



REPORT

DATE: For the Agenda of June 28, 2002 **Item 102**

REPORT NO.: HCR02-043

SUBJECT: Housing Trust Fund Transitional Housing Grants (Council Districts 2 - 8)

SUMMARY

Issue No. 1: Should the Housing Commission approve grants totaling \$858,000, for proposals selected through a Request for Proposals process for operating transitional housing programs?

Recommendation No. 1: That the Housing Commission approve funding in the form of one-year grants and authorize the Chief Executive Officer to execute contracts, in a form acceptable to General Counsel, for the following programs:

Continuing Programs

- a. **Catholic Charities** in the amount of \$15,000 as partial funding for occupancy and administrative expense for the House of Rachel, a transitional program, which will provide five beds in the Mission Hills area.
- b. **College Opportunity Program** in the amount of \$6,000 as partial funding for occupancy expenses for the College Opportunity Program, providing ten beds for disadvantaged youth seeking to attend college.
- c. **Episcopal Community Services** in the amount of \$41,000 as partial funding for occupancy and administrative expenses for the Julian's Sanctuary program, a 33-bed program located in the Ocean Beach area for women and their children fleeing domestic violence.
- d. **The Salvation Army** in the amount of \$108,000 as partial funding for occupancy and administrative expenses for the STEPS Program, a 42-bed program for men in the downtown area;



- e. **San Diego Safe Harbor, Inc.** in the amount of \$26,000 as partial funding for occupancy and administrative expenses for Safe House, a 12-bed program for men in the La Jolla and downtown areas;
- f. **San Diego Second Chance** in the amount of \$48,000 as partial funding for occupancy and administrative expenses for Second Chance Transitional Housing, an 18-bed program for adults in the City Heights and downtown areas;
- g. **St. Vincent de Paul Village, Inc.** in the amount of \$140,000 as partial funding for occupancy and administrative expenses for the Fresh Start Program, a 150-bed program for men in the downtown area;
- h. **St. Vincent de Paul Village, Inc.** in the amount of \$95,000 as partial funding for occupancy and administrative expenses for the STEP Program, a 38-bed program for women in the downtown area;
- i. **St. Vincent de Paul Village, Inc.** in the amount of \$160,000 as partial funding for occupancy and administrative expenses for the Family Living Center, a 110-bed program for families in the downtown area;
- j. **YWCA of San Diego County** in the amount of \$89,000 as partial funding for occupancy and administrative expenses for Passages, a 49-bed program for women in the downtown area.

New Programs

- k. **Episcopal Community Services** in the amount of \$33,000 as partial funding for occupancy and administrative expenses for the Downtown Safe Haven program, a 28-bed program for the Homeless Mentally Ill.
- l. **Vietnam Veterans** in the amount of \$63,000 as partial funding for occupancy and administrative expenses for Welcome Home, a 28-bed program for families in the Valencia Park area.
- m. **YMCA Youth and Family Services** in the amount of \$34,000 as partial funding for occupancy and administrative expenses for Turning Point, to provide 8 beds for youth in the City Heights area.

Issue No. 2: Should the Housing Commission authorize the Chief Executive Officer to amend the FY02 Housing Commission budget to reflect the addition of \$168,000 in funding?

Recommendation No. 2: It is so recommended.

Fiscal Impact: Approval of recommendation 1 will result in the expenditure of \$858,000 in FY02 Housing Trust Fund transitional housing program funds.

Approval of recommendation 2 will increase the FY02 Housing Commission budget by \$168,000. Centre City Development Corporation Funds of \$168,000 will reimburse the Housing Trust Fund for funds reserved for the leasing of rooms at the Capri and Sara Francis Hotels. This reimbursement will free up \$168,000 to be used under this funding award.

Certificate of Funding Availability: See Attachment 3.

Affordable Housing Impact: Funds will be used to help families and individuals with very low income (defined as a maximum of fifty percent of area median income, but participants in these programs are homeless and tend to have much lower incomes). These grants will provide approximately 531 beds in transitional programs for one year.

