

SAN DIEGO HOUSING COMMISSION

SUBSTANTIAL AMENDMENT TO THE

CITY OF SAN DIEGO

FISCAL YEAR 2012 ANNUAL ACTION PLAN

FISCAL YEAR 2010-14 CONSOLIDATED PLAN

for

2011 EMERGENCY SOLUTIONS GRANT PROGRAM

SECOND ALLOCATION

May 8, 2012

1. SF424 (Refer to Attachment 1)

In 2010 the City of San Diego proposed that the San Diego Housing Commission (SDHC) administer the Emergency Shelter Grant (ESG) allocation for the City of San Diego. On August 10, 2011, the City received the signed agreement from HUD for the first allocation of 2011 ESG funding in the amount of \$661,372. On November 15, 2011 HUD announced a second allocation of 2011 program funds and the steps required to receive this additional funding. HUD also changed the name of the Emergency Shelter Grant to the Emergency Solutions Grant. This Substantial Amendment to the City's Annual Action Plan incorporates the requirements listed in 24 CFR Part 91 and the City of San Diego's Citizen Participation Plan.

2. Summary of Consultation Process

HUD requires that the local homeless providers have input into the second allocation of the ESG. The San Diego Regional Continuum of Care Council (RCCC) Steering Committee met in January 2012 with San Diego region's entitlement jurisdictions (City of San Diego, County of San Diego, and City of Chula Vista) to discuss their second allocations of the Emergency Shelter Grant, now called the Emergency Solutions Grant. The intent was to decide how to take the local best practices of the Homeless Prevention and Rapid Re-housing (HPRP) programs and continue them under the ESG second allocations. This is in keeping with the intent of HUD under the HEARTH Act to provide newly homeless individuals and families with opportunities to gain stable housing outside of the shelter or transitional housing systems. It is HUD's stated intention that rapid re-housing be given the highest priority under the new ESG allocation.

Keeping this in mind, the RCCC approved on January 31, 2012, an ESG plan for the second allocation that will:

- Foster greater access to permanent housing, especially units that can maintain affordability. This can include security deposit and/or rental assistance.
- Leverage existing resources to achieve the match and case management requirements.
- Coordinate across jurisdictions by utilizing a standardized eligibility and assessment tool and by convening regional meetings as was done with the HPRP program.
- Support federal and local goals for priority populations, including but not limited to veterans.
- Allow for variations in the program to respond to the needs and resources of the jurisdictions. Programs may partner with other mainstream resources.
- Comply with new eligibility and verification requirements (HMIS, housing status, habitability standards, homeless definitions, etc.)
- Each program will take responsibility for arranging intake, assessment, case management, reporting, and meeting public notice requirements.

3. Summary of Citizen Participation Process:

A Public Notice describing the Substantial Amendment and its availability for review on the SDHC website (www.sdhc.org) and City of San Diego website (www.sandiego.gov/cdbg) was published in the local newspapers (*San Diego Daily Transcript; San Diego Union-Tribune; La Prensa and San Diego Business Journal*) on March 23, 2012 announcing a 30-day public comment period. Hearings will be held on this Substantial Amendment at the regularly scheduled Housing Commission meeting of April 13, 2012 and the joint City Council/Housing Authority meeting of May 8, 2012. Public comment can be made at both of these hearings regarding this amendment. The public can also contact SDHC contacts by e-mail, phone or letter at the contact information listed at the end of this document. **(Refer to Appendix A)**

4. Match

In accordance with 24 CFR 576.201, program regulations require a match for the second allocation with an equal amount of funding or in-kind services. Match will come from the following sources: federally funded Veterans Affairs Supportive Housing (VASH) rental assistance program, Section 8 rental assistance vouchers, and case management.

