

REPORT

DATE ISSUED: April 10, 2008

REPORT NO: HCR 08-46

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of June 6, 2008SUBJECT: Application for Funding to the U.S Department of Housing and Urban
Development, and Application for Funding to the U.S. Department of
Health and Human ServicesREQUESTED ACTION:

Ratification of grant applications submitted to the U.S. Department of Housing and Urban Development (HUD) and to the U.S. Department of Health & Human Services (HHS), and authorization to revise the FY09 Housing Commission Budget.

STAFF RECOMMENDATION:

1. Ratify two grant applications:
 - a) Application for \$400,000 submitted to HUD for the FY07 Neighborhood Networks program
 - b) Application for \$150,000 submitted to HHS for the Assets for Independence Program
2. Authorize the Interim President and CEO to revise the FY09 Housing Commission budget to reflect the awarded funds (see Attachments) and execute all required documents.

BACKGROUNDNeighborhood Networks Application

The purpose of the Neighborhood Networks (NN) Program is to fund centers that increase the use of computer technology, reduce welfare dependency and promote economic self-sufficiency for Section 8 and Public Housing residents. For several years, the Workforce & Economic Development Unit has provided services at learning centers at seven housing sites throughout the city, some of which have been funded by NN grants. To establish each learning center, an apartment unit was taken off-line to accommodate programming. Because the housing units are small and parking is limited, it has been necessary to limit access to only families who live at that particular site. In an effort to increase accessibility and to streamline and expand service delivery, a plan has been put in place to centralize services at more accessible locations. Five of the learning centers will be phased out and services will be relocated, linking residents to existing neighborhood resources. As the centers close, the apartment units will be available to low income households, creating rental income to support the centralized service delivery model. Centralized services will make it possible to more cost effectively increase programming, expand class size and bring in additional partners to assist with financial education, asset building and other critical program components for both youth and adults.

In this new plan, an Economic Development Academy will be established at three different sites: 1) in the central city area at Smart Corner; 2) in City Heights at the Juniper Street site; and 3) in the south bay at the Calle Primera site. The Smart Corner facility proposed in this grant application will be the largest and will have the capacity to accommodate up to fifty (50) Section 8 participants at any given time. Key advantages to this site are that it is located at a transportation hub, it is in a setting that is familiar to and

frequented by Section 8 participants, and it provides a business/professional environment which supports programming related to self-sufficiency.

The existing Juniper learning center, located in the heavily concentrated area of City Heights, was developed in the early 1990s by combining and remodeling two apartment units to create a large center. This facility has the capacity for expanded services that are available to families living at the two Juniper sites, as well as to other Section 8 families living in the vicinity (there are approximately 2,100 Section 8 households in the area). The existing youth program, which includes an after-school program of academic tutoring, leadership and prevention skills, and a computer lab will continue as part of the Juniper Economic Development Academy. Expanded programming for adults at this site will include financial education classes, and other educational and career development resources to support families in achieving economic independence and financial stability.

The south bay Economic Development Academy will be at the Calle Primera site, in a building currently occupied by SDHC maintenance staff. The current youth programming at the Alaquinas LOC will be relocated to Calle Primera, which includes an after-school program of academic tutoring, leadership and prevention programming and a computer lab. The youth program will be expanded to include youth from Calle Primera as well as other Section 8 families living in the area (approximately 2,100 Section 8 households in the south bay area). Adult programming will include financial education classes, a computer lab, and other educational and career development resources to support families in achieving economic independence and financial stability.

This funding request is for Four Hundred Thousand Dollars (\$400,000) over three years to establish the Economic Development Academy at Smart Corner. The application was submitted to HUD on February 27, 2008. Housing Commission ratification of this application is sought.

Assets for Independence (AFI) Program

The purpose of the AFI program is to assist low-income families to gain economic independence through comprehensive financial education and asset acquisition. Participants begin by opening an Individual Development Account (IDA) at an approved bank. They then make monthly deposits of earned income and participate in program activities to qualify for a 3:1 savings match. To receive the match, the IDA funds must be used toward the purchase of a long-term asset in one of three categories: 1) higher education; 2) small business; or, 3) homeownership.

This funding request is for one hundred and fifty thousand dollars (\$150,000) over a period of five (5) years. Grantees are required to secure non-federal match dollars equal to the amount of the federal grant. Firm commitments for the non-federal match have been obtained from United Way of San Diego and financial institutions, including U.S. Bank and Citibank. The application was submitted to HHS on March 19, 2008. Housing Commission ratification of this application is sought.

