is eligible to apply for up to \$172,787 for a permanent housing bonus project that would serve the most vulnerable, chronically homeless individuals and families in our community. The County received one bonus application from TMHA in the amount of \$172,787 to house eight individuals and one family of three. The people housed in the permanent housing bonus project would come from the list of the most vulnerable homeless people identified for the 50Now program.

FY 2014 Grant Application

In response to the release of the NOFA, County staff issued a request for proposals (RFP) to invite applications for projects eligible for funding under the program. County staff also held a stakeholder meeting in September to listen to needs and discuss possible project ideas for the 2014 application.

The County is eligible to apply for \$1,045,079 for renewal projects, \$172,787 for a new Permanent Supportive Housing Bonus project, and \$34,557 for a new CoC Planning project for the County to operate the CoC.

The County received six renewal grant applications from TMHA and CAPSLO, and one permanent supportive housing bonus application from TMHA, as listed below. All are within the available funding amounts and are recommended by the Homeless Services Oversight Council for the 2014 CoC application to HUD. Below is a description of each application:

Renewal Program Applications

1. CAPSLO: A proposal to renew the *South County Permanent Housing and Case Management* program in the amount of \$57,426. This program provides leasing and supportive services to five disabled homeless and chronically homeless individuals in permanent supportive housing. This program would be a one year grant.
2. TMHA: A proposal to renew the *North County Permanent Housing* grant in the amount of \$118,244. The program provides leasing and supportive services to eight disabled homeless individuals and one family with children in permanent supportive housing. Starting on December 1, 2014, TMHA will serve an additional four individuals, bringing the total beds to fifteen. The beds for individuals are targeted for chronically homeless individuals. This program would be a one year grant.
3. TMHA: A proposal to renew the *Permanent Housing with Supports* program in the North County in the amount of \$59,041. The program provides leasing and supportive services to ten disabled homeless and chronically homeless individuals in permanent supportive housing. This program would be a one year grant.
4. TMHA and CAPSLO: A proposal to renew the *San Luis Obispo Transitional Housing through Case Management* program in the City of San Luis Obispo. This program provides case management for homeless clients through CAPSLO and 20 transitional housing beds and case management in residential units in the City of San Luis Obispo through TMHA. This program would be renewed in the amount of \$483,009 for one year under this application.
5. CAPSLO: A proposal to renew the *South County Case Management* program in the amount of \$215,422. This program provides case management and other supportive services to approximately 180 homeless individuals and families in southern San Luis Obispo County. This program would be a one year grant.
6. County: A proposal to renew the County's *Homeless Management Information System (HMIS)* grant in the amount of \$61,160. The HMIS program provides a unified and unduplicated count of homeless people being served in the County, and assists staff and non-profits in providing reports for HUD and community stakeholders. This program would be a one year grant.

7. CAPSLO: A proposal to renew the *North County Permanent Housing and Case Management Program* in the amount of \$50,777. The grant program provides leasing and supportive services to six disabled chronically homeless individuals in permanent supportive housing units in Atascadero. This activity would be a one year grant.

New Program Applications

8. TMHA: A proposal for a new *Permanent Supportive Housing Bonus* project in the north county to serve 8 individuals and one family of three people in the amount of \$172,787. The people housed in this program would come from the list of the most vulnerable chronically homeless people identified for the 50Now program.
9. County: A proposal for *CoC Planning* funds in the amount of \$34,557. CoC Planning funds can be used for coordination, project evaluation, project monitoring, CoC application activities, HUD compliance activities, and other related tasks related to operating the Continuum of Care.

If this application is approved, the County will contract with CAPSLO and TMHA for implementation of the above grant programs, except that the County will implement the HMIS and the CoC Planning grants. If approved by HUD for funding, all of the above grants can be renewed each year.

Application Process

Although HUD states that it anticipates all renewal projects will be funded, CoCs are still required to review, rate, and rank the applications. HUD set up a tiered ranking system (Tier 1 and Tier 2), and the CoC is responsible for placing the top six ranked renewal programs in Tier 1 and one renewal program in Tier 2. Projects place in Tier 2 are most at risk of not being funded. However, HUD also states in the FY 2014 NOFA that it will fund renewal permanent supportive housing programs first, before all other new and renewal projects. Therefore, if a renewal permanent supportive housing program is placed in Tier 2, it will be funded before all other programs nationally.

An ad hoc grant review subcommittee of the HSOC met on October 6, 2014 and reviewed and ranked the project applications as shown in Table A below. Subsequently, on October 7, 2014, the full HSOC accepted the grant review subcommittee’s recommendation to prioritize the program applications as follows:

TABLE A

TIER 1					
Agency	Program Type	New or Renewal	# of Beds	Amount	Rank
CAPSLO	Permanent Supportive Housing (South County)	Renewal	5	\$57,426*	1
TMHA	Permanent Supportive Housing (North County)	Renewal	15	\$118,244	2
TMHA	Permanent Supportive Housing (North County)	Renewal	10	\$59,041	3
CAPSLO/ TMHA	SLO City Transitional Housing and Case Management	Renewal	20	\$483,009	4
CAPSLO	South County Supportive Services Only	Renewal	N/A	\$215,422	5
County	HMIS**	Renewal	N/A	\$61,160	6
TIER 2					
CAPSLO	Permanent Supportive Housing (North County)	Renewal	6	\$50,777	7
CoC Planning	CoC Planning***	New	N/A	~\$34,557	8
Renewal and CoC Planning Projects Subtotal				\$1,079,636	
PERMANENT HOUSING BONUS					
TMHA	Permanent Housing FY2014 Bonus	New (Bonus)	10	\$172,787	endorse
Total Request				\$1,252,423	

*May be slightly more due to automatic HUD increases to leasing and operations.