5. Proposed Activities and Overall Budget

a. Proposed Activities:

The San Diego Housing Commission proposes to use the second allocation of the 2011 Emergency Solutions Grant Program to enhance the following programs by providing financial assistance, primarily security and/or utilities deposits, for:

100 eligible Homeless Veterans who are being issued VASH vouchers and receiving services through the Veteran's Administration;

75 eligible homeless individuals who are identified as "vulnerable " due to specific indicators and are to be awarded a Section 8 sponsor based voucher and services via a local service provider;

100 eligible families who are graduating from shelter programs and continue to receive services from their service provider.

Overall Budget

Rapid Re-housing Program - \$317,585

Homeless Management Information System (HMIS) - \$10,000

Program Administration - \$44,436

Priority Need:	Homeless
Performance Objective:	Provide Decent Affordable Housing
Performance Outcome:	Affordability
Start Date:	Upon grant execution
Completion Date:	24 months from start date
ESG Funding:	\$372,022
Performance Indicators:	100% persons/households will be managed by HMIS

Projected Accomplishments (year one):

Provide financial assistance, primarily one-time Security Deposit Assistance and Utility Deposit, assistance, if needed, to approximately 125 eligible homeless Veterans, individuals and families.

Project Accomplishments (24-months):

Provide financial assistance, primarily one-time Security Deposit Assistance and Utility Deposit, assistance, if needed, to approximately 150 eligible homeless Veterans, individuals and families.

b. Discussion of Funding Priorities and Local Obstacles

Funding Priorities: The City of San Diego, in collaboration with the Regional Continuum of Care Council, chose to fund re-housing for Veterans, families and individuals to support HUD's priority of ensuring people move from homelessness into a more stable housing situation as quickly as possible.

The proposed activities will also support the national priority of ending veteran homelessness by 2015 by providing Rapid Re-housing resources to eligible homeless veterans receiving services from the Veterans Administration or other Veteran services agency.

Obstacles: There are a number of major obstacles that hinder the goal of ending homelessness in the San Diego region. They include:

More military personnel are discharged into the San Diego community than in any other area of the U.S.;

There is a lack of affordable housing in San Diego, especially housing affordable to very low income persons living on a fixed income;

The waiting list for the rental assistance programs is 8-10 years with almost 50,000 households on the on the combined Section 8 and public housing wait list;

Discharge planning from medical and penal institutions is limited; due to overcrowding of California's prison system, early release of prisoners in San Diego is high;

Barriers to the access of mainstream resources including a protracted eligibility process with strict documentation requirements, combined with limited resources;

Lack of access to specialized services is particularly evident with the major health programs such as Medicare, Medicaid/Medi-Cal. Although most chronically homeless qualify for some form of disability income, those attempting to access benefits generally must apply two to three times before successfully receiving the benefits;

General Relief is very limited and does not include homelessness as an eligibility criteria;

Gaining employment has been especially difficult in San Diego due to the economic downturn and high employment rate at 9.3%.

c. Detailed Budget: (Refer to Appendix D: Detailed Budget Table)

6. Written Standards for Provision of ESG Assistance

The San Diego Housing Commission (SDHC) will collaborate with the Regional Continuum of Care Council (RCCC) and other local ESG entitlement jurisdictions to continue and build upon the assessment and evaluation instruments developed by the San Diego region for the previously funded Homeless Prevention and Rapid Re-housing Program (HPRP). Additionally, the SDHC will continue to evaluate the effectiveness of the program design in collaboration with the RCCC. The SDHC will ensure any sub-awardees comply with verification of eligibility and financial standards, including HMIS. To ensure long-term compliance with program requirements, the SDHC will monitor grant activities carried out by any sub-awardees. The SDHC will conduct ongoing monitoring to ensure program expenditure goals and requirements are met in accordance with HUD guidelines.

