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AGENDA COVER MEMO

AGENDA DATE: July 14, 2004

TO: Board of County Commissioners

DEPT: Health & Human Services

PRESENTED BY: Rob Rockstroh, Director



AGENDA ITEM TITLE: In the Matter of Approving the Submission of a Continuum of Care Grant Application to the U.S. Department of Housing and Urban Development (HUD) in the Amount of \$1,765,545 for the Period of January 1, 2005 through December 31, 2006.

I. MOTION

TO APPROVE THE SUBMISSION OF A CONTINUUM OF CARE GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) IN THE AMOUNT OF \$1,765,545 FOR THE PERIOD OF JANUARY 1, 2005 THROUGH DECEMBER 31, 2006.

II. DISCUSSION

A. BACKGROUND

The Lane County Department of Health & Human Services, Human Services Commission Program, is requesting approval to submit a grant application in the amount of \$1,765,545 to the U.S. Department of Housing and Urban Development's (HUD) competitive Supportive Housing Program. HUD has made available over one billion dollars for nationwide competitive, 2005 homeless grant applications. Funding will be awarded in December 2004.

On May 14, 2004, HUD issued a Notice of Funding Availability for its fiscal year 2004 Homeless Continuum of Care competitive application process. For the past six years, communities have been provided the opportunity to include project renewals in their Continuum of Care analysis and as priorities as established.

To ensure projects have the maximum opportunity to be selected in the competition process, communities need to place those projects at the top of their priority list. There is no guarantee that even top-priority projects, whether new or renewal, will receive approval for funding. Applicants must fully describe how they meet all project quality, applicant and sponsor capacity, and other threshold requirements.

This year, HUD will add up to a \$750,000 bonus for applications that include a permanent housing project that serves disabled homeless persons as their first

priority project. This bonus is awarded, in addition to, the need-based allocation formula HUD will use to determine a community's allocation. The bonus occurs as a result of Congress inserting a requirement that 30 percent of the homeless appropriation be applied toward permanent housing for disabled homeless persons. Additionally, HUD now requires that 50 percent of the application be permanent housing for disabled homeless persons in order to receive full points as the grant applications are rated. Therefore, we have included as our first priority in the Lane County application, a Chronic Homeless Permanent Housing project for homeless veterans who suffer from mental illness and are in recovery from substance abuse. We have also included a supportive service project designed to assist chronic homeless persons have a better prospect of receiving mainstream disability and/or veterans benefits.

Lane County is requesting renewal of eight HUD grant projects that would otherwise expire during the calendar year 2004. Each project is eligible for up to 100 percent of the final year grant's funding. Given a limit on the amount of funds available for renewal grants, we have prioritized a one-year renewal of all grants.

Lane County Human Services Commission (HSC) staff has coordinated the development of specific program objectives and designs in consultation with non-profit service providers, staff from the cities of Eugene and Springfield, and the Lane County Housing Authority. Proposal objectives reflect community developed supportive housing priorities and are built upon a well-developed, expert, and effective network of services available in Lane County. The HSC considers each to be significant and necessary for the community's continuum of care.

B. ANALYSIS

Lane County's 2004 HUD Continuum of Care submission prioritizes the addition of two projects targeting the chronically homeless. The first is a Chronic Homeless Permanent Housing project for homeless veterans who suffer from mental illness and/or substance abuse. The second is a supportive service project designed to assist chronic homeless persons have a better prospect of receiving mainstream disability and/or veterans benefits. Eight renewal projects contained in this application supply a significant portion of the financial foundation of Lane County's Continuum of Care. These efforts have been particularly effective in moving people from homelessness into transitional housing, service-enriched housing, and stable, permanent housing.

HUD requests that entities within the same community, file one application for homeless assistance to HUD. The Lane County Human Services Commission is the lead applicant for the community. HSC conducts the planning and development of the exhibit on the community plan. Separate program proposals are incorporated in the application. Seven projects are submitted by Lane County, while three others are being submitted by other entities and have been prioritized as part of the HSC inclusive planning process. All homeless providers were given public notice of the meetings held and given the opportunity to include proposals in the application.

Providers for the Lane County renewal projects have been selected through the competitive LOI process for potential continuation of their contractual agreements if federal funds are awarded.

