



staff report

TO: Honorable Mayor and Members of the City Council

ATTENTION: Jeffrey L. Stewart, City Manager

FROM: Jim DellaLonga, Director of Economic Development

SUBJECT: Consideration and possible action to authorize the City Manager to execute Amendment No. 2 to Agreement File No. 464.1, in a form approved by the City Attorney, with Our Place Housing Solutions to extend the term of the Agreement and increase compensation for the administration of the City's Homeless Prevention and Rapid Re-Housing Program using Low and Moderate Income Housing Asset Funds.

DATE: July 11, 2016

EXECUTIVE SUMMARY

This action would authorize the City Manager to execute Amendment No. 2 to Agreement File No. 464.1 with Our Place Housing Solutions (OPHS). The purpose of the Amendment is to extend the term of the Agreement and to increase compensation for the administration of the City's Homeless Prevention and Rapid Re-Housing Program (Program) using Low and Moderate Income Housing Asset Funds (LMIHAF).

RECOMMENDATION TO CITY COUNCIL

- 1) Authorize the City Manager to execute Amendment No. 2 to Agreement File No. 464.1, in a form approved by the City Attorney;
- 2) Appropriate an additional \$35,000 of LMIHAF to the Public Safety Department for L.A. County Sheriff's services related to the Program; and/or
- 3) Alternatively, discuss and take other action related to this item.

FISCAL IMPACT

The total payment to OPHS will be a maximum amount not to exceed \$65,000 for Fiscal Year 2016-2017. In conjunction, an additional \$35,000 will be allocated to the Public Safety Department for L. A. County Sheriff's staffing needs for outreach duties associated with the Program. Sufficient funds have been budgeted for Fiscal Year 2016-2017 in Successor Housing Agency Account No. 974-44802-7322.

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DISCUSSION

On December 14, 2015, the City approved Agreement File No. 464.1 (Agreement) funding the City’s Homeless Prevention and Rapid Rehousing Program (Program) with Our Place Housing Solutions (OPHS). The purpose of the Program is to address homelessness by providing various forms of assistance and services to prevent households from becoming homeless and help those who are experiencing homelessness to be quickly rehoused and stabilized. Assistance under the Program may include rental vouchers, mediation services, housing search, credit counseling/repair, and related costs for eligible extremely low income and at-risk homeless populations. Under the Agreement, OPHS would administer this Program for the City and provide the City with progress updates throughout the fiscal year.

On June 14, 2016, the City approved Amendment No. 1 to Agreement File No. 464.1 to decrease the allocation for fiscal year 2015-2016 from \$65,000 to \$45,000. The funds were returned to the LMIHAF as OPHS started the program mid-year and did not need the full \$65,000 to complete its services for the rest of the fiscal year. The returned funds were then reallocated to another housing project which required urgent funding; the Little House, Inc. construction project on Harvard Street. Specifically, the Little House project incurred three large unexpected expenses that were not accounted for in their 2013 project budget. The most significant of among these expenses include the Edison Connection.

Edison Connection: The approved plans connected the power source to an existing pole to the west of the property. However, in subsequent meetings with Edison and staff about 1-2 months after start of construction Edison informed Little House that they did not have enough power at that location and would have to instead connect to a new location in front of Ralphs. A trench has been dug to connect to the approved electrical pole, but then had to be filled. The Edison hookup is estimated to cost \$20,000 (including the special splice box, removal of concrete approach, digging trenches, and re-pouring the concrete driveways and sidewalks to be ADA compliant).

This amendment would amend the Agreement to extend the term for an additional year and increase the compensation to OPHS for an amount not to exceed \$65,000 for Fiscal Year 2016-2017. As part of the Program, an additional \$35,000 of the LMIHAF will be allocated to the City’s Public Safety Department for L.A. County Sheriff’s services, which includes funding for overtime in which deputies exclusively engage in homeless outreach efforts.

This program helps the City expend Housing Successor Agency funds restricted for use for very low-income and extremely low-income individuals and households pursuant to SB 341.

ATTACHMENT

Amendment No. 2 to Agreement File No 464.1 3

**AMENDMENT NO. 2 TO
 AGREEMENT FILE NO. 464.1 BETWEEN
 THE CITY OF BELLFLOWER ACTING AS THE SUCCESSOR HOUSING AGENCY
 TO THE DISSOLVED BELLFLOWER REDEVELOPMENT AGENCY AND
 OUR PLACE HOUSING SOLUTIONS
 FOR HOMELESS PREVENTION AND RAPID RE-HOUSING SERVICES**

THIS AMENDMENT No. 2 (“Amendment”) is made and entered into this 11th day of July 2016, by and between the CITY OF BELLFLOWER, a municipal corporation, acting as the SUCCESSOR HOUSING AGENCY TO THE DISSOLVED BELLFLOWER REDEVELOPMENT AGENCY (“SHA”), and OUR PLACE HOUSING SOLUTIONS, a California non-profit corporation (“AGENCY”).

