

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 Persons with Disabilities Experiencing Homelessness**

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. TX0072L6T001811 and CFDA No. 14.267) from the U.S. Department of Housing and Urban Development (“HUD”) for the City of Dallas’ Shelter Plus Care Project (“Project”) in an amount not to exceed \$1,584,610.00, to provide permanent housing and supportive services for homeless persons 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 \$1,584,610.00 in the FY18 CoC Grant-Shelter Plus Care-PSH FY20 Fund; (4) the receipt and deposit of grant funds as reimbursement from HUD in an amount not to exceed \$1,584,610.00 in FY18 CoC Grant-Shelter Plus Care-PSH FY20 Fund; (5) a local cash match from the City of Dallas in an amount not to exceed \$39,123.00; and (6) execution of any and all documents required for the grant and grant amendment - Total not to exceed \$1,623,733.00 - Financing: U.S. Department of Housing and Urban Development Grant Funds (\$1,584,610.00) and General Fund (\$39,123.00) (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 \$1,584,610.00, with a local cash match in an amount not to exceed \$39,123.00 (subject to appropriation), to continue providing permanent housing and supportive services for homeless persons 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 Project (“Project”). The Project provides permanent housing and supportive services to homeless persons with disabilities, including homeless persons with serious mental illness, chronic problems with alcohol and/or drugs, or HIV/AIDS or related diseases. The Grant is subject to renewal by HUD on an annual basis.

The Office of Homeless Solutions has been working to transition the operation of the Project to a local area non-profit organization(s) for more than a year. Three prior procurement solicitations did not yield a successful proposer for the Project; however, it is still the department’s intent to transition the operation of this Project to a third-party vendor. Pending that transition, OHS has continued to operate the Project to ensure that participants can remain in housing.

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In response to concerns raised in prior procurement solicitations regarding the level of matching funds required for the Project, 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 \$396,153.00 (25 percent of the entire grant amount of \$1,584,610.00) to \$39,123.00 (25 percent of the non-leasing assistance amount of \$156,490.00).

Under the Grant, the Project provides full or partial rental payments for 150 scattered-site units (130 one-bedroom units and 20 two-bedroom units) serving 180 homeless persons. 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). These services may be provided by project case management staff and/or community agencies. The Grant includes funding for one to three project staff (including case management and administrative staff) to carry out the Project.

Fiscal Impact:

This item will result in the appropriation of CoC Grant Funds in an amount not to exceed \$1,584,610.00, with a local cash match in an amount not to exceed \$39,123.00, 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

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| T.C. Broadnax, City Manager | Jon Fortune, Assistant City Manager |
| Chris Caso, City Attorney (Interim) | Joey Zapata, Assistant City Manager |
| Mark Swann, City Auditor | Michael Mendoza, Chief of Economic Development and Neighborhood Services |
| Biliera Johnson, City Secretary | M. Elizabeth Reich, Chief Financial Officer |
| Preston Robinson, Administrative Judge | Laila Aleqresh, Chief Innovation Officer |
| Kimberly Bazor Tolbert, Chief of Staff to the City Manager | M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion |
| Majed A. Al-Ghafry, Assistant City Manager | Directors and Assistant Directors |