7. Describe Process of Making Sub-Awards

If the SDHC decides to make sub-awards for this program, it will use the same process as used for the HPRP program. A competitive process will be used for any services not directly administered by the SDHC. The Commission's contracting and procurement policy complies with the Annual Contributions Contract (ACC) between the Housing Commission and HUD, Federal Regulations at 24 CFR 85.36, the procurement standards of the Procurement Handbook for Public Housing Authorities, HUD Handbook 7460.8, Rev 2, and the applicable State and Local laws.

8. Homeless Participation Requirement

The SDHC's collaboration with the RCCC will provide homeless participation in this ESG second allocation. The RCCC membership has former homeless members who participate in the RCCC meetings.

9. Performance Standards

The ESG second allocation will complement and contribute to the RCCC's program performance measure by providing permanent supportive housing assistance to eligible homeless veterans receiving case management and other services from the VA. The program is designed to eliminate barriers to housing by providing security and utility deposit assistance coupled with long term rental subsidies through the VASH program. Due to San Diego's ties to the military, it has the highest rate of "recently returned veterans" than anywhere else in the U.S.

This allocation will also further the goal of moving people from transitional housing and shelters to a more stable and permanent housing situation. This is in keeping with HUD's request that rapid re-housing be given the highest priority under ESG. Security and utility deposits will provide a smooth transition from transitional housing to a more permanent situation and less likely for people to fall back into homelessness. For people exiting a short term shelter situation, security and utility deposits along with short term rental assistance (up to 3 months), will provide rapid rehousing for shelter families.

10. Certifications – Refer to Appendix C

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Attachments

Attachment: SF-424

Appendix A – Public Notice and Public Comments (to be included after May 8, 2012)

Appendix B - City of San Diego/Housing Authority and Housing Commission Meeting Minutes (to be included after May 8, 2012)

Appendix C – Certifications

Appendix D – FY2011-12 Detailed Budget Table

Attachment: HUD form SF424

Appendix A: Public Comments and Public Notice

Appendix B: Minutes from Housing Commission and City Council/Housing Authority meeting

Appendix C: HUD required certifications

Appendix D: Detailed Budget

FY 2011 Detailed Budget Table

First Allocation		\$661,372.00		FY 2011	
Second Allocation		\$372,022.00		Emergency Shelter Grants/Emergency Solutions Grants	
Grant Amount		\$1,033,394.00		Program Allocations	
Total Administration		\$77,505.00			
		First Allocation		Second Allocation	Total Fiscal Year 2011
Eligible Activities		Activity Amount	Reprogrammed Amount	Activity Amount	Activity Amount
Emergency Shelter Grants Program	Homeless Assistance	\$628,303.00	\$0.00		\$628,303.00
	<i>Rehab/Conversion</i>	\$0.00			\$0.00
	<i>Operations</i>	\$520,436.00			\$520,436.00
	<i>Essential Services</i>	\$107,867.00			\$107,867.00
	Homelessness Prevention				\$0.00
	Administration	\$33,069.00			\$33,069.00
Emergency Shelter Grants Subtotal		\$661,372.00	\$0.00		\$661,372.00
Emergency Solutions Grants Program	Emergency Shelter**			\$0.00	\$0.00
	<i>Renovation**</i>			\$0.00	\$0.00
	<i>Operation**</i>			\$0.00	\$0.00
	<i>Essential Service**</i>			\$0.00	\$0.00
	<i>URA Assistance**</i>			\$0.00	\$0.00
	Street Outreach - Essential Services**			\$0.00	\$0.00
	HMIS			\$10,000.00	\$10,000.00
	Rapid Re-housing		\$0.00	\$317,586.45	\$317,586.45
	<i>Housing Relocation and Stabilization Services</i>			\$317,586.45	\$317,586.45
	<i>Tenant-Based Rental Assistance</i>				\$0.00
	<i>Project-Based Rental Assistance</i>				\$0.00
	Homelessness Prevention		\$0.00	\$0.00	\$0.00
	<i>Housing Relocation and Stabilization Services</i>				\$0
	<i>Tenant-Based Rental Assistance</i>				\$0
	<i>Project-Based Rental Assistance</i>				\$0.00
	Administration			\$44,436.00	\$44,436.00
	Emergency Solutions Grants Subtotal			\$0.00	\$372,022.45
		Total Grant Amount:			1,033,394

**Allowable only if the amount obligated for homeless assistance activities using funds from the first allocation is less than the expenditure limit for emergency shelter and street outreach activities (see Section III.B. of this Notice).

