



REPORT

DATE: For the Agenda of November 9, 2001 **ITEM 105**

REPORT NO.: HCR01-125

SUBJECT: Housing Trust Fund Grant to City for Operation of Transitional Housing for Families (Council District 2)

SUMMARY

Issue: Should the Housing Commission approve a grant of \$25,000 towards the City's operation of a facility currently serving as transitional housing for homeless families?

Recommendation: It is so recommended.

Fiscal Impact: Funding for the recommended action is available through the Housing Trust Fund Transitional Housing Operations budget.

Certificate of Funding Availability:

Certificate No.:	02-088
Amount:	\$25,000
Revenue Source:	HTF
Department:	Housing Finance and Development
Line Item:	Grants

Affordable Housing Impact: Approval of the recommendation will contribute to extending the provision of 150 transitional housing beds (42 to 45 for adults, the remainder for children) available to homeless families with very low income until December 15, 2001, when the City's FY02 winter shelter program is activated.

Environmental Review: Not applicable to grants funding operations.

Previous Related Action: On December 12, 2000, the Commission recommended Housing Authority approval of \$445,000 for the City's FY01 winter shelter program.

BACKGROUND

The City acquired its Cortez Hill facility (formerly Days Inn) to serve as transitional housing for families. On December 1, 2000, the Commission approved a contribution of \$415,000 towards the Cortez Hill project. However, a different funding source was eventually found for acquisition and rehabilitation of the facility.

Litigation and other factors have substantially delayed the opening of that facility. On an interim basis, the City has been operating a transitional housing facility for families at 12th and Broadway, in a property owned by Centre City Development Corporation (CCDC). CCDC is providing the facility to the City rent-free.

DISCUSSION

While the other facilities in the City's winter shelter program (a shelter for homeless men, another for veterans) are in operation only from mid-December through mid-March, it is intended that the facility for families be operated as transitional housing on a year-round basis. To better meet the objective of helping families move from homelessness to independent living through stable, service-enriched housing, St. Vincent de Paul has been operating the 12th and Broadway facility for the City under a cost-reimbursement contract.

The actual cost to the City of operating this transitional housing for families, budgeted at \$36,000 per month, has been approximately \$50,000 per month. Much of the higher cost resulted from two outbreaks of infectious disease among resident children, which necessitated temporary relocation of affected families to more isolated quarters in hotels in order to reduce contagion at the transitional housing facility.

To keep the transitional housing open despite these additional costs, the City has pieced together a variety of grants, in addition to funds from the FY01 shelter program, which covers the period from December 15, 2000 through December 14, 2001. Grantors include the Federal Emergency Management Agency (FEMA) and Emergency Housing Assistance Program (EHAP).

The Commission contributed \$445,000 to the City's FY01 Shelter Program; the total budget for the program was \$748,913. An additional grant of \$25,000 would bring the Commission's total contribution to the City's shelter program that began in December 2000 to \$470,000. The additional funds would pay housing-related expenses for security services, utilities (gas, electric, water), and repairs.

The requested \$25,000 grant would count towards the Commission's pledge of \$500,000 to the City's efforts to address and reduce homelessness. To date, a total of \$363,400 has been committed through grants and loans to lease rooms at Hotel Metro, to acquire and rehabilitate the Mason Hotel, and for predevelopment and leasing costs at 2822 Fifth Avenue.

ALTERNATIVE

Do not approve the recommended grant. It is not clear that the City would be able to find an alternative source of funding to keep the housing open until mid-December.

Respectfully submitted,

Pat Duplechan
Director, Housing Programs

**Signature on File
With Original Document** Approved by,

Elizabeth C. Morris
Chief Executive Officer

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