1. Pursuant to Section 29 of Agreement File No. 464.1 (“Agreement”), Section 2 is amended in its entirety to read as follows:

“The program and/or services to be provided by AGENCY under this Agreement must commence January 1, 2016, and must be completed no later than July 31, 2017. This Agreement does not reimburse any expenditure incurred by the AGENCY prior to the date of commencement and execution of this Agreement by SHA. This Agreement does not reimburse any expenditure made after the completion date without written authorization to extend the contract. Notwithstanding any provision contained herein to the contrary, this Agreement will remain in effect during any period of time that AGENCY has control over LMIHA funds.

Unless amended by mutual written agreement of the SHA and the AGENCY, the AGENCY will perform the described tasks in conformance with the schedule below:

Task	Due Date
12 Progress Reports (Monthly)	15 th Day of the Month (August through July)
4 Quarterly Summary and Progress Reports, inclusive of outreach and mediation services with Public Safety Department	The 15 th of October, January, April and July

2. Section 3, Paragraph 1 is amended to read as follows:

“It is expressly agreed and understood that the total amount to be paid by SHA under this Agreement will not exceed Forty Five Thousand dollars (\$45,000.00) for Fiscal Year 2015-2016, as previously amended, and Sixty Five Thousand dollars (\$65,000.00) for Fiscal Year 2016-2017 in Low and Moderate Income Housing Asset (LMIHA) funds. This payment constitutes full and complete

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compensation for AGENCY services under this Agreement. For the purpose of this Agreement, SHA will disburse the LMIHA funds and monitor AGENCY's performance in satisfying the Scope of Services under the terms of this Agreement."

3. Section 4 Paragraph 1 is amended to read as follows:

"Monthly Performance Reports must be submitted by AGENCY corresponding to the months of the Agreement year. For each fiscal year, twelve performance reports are required (August through July). A complete Monthly Performance Report must be received by the SHA within 15 days after the end of each month."

4. Exhibit B is amended in its entirety by substituting the attached Exhibit B.

5. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

6. Except as modified by this Amendment, all other terms and conditions of Agreement File No. 464.1 remain the same.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Amendment the day and year first hereinabove written.

SUCCESSOR HOUSING AGENCY
a municipal corporation

OUR PLACE HOUSING SOLUTIONS
a California nonprofit corporation

Jeffrey L. Stewart, City Manager

**Christina Padilla Birkey,
Executive Director**

ATTEST:

Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

Taxpayer ID No. 26-2435307

Doc 342957



EXHIBIT B

Extremely Low-Income Rental Assistance Voucher Program and Homeless Prevention and Rapid Re-housing Guidelines

The City of Bellflower is committed to providing opportunities for housing to households that meet the eligibility of low-income. The City of Bellflower will use Low and Moderate Income Housing Asset Funds (LMIHAF) to provide rental assistance to households that meet the definition of extremely low-income and to provide Homeless Prevention and Rapid Rehousing Assistance to households that meet the definition of extremely low-income. The following provides some basic guidelines for the programs. The City reserves the right to change and or alter program guidelines and procedures as necessary to best meet the needs of the community.

These programs comply with Title VI of the Civic Rights Act of 1964, as amended by the Housing and Community Development Act of 1977, Title VII of the Civil Rights Act of 1968; Executive Order 1103, the Housing Financial Discrimination Act of 1977, and all rules, regulations, and requirements pursuant thereto. No person shall be refused participation or denied benefits in any of the programs because of race, sex, religion, national origin, sexual orientation, or handicap.

Homeless Prevention and Rapid Rehousing Program

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) will provide financial assistance and services to prevent households from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The City will partner with a local non-profit housing agency, Our Place Housing Solutions, in order to administer the program. The non-profit will work closely with the City of Bellflower's Economic Development Department and Public Safety Department in the administration of this program. The funds under this program are intended to target households that would be homeless but for this assistance. The following are eligible expenses under this program:

- Short-term and medium-term rental assistance
- Housing relocation and stabilization services
- Housing search
- Mediation
- Outreach
- Credit counseling/repair
- Security and utility deposits
- Utility payments
- Moving cost assistance



Low and Moderate Income Housing Asset Funds Program Guide

For short-term and medium-term rental assistance, housing relocation and stabilization services, credit counseling/repair, security and utility deposits, utility payments, and moving cost assistance eligibility must be established with the applicant. Income must be documented showing household is extremely-low income. Please refer to the income guidelines provided below. Income guidelines for extremely low-income households will be updated annually. Please refer to the attached LMIHAF Funding Project Goals, HPRP Initial Eligibility Assessment and Minimum Eligibility Criteria in Exhibit A.