Proposed Amendment to the ESG section of the City of San Diego's 2012 Annual Plan

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Emergency Shelter Grant (ESG): \$1,033,394 (two allocations)

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The ESG Program funds help persons who are homeless and their families. ESG can be used for:

- shelter rehabilitation; operations and maintenance of a homeless facility;
- supportive services for persons who are homeless (e.g., job training or child care); and
- homeless prevention activities.

For FY 2012, the first allocation of ESG funds will be utilized to support the City's Cortez Hill Family Center and Homeless Emergency Shelter Program projects administered by the San Diego Housing Commission.

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The following ESG caps shall apply with regard to the first allocation of the ESG grant in the amount of \$661,372:

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- Essential Services expenses shall not exceed 30% (or \$198,411) of the ESG grant award. Essential services are provided to homeless persons who are residing in emergency and transitional shelters. Essential services can address the immediate needs of the homeless, and can help enable homeless persons become more independent and to secure permanent housing. This would include services concerned with employment, health, drug abuse, or education.
- Staff salaries (including fringe benefits) paid under the Operational Costs category shall not exceed 10% (or \$66,137) of the ESG grant award. However, maintenance and security salary costs are not subject to the 10% standard. Operating costs are expenses incurred to operate emergency and transitional shelters. This includes payment for shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food, and furnishings.
- Administration Costs shall not exceed 5% (or \$33,083) of the ESG grant award. Eligible administrative costs include staff to operate the program, preparation of progress reports, audits, and monitoring of recipients.

The second allocation of Emergency Solutions Grant (formerly the Emergency Shelter Grant), in the amount of \$372,022 will be used for re-housing and HMIS activities. Two hundred seventy five (275) persons will be assisted with security and utility deposits and other re-housing activities to gain access to permanent housing. The following new regulations apply to the second allocation:

- The second allocation must be used for prevention and re-housing activities;
- Homeless Management Information System (HMIS) is an eligible activity;
- 7.5% of the total grant (two allocations) can be used for administrative costs;
- The definition of homeless must comply with the new HUD regulations (CFR91, 582, and 583)

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Summary of Citizen Participation Process:

First Paragraph from FY12 Action Plan:

The City has the Five-Year Consolidated Plan, Annual Action Plan and Consolidated Annual Performance and Evaluation Report available on the CDBG Program website in a manner convenient for on-line viewing, downloading and printing. Prior to final submittal to HUD, draft versions of these documents are made available for citizens, public agencies and other interested parties to view and comment upon. Copies of draft and final Reports are available for no fee at the City's CDBG Program office. Additionally, information that applies to these reports and the City's work in general is available. Requests for access to specific information must be made in advance and coordinated with CDBG Program staff.

New Second Paragraph for FY13 Action Plan:

HUD authorized alternative public comment period requirements for the three HUD stimulus grant programs: Community Development Block Grant – Recovery (CDBG-R) program, Homelessness Prevention and Rapid Re-Housing Program (HPRP), and Neighborhood Stabilization Program (NSP). For CDBG-R, the minimum time for citizen comments on the CDBG-R Substantial Amendment is 7 calendar days. For HPRP, the minimum time for citizen comments on the HPRP Substantial Amendment is 12 calendar days. And, for NSP, the minimum time for citizen comments on the NSP Substantial Amendment is 15 calendar days. The City of San Diego will follow these alternative public comment period requirements for these grants through the end of their respective grant periods.