



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Corsiglia

**SUBJECT:** See Below

**DATE:** October 1, 2012

Approved

Date

10/10/12

**SUBJECT: APPROVAL OF CONTRACT AMENDMENT FOR THE EMERGENCY HOUSING CONSORTIUM'S (EHC) HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP) OF THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009 GRANT**

## RECOMMENDATION

Approve a contract amendment with the Emergency Housing Consortium (EHC) adding \$46,446.70 from the City's Rapid Re-housing Program (HPRP) for a new total contract amount of \$2,673,440.70.

## OUTCOME

The additional funds will allow EHC to receive reimbursement for costs associated with the administration of the City's HPRP program and ensure that all HPRP funds are expended.

## BACKGROUND

The federal government's American Recovery and Reinvestment Act of 2009 provided \$1.5 billion under the Homelessness Prevention Fund for homeless prevention and rapid re-housing activities nationwide. Of the total funding, the City of San José received a one-time appropriation of \$4,128,763 to administer activities under the newly established Homeless Prevention and HPRP. HUD's objectives for this program were to: 1) prevent individuals and families from becoming homeless; and 2) help those who are experiencing homelessness to be quickly re-housed and stabilized.

On September 15, 2009, the City Council authorized the Director of Housing to negotiate and execute all necessary documents associated with the award of HPRP funds. The awards were the

October 1, 2012

**Subject: EHC's Contract Amendment for Homeless Prevention and Rapid Re-housing**

Page 2

result of a joint Request for Proposals (RFP) with Santa Clara County for the administration of both jurisdictions' HPRP funds. EHC was awarded \$2,626,994. At the same time, Sacred Heart Community Services (SHCS) was awarded \$1,088,281. Since then, each agency has been implementing the program helping hundreds of individuals and families remain housed or assisted in acquiring housing.

### ANALYSIS

EHC's contract terminated on September 30, 2011 and Sacred Heart's contract terminated on July 31, 2012. Unfortunately, EHC incurred costs prior to the expiration of its contract that were not reimbursed as it had already spent all of its grant funds. Meanwhile, SHCS was unable to spend all of its funds prior to the expiration of its grant. Therefore, the Housing Department recommends transferring \$46,446.70 in unspent SHCS funds to EHC. This will allow EHC to receive reimbursement for costs incurred prior to the expiration of its contract.

### EVALUATION AND FOLLOW-UP

If the recommended action is approved, Housing Department staff will immediately process outstanding EHC invoices.

### POLICY ALTERNATIVES

**Alternative #1:** *Deny the request to amend the agreement with EHC.*

**Pros:** The funds could be used by the federal government for some other purpose.

**Cons:** EHC would not be compensated for activities already completed.

**Reason for not recommending:** Failure to approve this action will result in the unspent HPRP funds being returned to the federal government. Additionally, EHC's budget will be impacted, and its ability to provide services to families and individuals at risk of becoming homeless will be harmed.

### PUBLIC OUTREACH/INTEREST

**Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

**Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

October 1, 2012

Subject: EHC's Contract Amendment for Homeless Prevention and Rapid Re-housing

Page 3

- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although the above criteria do not apply to this item, this memorandum will be posted on the City's website for the October 23, 2012 Council meeting.

### COORDINATION

This memo was coordinated with the Office of the City Attorney and the City Manager's Budget Office.

### COST SUMMARY/IMPLICATIONS

The contract amendment of \$46,446.70 for Emergency Housing Consortium will be funded by the Recovery Act funds in the Multi-Source Housing Fund.

### BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract amendment recommended as part of this memorandum.

<b>Fund #</b>	<b>Appn #</b>	<b>Appn Name</b>	<b>Total Appn</b>	<b>Amt for Contract Amendment</b>	<b>2012-2013 Proposed Budget (Page)</b>	<b>Last Budget Action (Date, Ord. No.)</b>
448	3808	Recovery Act – Homeless Prevention and Rapid Re-Housing Program	\$790,507*	\$46,446.70	N/A	N/A

\* As part of the 2011-2012 Annual Report, a recommendation to rebudget \$790,507 will be brought forward for City Council approval on October 16, 2012.

HONORABLE MAYOR AND CITY COUNCIL

October 1, 2012

**Subject: EHC's Contract Amendment for Homeless Prevention and Rapid Re-housing**

Page 4

**CEQA**

Not a Project, File No. PP10-066(a) agreements for activities involving no physical changes to the environment).

/s/

LESLYE CORSIGLIA

Director of Housing

For questions please contact Jacky Morales-Ferrand, Assistant Director, at (408) 535-3855.