The non-profit must submit monthly to the City’s Economic Development Department, proof of eligibility (“monthly report”) of all applicants receiving assistance in the previous month. The monthly report must provide a copy of the above referenced documents, as well as copies of income documentation proving household eligibility. City will notify in writing, within 30 days of receipt of monthly report, any applicants that are deemed ineligible and why. Non-profit will have to return to City any amount that was provided to an applicant that was deemed ineligible. The returned funds will be re-applied to the program and the non-profit will be able to use the funds to assist a new eligible household.

For mediation and outreach services, non-profit is required to provide quarterly to City number of homeless and households at risk of being homeless contacted during the previous quarter (“quarterly report”). When possible, the quarterly report should include name, ethnicity, and location where outreach and mediation services occurred. If those who receive the mediation and outreach refuse to provide name and ethnicity, the location where the outreach took place and the count of the individuals/households contacted during the outreach and or mediation services must be included in the quarterly report. When the outreach and mediation services are provided through the Public Safety Department, the Director of Public Safety is responsible for providing the above information to the non-profit at the end of each quarter and the non-profit will include the information in the quarterly report submitted to the City’s Economic Development Department.

2015 Household Income Limits*:

Persons in Household							
1	2	3	4	5	6	7	8
18,250	20,850	23,450	26,050	28,440	32,580	36,730	40,890

*Once new income limits are released by HCD in 2017, those incomes will come into effect for the 2017 calendar year.



Extremely Low-Income Rental Assistance Voucher Program

The Extremely Low-Income Rental Assistance Voucher Program will assist extremely low-income households with a subsidy to help them secure affordable decent, safe, and sanitary housing in the private market. Participants are able to find their own housing, including single-family homes, townhomes, and apartments. Participants must rent a unit that meets the following requirements:

1. Adequate space and security requirements specify the presence of a living room, kitchen area, and bathroom. In addition, one (1) sleeping room (or living/sleeping room) for each two (2) persons is required.
2. Sanitary requirements specify a private indoor toilet, hot and cold running water, a bathtub or shower, a fixed basin, and at least one (1) window that opens or other adequate exhaust ventilation.
3. Kitchens must have a sink with hot and cold running water, adequate storage, preparation and serving space, and disposal facilities for garbage. Stove and refrigerator may be placed in unit at owner's option.
4. Proper ventilation and heating facilities are necessary. Gas and oil room heaters that are not vented properly are unacceptable.
5. At least two (2) electrical outlets are required in each room. Living and sleeping rooms shall include at least one (1) window and a ceiling or wall light in kitchen and bathroom.
6. The unit must be structurally sound with no severe defects. The approaches to the unit must not present a danger of tripping, and elevators must be in a safe operating condition.
7. The interior must be free of all dangerous pollutants, such as carbon monoxide, sewer gas, fuel gas, and dust.
8. There must be an approved safe water supply.
9. The owner must advise the tenant whether the building was constructed prior to 1950. This is to inform the tenant on the hazards of lead-based paint poisoning.
10. Access to the unit must not be through unauthorized use of other private properties. In addition, the building must provide an alternate means of exit in case of fire.
11. The site and neighborhood must not be subject to serious adverse environmental conditions (i.e., flood, fire, disturbing noise, vermin or rodent infestation, sewage hazards, excess accumulation of trash).



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12. The unit must be free of vermin and rodent infestation
13. In congregate housing, the same requirement applies, except for the requirement for a separate kitchen in each unit

Prior to providing any assistance, non-profit must certify the unit was inspected and meets the minimum qualifications listed above. Thereafter if subsidy is provided beyond the twelve (12) months, the units must be inspected annually to ensure compliance to the qualifications listed above. A certification by the non-profit must be provided to City at initial qualification and each year thereafter.