Environmental Review: Grants funding operations are exempt from environmental review.

BACKGROUND

As part of its responsibilities in relation to oversight of the Housing Trust Fund (HTF) the Housing Commission is required (Municipal Code Section 98.0504) to commit at least 10 percent of each year's HTF program funds to Transitional Housing activities. This \$858,000 in awards represents 16 percent of FY02 HTF Housing Program Funds and compares with approximately \$1.3 million committed for the same purpose in FY01.

DISCUSSION

A Request for Proposals from Nonprofit Corporations Seeking to Provide Transitional Housing for the Homeless was issued on January 30, 2002. Fifteen proposals were received before the deadline requesting a total of \$1,429,633. Based on available funds, staff recommends funding thirteen proposals for a total of \$858,000.

Proposal Review Committee

A Proposal Review Committee was utilized to review, score, and rank the applications, and to recommend a methodology to fund the applications. The

Committee was comprised of six individuals from private, public, and nonprofit organizations (Keyser Marston Associates, Inc., San Diego Housing Federation, City of San Diego, County of San Diego, San Diego Housing Commission).

Because funding requests exceeded available funds, the Committee developed the following methodology:

- Reduce funding for projects eligible for Project-based Section 8 by the eligible amount.
- Do not fund rehabilitation or construction requests from these funds.
- Do not fund requested increases tied to new facilities that are not yet operational.
- Tier projects by the Review Committee's score and fund the higher-scored proposals at higher levels than lower scored proposals.

Funding Recommendations

Based on these criteria, staff recommends funding thirteen applications for a total of \$858,000. This recommendation will continue assistance to ten programs and add three new programs: 1) Episcopal Community Services' Downtown Safe Haven, 2) YMCA's Turning Point, and 3) Vietnam Veterans' Welcome Home facility, for a total of 531 beds.

Ecumenical Council's request of \$22,000 for El Nido and San Diego Youth & Community Services' request of \$60,000 are not recommended for funding because Project-based Section 8 can provide enough assistance to fund these requests. Staff is currently working with both organizations to get Project-based Section 8 assistance in place.

Episcopal Community Services asked for two years' support of the Julian's Sanctuary Program, a 33-bed program for families fleeing domestic violence. Due to limited funds, staff recommends funding only one year, or \$41,000, and reducing the grant by the amount that can be provided through Project-based Section 8.

San Diego Safe Harbor's request included funding for a new third facility not yet operational. The recommendation was reduced to the prior year funding level.

After all reductions (Project-based Section 8, rehabilitation, new facilities) the remaining proposals were grouped into 4 tiers by score: ≥ 90 , 85 to 89, 80 to 84, and 65 to 79 out of a possible 100 points. Proposals in the top tier are recommended for 90% of their adjusted funding requests, while proposals in the

second through fourth tiers are recommended for 80%, 65%, and 50% respectively, rounded up to the nearest thousand.

For purposes of disclosure, it should be noted that the Housing Commission's Chief Executive Officer, Elizabeth C. Morris, is a member of The Salvation Army's San Diego Metropolitan Advisory Board. Ms. Morris does not have any decision-making authority for The Salvation Army nor did she participate on the Review Committee.

Attachment 1 is a chart that summarizes the requested grant amount, recommended amount, total cost, leverage and scoring for each recommended proposal.

Attachment 2 provides narratives for all the recommended programs.

ALTERNATIVES

The Commission could reduce any of the recommended grant amounts or change the mix of recommended funding. Two potential alternatives are:

1. Fund renewal grants at higher percentages and do not fund any new applications.
2. Fund top ranked proposals only, as funds permit.

Submitted by,

Approved by,

Signature on File with Original Document

Jack D. Farris
Housing Finance & Development Manager

Elizabeth C. Morris
Chief Executive Officer

Attachments:

1. Transitional Housing Summary of Requests for Operating Funds
2. Transitional Housing RFP Proposal Summaries
3. Certificates of Funding Availability