FISCAL CONSIDERATIONS:

The funds sought through the NN application will be used to establish and launch the Smart Corner Economic Development Academy. The NN program allows for up to twenty percent (20%) of the requested funds to be used for tenant improvements to establish the new center. The remaining funds

will be used for direct and indirect costs (see Attachment 1). The program will be administered by existing staff, with no new staff required.

The Assets for Independence program stipulates that eighty-five percent (85%) of the combined funding from federal and non-federal sources be used to match participant savings. There is a cap of \$2,000 on the amount of federal funds per individual. Remaining funds will be used for direct and indirect costs (see Attachment 2). The program will be administered by existing staff, with no new staff required.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Neighborhood Networks applications have been approved for funding by the Housing Commission annually since 2002. This is the second application for Assets for Independence funding. The first application was approved for funding by the Housing Commission in 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Residents involved in existing self-sufficiency and IDA programs provided input into the design of the Smart Corner Economic Development Academy and the Assets for Independence program. The Program Coordinating Committee of the Family Self-Sufficiency Program, made up of service providers and community leaders, served in an advisory capacity to ensure that significant needs of low-income families in San Diego are met.

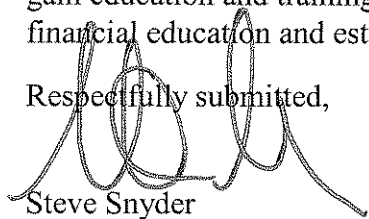
ENVIRONMENTAL REVIEW:

Under applicable federal regulations, the response to the funding notice does not require compliance with National Environmental Protection Act at this time. If and when funds are received, in appropriate circumstances, Determinations of Exemption and or Exclusion will be sought prior to commitment of the funds in accordance with applicable federal regulations. The application for a federal grant is “not a project” under the provision of the California Environmental Quality Act.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

The beneficiaries of the requested action are low-income families who receive the services funded by the grants. The intended impact of this funding is to break cycles of family poverty by helping individuals gain education and training to move them into careers with upward mobility, and to help them gain financial education and establish the habit of saving.

Respectfully submitted,



Steve Snyder
Director of Asset Management

Approved by,



Carrol Vaughan
Interim President & Chief Executive Officer

Attachment 1: Summary of Expenditures – Neighborhood Networks Program
Attachment 2: Summary of Expenditures – Assets for Independence Program

Attachment 1

Summary of Expenditures

Workforce & Economic Development – OUSA 320

Addition of FY07 Neighborhood Networks Grant to W&ED FY09 Budget

	Current FY09 Budget	Proposed Revision (Grant Awards)	Revised FY09 Budget
Salaries & Benefits	1,104,914	68,000	1,172,914
Direct Hire Contractors	196,000		196,000
Services & Supplies			
Legal	1,500		1,500
Training	11,880	2,000	13,880
Travel	10,943	2,000	12,943
Contract / Consultant	25,750		25,750
Office Rent	129,184		129,184
Sundry	56,141	15,000	71,141
Insurance	1,832		1,832
Total Services & Supplies	237,230	19,000	256,230
Housing Programs			
Resident Services Expenses	1,040,171	230,000	1,243,171
Protective Contract	1,000	5,800	6,800
Maintenance Expenses	27,700	12,200	39,900
Total Housing Programs	1,068,871	221,000	1,289,871
Equipment	1,500		1,500
Tenant Improvements	0	80,000	80,000
Indirect		12,000	12,000
Total Resident Services Budget	2,608,515	400,000	3,008,515

Attachment 2

Summary of Expenditures

Workforce & Economic Development – OUSA 320

Addition of Asset For Independence Grant for W&ED FY09 Budget

	Current FY09 Budget	Proposed Revision (Grant Awards)	Revised FY09 Budget
Salaries & Benefits	1,104,914		1,104,914
Direct Hire Contractors	196,000		196,000
Services & Supplies			
Legal	1,500		1,500
Training	11,880		11,880
Travel	10,943		10,943
Contract / Consultant	25,750		25,750
Office Rent	129,184		129,184
Sundry	56,141	22,500	78,641
Insurance	1,832		1,832
Total Services & Supplies	237,230	22,500	259,730
Housing Programs			
Resident Services Expenses	1,040,171	277,500	1,317,671
Protective Contract	1,000		1,000
Maintenance Expenses	27,700		27,700
Total Housing Programs	1,068,871	277,500	1,346,371
Equipment	1,500		1,500
Indirect			
Total Resident Services Budget	2,608,515	300,000*	2,908,515
*Includes \$150,00 in non-federal match.			