



REPORT

DATE: For the Agenda of November 9, 2001 **ITEM 103**

REPORT NO.: HCR01 - 122

SUBJECT: Transfer to City of Funds to Operate Housing for Victims of Domestic Violence (Council District 2)

SUMMARY

Issue No. 1: Should the Housing Commission continue to support the operation of an 11-unit housing facility for victims of domestic violence by approving the transfer to the City of up to \$65,000, since the original contractor, Sanctuary, Domestic Violence Resources (“Sanctuary”) has ceased doing business?

Recommendation No. 1: That the Commission transfer the balance of Sanctuary’s \$65,000 FY02 grant, and assign responsibility for selecting a new provider and administering that grant to the City to continue to help fund the operation of an 11-unit housing facility in Ocean Beach for women who are victims of domestic violence and their children.

Recommendation No. 2: That the Housing Commission authorize the Chief Executive Officer, with guidance from General Counsel, to accept assignment of Sanctuary’s interest in a Revocable Grant Agreement with the Commission to successor leaseholders of the Ocean Beach property.

Fiscal Impact: No new funds are included in this action.

Certificate of Funding Availability:

Certificate No.: 01-169
Amount: \$ 65,000
Revenue Source: HTF Impact Fee
Division: Housing Finance
Line Item: Grants
(Change vendor from Sanctuary to City of San Diego.)



Affordable Housing Impact: The Ocean Beach facility provides affordable housing for 11 low-income mothers and their children, a total of up to 35 persons. Approval of the recommendation or the alternative will help assure that this affordable, service-enriched housing resource can continue at least through June 30, 2002.

Environmental Impact: The recommended actions are exempt from environmental review under the California Environmental Quality Act (CEQA), pursuant to §15061(b)(1) of the CEQA guidelines.

Previous Related Actions: On September 8, 1997, the Housing Commission approved a revocable development grant to Sanctuary of \$170,000 for relocation, rehabilitation, and costs associated with obtaining a Conditional Use Permit for the Ocean Beach property.

On June 22, 2001, the Commission approved FY02 operating grants to a number of transitional housing providers, including \$65,000 for Sanctuary.

BACKGROUND

Ocean Beach Community Development Corporation (OBCDC) purchased the property in 1997 to develop housing for victims of domestic violence. For the acquisition and rehabilitation, OBCDC used Community Development Block Grant (CDBG) funds. These CDBG funds are administered by the Housing Commission on behalf of the City and are subject to an Acquisition and Revocable Grant Agreement between the Commission and OBCDC that requires OBCDC to use the property for affordable housing for low income households for 55 years.

In January of 1998, OBCDC leased the site to Sanctuary (a nonprofit dedicated to assisting women who are victims of domestic violence and their children) so that Sanctuary could set up and operate a transitional program for eligible families. For the 1997 revocable grant, the Commission has an agreement with Sanctuary that runs concurrently with Sanctuary's lease with OBCDC. The initial lease term was three years; it has since been renewed for an additional two years.

The property consists of a two-story building with 11 one-bedroom apartments and ancillary facilities such as an office, counseling room, day care facility, and laundry. Under Sanctuary's "Bridges/Kids First" program, residents live at the facility for approximately 18 months, receiving the services they need to help prepare them for living independently when they move on.

DISCUSSION

Without prior notice, Commission staff received a letter, dated September 4, 2001, announcing that Sanctuary was ceasing operations and dissolving as an organization, effective September 6, 2001 (Attachment).

The primary concern engendered by news of the dissolution was the welfare of the residents of the program. Episcopal Community Services (ECS), which administers a Supportive Housing Program grant from HUD that includes some operating funds for Sanctuary's program, immediately stepped in to assure continuity of the housing and services on a stop-gap basis. OBCDC has been cooperative in facilitating the transition.

In addition to the \$65,000 from the Housing Trust Fund and the Supportive Housing grant, Sanctuary's FY02 operating budget also included Emergency Shelter Grant (ESG) funds and an allocation of CDBG funds from the City. Staff from the City, Commission and ECS met to discuss the ramifications of the Sanctuary dissolution and to begin forging a longer-term course of action. ECS expressed a willingness to continue operating the Ocean Beach facility at least through FY02 (June 30, 2002), if all the FY02 operating funds previously allocated to Sanctuary are made available; ECS believes that these funds are sufficient.

Staff believes that the sheer number of funding sources for this program constitutes an impediment to unified decision-making and that consolidating some of the sources and the controls associated with them would ease the transition. To simplify the process, staff proposes assigning the remaining FY02 Housing Trust Fund operating funds from Sanctuary to the City to administer along with the City's funds.

City staff intends to initiate a Request for Proposals process early in 2002 to put in place a nonprofit housing provider for the facility, on a more permanent basis, starting July 1, 2002. The Commission would assign Sanctuary's rights and obligations under the Commission's development grant agreement to the City's designated successor through FY02 and then to any future successors. By this means, any operator of the program would continue leasing the property from OBCDC, under the same conditions that applied to Sanctuary: providing ten units for victims of domestic violence in households with income at no more than 35 percent of Area Median Income.

ALTERNATIVE

The Commission could assign Sanctuary's interests both in the operating funds and the development grant directly to the provider selected by the City as Sanctuary's immediate successor.

Respectfully submitted,

**Signature on File
With Original Document**

Approved by,

Pat Duplechan
Director, Housing Programs

Elizabeth C. Morris
Chief Executive Officer

Attachment: Letter from Sanctuary

MANASTER: HCRsanctu2.doc