

Memorandum



CITY OF DALLAS

DATE August 23, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Homeless Solutions City Council Agenda Item for Acceptance of Continuum of Care Grant for Veterans Experiencing Homelessness with Disabilities**

The following Office of Homeless Solutions (“OHS”) item will be considered by City Council on the August 28, 2019 Agenda:

Authorize (1) the acceptance of a Continuum of Care (“CoC”) Grant (Grant No. TX0050L6T001811 and CFDA No. 14.267) from the U.S. Department of Housing and Urban Development (“HUD”) for the City of Dallas’ Shelter Plus Care ORC Project (“Project”) in an amount not to exceed \$99,295.00, to provide permanent housing for homeless veterans with disabilities for the period October 1, 2019 through September 30, 2020; (2) an amendment to the grant agreement to convert the Project from tenant-based rental assistance to leasing assistance; (3) the establishment of appropriations in an amount not to exceed \$99,295.00 in the FY18 CoC Grant-Shelter Plus Care-ORC FY20 Fund; (4) the receipt and deposit of grant funds as reimbursement from HUD in an amount not to exceed \$99,295.00 in FY18 CoC Grant-Shelter Plus Care-ORC FY20 Fund; (5) a local cash match from the City of Dallas in an amount not to exceed \$1,424.00; and (6) execution of any and all documents required for the grant and grant amendment - Total not to exceed \$100,719.00 - Financing: U.S. Department of Housing and Urban Development Grant Funds (\$99,295.00) and General Fund (\$1,424.00) (subject to appropriations)

Approval of this item will authorize acceptance of a Continuum of Care (“CoC”) grant from the U.S. Department of Housing and Urban Development (“HUD”) in an amount not to exceed \$99,295.00, with a local cash match in an amount not to exceed \$1,424.00 (subject to appropriation), to continue providing permanent housing for homeless veterans with disabilities for the period October 1, 2019 through September 30, 2020.

Background:

The City of Dallas, through the Office of Homeless Solutions, is grantee for a Continuum of Care (“CoC”) Grant from the U.S. Department of Housing and Urban Development (“HUD”) for the Shelter Plus Care ORC-Veterans Project (“Project”). The Project provides permanent housing for homeless veterans who are disabled by chronic mental illness, substance use disorder, or developmental or physical disabilities. The Grant is subject to renewal by HUD on an annual basis.

Prior to FY 2018-19, Operation Relief Center, Inc. (“ORC”), a private non-profit organization, was the project sponsor for the Project through a contract with the City of Dallas. As sponsor, ORC had operated the Project since its inception in 2000, providing permanent housing and case management for disabled homeless veterans, at two of its housing developments. In May 2018, ORC notified the City of Dallas that it could no longer act as project sponsor beginning October 1, 2018.

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Over the last year, OHS has issued three (3) separate solicitations to transition the operation of the Project to an external service provider. Unfortunately, there were no successful proposals for any of the solicitations, and as a result, OHS has provided direct service to ensure participants can remain in housing.

In response to concerns raised in prior procurement solicitations regarding the level of required matching funds, OHS submitted a request to HUD to amend the Grant to convert the Project from tenant-based rental assistance (where participants lease directly from the landlord) to leasing assistance (where the grantee leases from the landlord and subleases to participants). This change would reduce the match required for the Grant from approximately \$24,824.00 (25 percent of the entire grant amount of \$99,295.00) to \$1,424.00 (25 percent of the non-leasing assistance amount of \$5,695.00).

Under the Grant, the Project will provide full or partial rental payments for 10 one-bedroom units serving 10 homeless veterans. Participants with income are required to pay the greater of 30% of the family's monthly adjusted income, 10% of the family's monthly gross income, or welfare rent amount. Supportive services are required to be provided for all participants of the Project (funded directly or through match sources). The Grant includes partial funding for project administration staff to administer the Project but does not include funding for supportive services. As such, supportive services for Project participants must be funded through matching sources.

Fiscal Impact:

This item will result in the appropriation of CoC Grant Funds in an amount not to exceed \$99,295.00, with a local cash match in an amount not to exceed \$1,424.00, subject to appropriation in the City's General Fund budget.

Should you have any questions or concerns, please contact myself or Monica Hardman, Director, Office of Homeless Solutions.



Nadia Chandler Hardy
Assistant City Manager and Chief Resilience Officer

- c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
- Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Michael Mendoza, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
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Directors and Assistant Directors