Other organizations submitting applications that are forwarded in this application include the St. Vincent DePaul Chronically Homeless Veteran's project, the Connections project, and the Housing Authority and Community Service Agency Shelter Plus Care project. These applications are being submitted by those organizations, as legal entities, as part of our coordinated community planning process. If a project applicant is other than Lane County, Lane County will not have any legal relationship to these applications nor be expected to have any grant performance, management, or bear any liability for these grants.

The following are the ten projects to be included in the grant application:

Lane County, Oregon 2004 Continuum of Care Priorities	Grant Funding	New / Renewal
St. Vincent DePaul of Lane County Chronic Homeless Permanent Housing	\$388,223	New
Lane County Developmental Disabled Permanent Housing	134,737	Renewal
Lane County Homeless Youth and Young Parent Housing	108,973	Renewal
Lane County Open Doors	143,307	Renewal
St. Vincent DePaul of Lane County Connections	222,220	Renewal
Lane County Housing Scholarship	58,597	Renewal
Lane County Family Shelter Transitional Services	86,318	Renewal
Lane County Chronic Homeless Supportive Services	100,000	New
Lane County "Shankle" Safe Haven	398,850	Renewal
Lane County Housing Authority – Shelter Plus Care	124,320	Renewal
Total Amount	\$1,765,545	

1. The St Vincent DePaul ***Chronic Homeless Permanent Housing*** project will address the housing needs of chronically homeless veterans with mental illness and/or substance abuse problems through eight units of permanent housing. The Lane County Veterans Service Office will assist these veterans with signing up for VA benefits and receipt of health care and other supportive services ***Eight chronically mentally ill homeless persons will be served at a time, over the next three years.***
2. The Lane County ***HOMESPACE*** project provides ten units of permanent housing and an array of supportive services, training and supportive case management to chronically homeless developmentally disabled individuals and

their families. The permanent housing is leased in existing affordable housing complexes. Eight one-bedroom units and four two-bedroom units are used to accommodate individuals who may require a care provider. Developmentally disabled people are one of the most vulnerable groups within the homeless population. ***With extended funding housing and services will be provided for ten chronically homeless developmentally disabled individuals and their families (22 persons) over the next year.***

3. The Lane County ***Homeless Youth and Young Parent Housing*** project addresses the transitional housing and supportive service needs of young parents, ages 13–21, and their children living in unsafe conditions, by providing transitional housing at various sites, self-sufficiency case management, and wrap-around supportive services. Young homeless households are assisted in moving from homelessness toward independent living through secure transitional housing, life skills development, employment search, and educational training. ***With extended funding housing and services will be provided for 70 young homeless households over the next year.***
4. The Lane County ***Open Doors*** Consortium has provided transitional housing, family advocacy, counseling, life skills training, employment and training, and therapeutic child care, whereby, parents learn to overcome addictions, increase their parenting ability, and gain independence through education and work skills. ***With extended funding, an additional 45 families will be served.***
5. The St. Vincent DePaul Society of Lane County ***Connections*** project continues to operate 36 units of critically needed transitional housing for homeless families with children. ***With extended funding, an additional 136 families will receive housing, intensive case management, and associated services.***
6. The Lane County ***Shankle Safe Haven*** project for mentally ill homeless persons is a 12-bed residential facility, which includes a 20-person, day-room program, aggressive mental health outreach and transport services, and other supportive services. The on-site group room is a portal of entry to the service system and provides access to basic services such as: food, clothing, showers, laundry, storage space, transportation, and mail drops. ***Extended funding will provide housing and services for 81 persons with mental illness.***
7. The Family Shelter ***Homeless Children's Respite and Transitional Support Program*** provides transitional housing and case management to homeless families with children. On-site employment and training, mental health services, medical referral services, and other supportive services are provided. ***An extension will allow for 170 families annually to access one or more supportive services and for 234 homeless children to participate in the children's respite care program.***
8. The ***Housing Scholarship Program*** provides homeless families with children an opportunity to earn a monthly rent subsidy by attending educational,

vocational, or rehabilitative, self-development programs. Earned credits are used as a rent subsidy, paid directly to the recipient's landlord. Participants receive follow-up case management for up to one year upon completion of the rent subsidy program. ***With extended funding an additional 75 families will be housed and receive supportive services.***

