

Memorandum



CITY OF DALLAS

DATE September 10, 2018

Honorable Mayor and Members of the City Council:

TO Mayor Pro Tem Casey Thomas, II (Chair), Deputy Mayor Pro Tem Adam Medrano (Vice Chair), Councilmember Omar Narvaez, Councilmember Mark Clayton, Councilmember B. Adam McGough

SUBJECT **Office of Homeless Solutions Strategy: Tracks 3 and 4 Criteria**

Summary

Attached is briefing presentation providing an update on the Homeless Solutions Strategy criteria for Tracks 3 and 4.

Background

On August 1, 2018 the Office of Homeless Solutions briefed full City Council on its comprehensive 4 track Homeless Solutions Strategy. Track 3 is Master Lease/Landlord Incentive Program which addresses individuals/families experiencing homelessness who have barriers that prevent easy entry into the rental market. Track 4 is Bond implementation which creates new developments of permanent supportive housing targeting the chronic homeless; rapid rehousing addressing the elderly, disabled, families with children and young adults; and Day Centers for seamless wrap-around services.

Office of Homeless Solutions staff have collaborated with the Citizens Homelessness Commission to develop criteria for program design and performance outcomes. This information will be utilized to develop RFCSP's for both Tracks that will be released first quarter FY18-19.

Please contact me if you have any questions or require any additional information.

A handwritten signature in blue ink, appearing to read 'Nadia Hardy', with a large, stylized flourish.

Nadia Chandler Hardy
Assistant City Manager and Chief Resilience Officer

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Carol A. Smith, City Auditor Interim
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor 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
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors

Office of Homeless Solutions Strategy: Track 3 & 4

Human and Social Needs
September 17, 2018

Monica Hardman, Managing Director
Office of Homeless Solutions

Nadia Chandler Hardy
Assistant City Manager
Chief Resilience Officer



City of Dallas

Agenda

- Overview of Homeless Solutions Strategy
- Overview of Landlord Subsidized Leasing Program (Track 3) & Bond (Track 4)
- Review of Proposed Program Components
- Next Steps

Homeless Solutions Strategy Plan



Overall homelessness and unsheltered homelessness has increased 9% and 23% respectively since 2017. The Office of Homeless Solutions' proposed Homeless Solutions Strategy consists of four tracks to address homelessness in Dallas.

TRACK 1

INCREASE SHELTER CAPACITY

Expand capacity of existing providers through contracted pay-to-stay shelter beds.

TRACK 2

TEMPORARY HOMELESS CENTERS

Provide shelter and support services for up to 90 days in the 4 quadrants of the city simultaneously.

TRACK 4

NEW DEVELOPMENTS

Funding for permanent supportive housing targeting chronic homeless; rapid rehousing addressing the elderly, disabled, families with children and young adults; Day Centers for seamless wrap-around services.

TRACK 3

MASTER LEASE/LANDLORD INCENTIVE

Provide security deposits, rent, utilities, and incentives to tenants as well as incentives and risk mitigation services to participating landlords.

Homeless Solutions Strategy Progress Update

- Completed full City Council briefing on August 1, 2018
- Track 1 will be fully implemented by October 1 pending approval of Bridge Steps contract on September 26
- OHS staff reworking Track 2
- OHS working with Citizen Homelessness Commission (CHC) through subcommittees to create program design, scope, and performance objectives Track 3 and 4
- Mayor Pro Tem Thomas asked OHS to provide update on Track 3 and 4 to Human Social Needs (HSN) at September 17 meeting

Track 3: Landlord Subsidized Leasing Program

- **Part I (\$100K):** Landlord Participation Agreement
 - Landlords reserving qualifying units for homeless will have access to risk mitigation funds
 - Assistance Types
 - **Holding Fee-** equal to one month rent to hold for 30 days
 - **Damage Claim-** subsidy to mitigate damage caused by tenant during occupancy (request must be made within 30 days of termination)
 - **Vacancy Loss-** equal to one month rent if tenant vacates unit without proper notice or evicted for good cause
- **Part II (\$1.2M):** Tenant-Based Financial Assistance
 - Move-in costs and temporary rental assistance for homeless households reentering the workforce and addressing challenges impeding housing stability
 - Assistance Types
 - **Move-In Assistance-** security deposits and utility assistance capped at \$2,000
 - **Rental Assistance-** subsidy based on tenant's income requiring tenant to pay at least \$50; payment made directly to landlord