**The County did not submit an internal application for HMIS, as it is a required element of the CoC program and administered by the County.

***The subcommittee did not consider an application for this project. The County intends to apply for CoC Planning funds, ranked last in Tier 2.

The South County Permanent Housing program was placed first in Tier 1 because of its performance. In the last program year, all five people stayed in the housing (i.e., they did not leave), all five people had mainstream benefits (i.e. Medicare health insurance), and all five people had cash income from sources other than employment (i.e. Social Security Income). The subcommittee recommends that one of the remaining permanent supportive housing programs be placed in Tier 2 because HUD will fund permanent housing programs before all others nationally. Of the remaining three permanent supportive housing programs, the subcommittee recommends placing the program with the fewest beds and smallest budget in Tier 2. After permanent housing programs, the remaining Tier 1 programs were prioritized based on HUD priorities and the amount of funding and beds in the programs.

OTHER AGENCY INVOLVEMENT/IMPACT

Staff consulted with County Counsel. Additionally, an ad hoc grant review subcommittee of the HSOC discussed and prioritized the CoC applications and the full HSOC made a recommendation for prioritizing the applications.

Staff also discussed the CoC competition in more detail with TMHA, CAPSLO, and the Housing Authority of the City of San Luis Obispo. Several other non-profit agencies were also notified of the application through the Request for Proposals published in the Tribune and on the County's website, and through an email to the Homeless Services Oversight Council.

FINANCIAL CONSIDERATIONS

The Planning and Building Department's proposed budget for FY 2015-2016 will include enough funds for staff to administer this grant. If successful, the application may result in \$1,252,423 in grant funds being secured. Also, if HUD approves this grant, the budget for Cost Center 290 for FY 2015-2016 will need to include these grant funds. Similar to previous years, it is estimated that approximately \$150,000 of General Fund support will be needed to subsidize the program for staff administration expenses.

A \$15,290 cash match will be required for the HMIS grant. The cash match will come from the Community Development Block Grant program. The matching funds would be disbursed in the FY 2015. Match for the other proposed grants would come from the subrecipient agencies.

RESULTS

Funds resulting from this grant application will enable the following if fully funded:

1. Continued supportive services in the San Luis Obispo and South County areas;
2. Continue operation of 20 transitional housing beds with supportive services in San Luis Obispo;
3. Continued operation of 36 permanent supportive housing beds and supportive services;
4. Operation of 11 new permanent supportive housing beds and supportive services;
5. Continued operation of a Homeless Management Information System to track clients being served in the County;
and
6. New CoC Planning funds for continued and expanded CoC implementation activities.

Funds from this grant will provide needed services and housing for individuals and families experiencing homelessness. This includes assisting participants in obtaining and retaining stable permanent housing, connecting them to mainstream resources such as Social Security Income and MEDICAID health insurance, and assisting participants with providing or connecting them to other resources such as job training, mental health services, and transportation.

In the last program year, many of the program participants remained in permanent housing or exited to other permanent housing units. Additionally, all participants were provided case management services and assisted with obtaining mainstream benefits (i.e. health insurance, WIC, and TANF) and other cash income (i.e. employment income, Social Security Income, General Assistance). More specifically:

- The San Luis Obispo Transitional Housing and Case Management (“SLO City”) grant served 207 people (12% of which were children). Of the 207 people served, 91% (189) had non-cash income mainstream benefits and 77% (160) had at least one source of cash income at program exit or at the end of the program year.
- The South County Supportive Services Only (SSO) grant served 192 people (39% of which were children). Of those that exited the program, 60% (77) left to permanent housing destinations. Additionally, 91% (157) of all program participants had a least one source of non-cash mainstream benefits and 52% (101) had at least one source of cash income at program exit or at the end of the program year.
- The permanent supportive housing programs together served 44 people throughout the program year. Of those, approximately 81% (36) of all program participants either remained in the permanent supportive housing or exited to other permanent housing destinations. Additionally, 91% (40) of all program participants had at least one source of non-cash mainstream benefits.

The CoC will continue to monitor each program's progress in meeting specific performance measures. Such measures include, for example:

- At least 80% of people in permanent supportive housing either remain in the housing or exit to other permanent housing during the operating year.
- At least 56% of program participants obtained and/or retained mainstream benefits during the program year.
- At least 54% of program participants have income from sources other than employment. (new measure)
- At least 20% of program participants will increase their income from employment. (new measure)

By enabling homeless people to obtain the services they need to survive and stay healthy, this request would contribute toward the communitywide indicator of *A Healthy Community*.

ATTACHMENTS

1. Exhibit A - Resolution