In addition to finding a qualified unit, the household applying for assistance must meet the qualifications as an extremely low-income household. Applicants must submit an application indicating name, ethnicity of all persons that will occupy household; identify all persons that will occupy the residence (names of all persons and ages of minors) and number of bedrooms looking to rent (or currently renting). In addition to the application, household must provide income documentation for all persons working in the household. For any students, proof of fulltime enrollment in college must be presented if the student also has a source of income, in order to provide the proper reduction of income for the student. Proof of income includes records of Medi-Cal, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or other public assistance or public welfare program. This may be documented by including a copy of the Medi-Cal card, etc., included in each case file. If a client does not participate in one of the above programs, the AGENCY must document income by obtaining copies of pay stubs, third party verification, back account statements, etc. In the event that no income documentation can be provided, an affidavit of no income must be provided in place.

Applicants looking for rental subsidies must not rent a unit that would be considered overcrowded for the household size verse the number of bedrooms in the units. The maximum allowance for persons occupying a unit is two (2) persons per bedroom plus one additional person in the common area. For example, a two bedroom unit could only have a maximum of five (5) persons (2 per bedroom, plus one in the common area). A household of 6 would not qualify to rent a 2-bedroom unit.

A rental subsidy will be paid by the non-profit directly to the landlord for up to 12 months on behalf of the participating household. The household receiving the benefit pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. The maximum amount of subsidy that can be received by any household on a monthly basis is \$333. The non-profit is required to subsidize rent to a minimum of five (5) households who are currently experiencing homelessness in Bellflower during a Fiscal Year. Households can reapply after the twelve-month period has expired at the discretion of the non-profit and only if the non-profit has funds.

The applicant and landlord must sign an agreement with the non-profit. At a minimum the agreement must indicate the monthly amount of the subsidy, when the subsidy will begin and the last date of the subsidy. The agreement must stipulate the subsidy will be paid directly to the landlord by the non-profit and that the applicant is responsible for paying the additional rent charged by the landlord. The agreement must include the



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total monthly rent that will be charged to the applicant inclusive of the subsidy. The agreement must indicate that if for any reason the non-profit is unable to continue the program, both the landlord and tenant will receive thirty (30) day written notice. The landlord and applicant agree that if the non-profit is no longer able to continue the subsidy, the applicant is fully responsible for paying the full cost of the rent to the landlord and the landlord cannot hold harmless the non-profit for any rent the tenant is unable to pay either during the subsidize period or any time after the subsidize period ends.

If a household applying for assistance is already under a current lease, the household could apply for a subsidy. The non-profit would still be required to certify the unit meets the qualifications listed above. The household would need to meet the qualifications as an extremely low-income household and the unit already leased must not be considered overcrowded. The applicant and landlord would be required to sign an agreement indicating all of the conditions outlined for the minimum requirements of the agreement.

Non-profit is required to provide copies of leases and agreements, income documentation and a copy of the application indicating household composition to City's Economic Development Department monthly as proof of eligibility ("monthly report"). City will provide written notification of confirmation of applicant's eligibility or written notification of applicant's non-eligibility. Non-profit is required to provide to City's Economic Development Department copies of leases and agreements signed during the previous month on all eligible applicants already approved by City. City will notify in writing, within 30 days of receipt of monthly report, any applicants that are deemed ineligible and why. Non-profit will have to return to City any amount that was provided to an applicant that was deemed ineligible. The returned funds will be re-applied to the program and the non-profit will be able to use the funds to assist a new eligible household.

Basic outlines for Our Place Housing Solutions goals are attached in Exhibit A. All monthly reports are due on the 15th of the month after the month ends.

2015 Household Income Limits:

Persons in Household							
1	2	3	4	5	6	7	8
18,250	20,850	23,450	26,050	28,440	32,580	36,730	40,890

*Once new income limits are released by HCD in 2017, those incomes will come into effect for the 2017 Calendar year.



Exhibit A – Program Budget, Goals, HPRP Initial Eligibility Assessment and Minimum Eligibility Criteria

Program Budget (Fiscal Year 2016-2017)

\$100,000 LMIHAF Funds Breakdown:

- \$ 5,000 – Administrative Overhead (OPHS)
- \$ 20,000 – Case Management (OPHS)
- \$ 40,000 – Rental Assistance Funds (OPHS)
- \$ 35,000 – Outreach (City)

Goals

1. Provide Homeless Prevention and Rapid Re-housing Services to **20** Extremely Low Income (defined as 30% or less of Area Median income) families/individuals in the City by providing housing stability and avoiding homelessness.
2. Provide Extremely Low Income Rental Vouchers Services to **5** Extremely Very Low Income (defined as 30% or less of Area Median income) families/individuals in the City by quickly re-housing those experiencing homelessness.

HPRP Initial Eligibility (behind this page)

Minimum Eligibility Criteria (behind this page)