Track 3 Criteria (Tenant Participant Requirements)

- Categorized on the Documentation of Prioritized Services list as P8-P12
- Willing to enter into a participation agreement for case management services which includes monthly home visits and individualized housing stability plans
- Income recertification, at least quarterly, to reassess financial assistance needs
- Willing to participate in “Good Tenant” Program

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Track 3 Criteria (Landlord Participation Terms)

- Must become a vendor with the City
- Utilized City-approved lease/addendum
- Agree to low-barrier tenant screening criteria
- Minimum of 12 month lease including eviction protection provisions

Track 3 Criteria (Location & Property Condition Requirements)

- No outstanding code violations for the property
- Property taxes must be current
- Be willing to complete an annual 990
- Property must pass Housing Quality Standards (HQS) inspection
- Property management in place (onsite for multifamily properties; for single family, within 60 miles from property)

Track 3 Criteria (Location & Property Condition Requirements) cont.

- Submit an annual maintenance schedule
- Mandatory pest control
- Annual recertification for property eligibility; property is subject to periodic inspections
- To promote equitable housing placement:
 - No building at any apartment complex will have more than 3% of the building's units to be occupied by Program participants
 - No more than 5% of the total units at a complex are dedicated for this Program
 - No more than 30% of total Program units will be within two (2) miles from project-based programs (DHA, CoC, City-funded)

Track 3

(Administrative Entity/Procurement)

- Vendors selected through RFP process
- Must be a 501c3 nonprofit organization
- Minimum 2 year experience serving low-income and/or vulnerable populations
- Experience administering financial subsidy programs required (process 150 payments monthly)
- Must have capacity to serve as liaison to landlords and tenants

Track 3

(Administrative Entity/Procurement)

- Responsible for HQS inspections, processing payments, and providing supportive services consistent with CoC Standard of Care
- Up to 3% of the total award amount may be used for administration expenses
- Funding disbursed monthly
- Credit/criminal background repair opportunities for clients
- Subcontractor must submit required financial and performance reporting forms supporting the financial assistance paid to the landlords

Track 4: Bond Implementation

TRACK 4

NEW DEVELOPMENTS

Funding for permanent supportive housing targeting chronic homeless; rapid rehousing addressing the elderly, disabled, families with children and young adults; Day Centers for seamless wrap-around services.

- New construction, rehabilitation, adaptive reuse eligible activities
- Gap financing based on project need determined by underwriting
- Funding for capital expenses only
- City will consider a zero percent (0%) performance based loan which is repayable only upon the sale or re-finance of the property at an amount of 50% of the proceeds up to loan amount
- Restrictive covenant to run with land for up to 20 years
- Funding awarded through competitive RFP (Notice of Funding Availability)

Track 4: NOFA Criteria

- OHS has been reviewing NOFA's from other cities to determine best practices to implement
- Funding priorities: Mixed-use; mixed-income; location in a redevelopment, stabilization, or emerging market area; collaborative partnerships, innovative supportive services/case management; leverage of City funding
- Minimum of ten housing units to serve homeless
- Project and Site Factors
- Financial capacity of development team
- Experience of development team
- Sustainable design
- Community engagement/support

Next Steps

- City Council Consideration of FY2018-19 General Fund Budget including Track 3 funding on September 19, 2018
 - If approved, Landlord Partnership commitments will be accepted immediately
- OHS staff continue to work through CHC Housing subcommittee on program design, criteria, and performance outcomes
- Notice of Funding Availability (NOFA) for Track 4's Bond allocations anticipated to advertise by end of calendar year with awards made in the 1st quarter of 2019
- OHS release bid 1st Quarter FY18-19 for Track 3's case management and tenant-based financial assistance components

Office of Homeless Solutions Strategy: Track 3 & 4

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