9. The Lane County. ***Chronic Homeless Supportive Service*** project will address the needs of chronically homeless persons and veterans with mental illness and/or substance abuse problems through outreach and enrollment in mainstream benefit programs and other supportive service programs. The Lane County Veterans Service Office will assist these veterans with signing up for VA benefits and receipt of health care and other supportive services. Services will be coordinated with Whitebird's Social Security enrollment project. ***Over 100 Chronically Homeless persons will be served annually over three-years.***
10. ***The Lane County Housing Authority Shelter Plus Care (S+C)*** Sponsor-Based Rental Assistance Program serves single adults with serious and chronic mental illness with affordable rental housing and mental health supportive services. ***With the renewal of this project fifteen previously homeless mentally-ill will be served.***

In summary, the projects to be included in the 2004 HUD Continuum of Care application maintain critical services for homeless families and persons with disabilities while beginning to address the gap and housing and services targeting chronically homeless veterans in our communities.

Administrative Policies and Procedures Required Questions

1. **What is the match requirement, if any, and how is it to be covered for the duration of the grant?**
Federal funds under this grant application pay for 75 percent of the operating costs for the Shankle Safe Haven and Family Shelter projects. A 25 percent match required by the grant has been budgeted in the HSC Fund 285 and is paid for through both State of Oregon Homeless funds and local governmental contributions to the HSC. The match for operating costs for the new Safe Haven Assisted Housing project will be paid for by the selected non-profit organization with Medicaid funds and client rents.
2. **Will the grant require expenditures for Materials and Services or capital not fully paid for by the grant?**
The HUD Appropriation Act specifies a 25 percent match for supportive service funding. Materials and Services funding not covered by the grant, for the six renewal projects, are budgeted in the HSC Fund 285 under Materials and Services as part of the agency payments. The match is paid for through both State of Oregon Homeless funds and local governmental contributions to the HSC. The match for supportive service costs for the new Mental Health Housing

Project will be paid for by the selected non-profit organization with Medicaid funds and local agency funds.

3. Will the grant funds be fully expended before the county funds need to be spent?

Grant funds are expended concurrently with the State and local match funds used to finance the projects.

4. How will the administrative work of the grant be covered if the grant funds don't cover it?

The administrative costs are covered through the grant application at a rate of five percent per project. Costs above those paid for by the grant are covered by local and state funds as a part of Fund 285 administrative line items.

5. Have grant stakeholders been informed of the grant sunset policy so there is no misunderstanding when the funding ends? Describe the plan for services if funding does not continue.

Stakeholders are informed through planning, bidding and contractual processes that services are based on the availability of the funding through the grant. If funding does not continue, there is no legal obligation to continue services. The HSC has sometimes chosen to continue services that were funded by a grant on a case-by-case basis, based on its criteria for prioritizing projects funded annually.

6. What accounting, auditing and evaluation obligations are imposed by the grant conditions?

Standard federal 133 OMB grant audit requirements apply to this grant application. No additional accounting or auditing requirements exist for this grant. Evaluation is provided through a standard annual report filed to HUD.

7. How will the department cover the accounting, auditing and evaluations obligations? How are the costs for these obligations covered, regardless whether they are in the department submitting the grant or a support service department? Does the department acknowledge that the county will need to cover these costs and it is an appropriate cost incurred by the support service department?

Existing HSC and H&HS administrative staff fulfills accounting, contracting, auditing, and evaluation obligations. Funds are budgeted for grant administration as described previously. The department covers the cost to support service departments through indirect costs charged to Fund 285.

8. Are there any restrictions against applying the county full cost indirect charge?

The grant's five (5) percent administrative budget limit covers the majority of direct administrative charges. The HSC pooled local jurisdictional funds and block grant funds cover a portion of the county indirect costs not covered through the grant application.

9. Are there unique or unusual conditions that trigger additional county work effort, or liability, i.e., maintenance of effort requirements or supplanting prohibitions or indemnity obligations?

The grant does not allow the county to supplant existing county funds. The grant does not require maintenance of effort beyond the period under contract. The services contemplated in the grant do not require a future maintenance of effort, nor do they supplant existing funding.

For the past decade Lane County has been extremely successful in receiving these federal funds on an annual basis through this grant application.

The grant application is being developed at this time. A copy of the draft application will be available for review by the HSC and the Board by Monday, July 19, 2004.

C. Alternatives / Options

1. To approve the submission of a Continuum of Care grant application to the U.S. Department of Housing and Urban Development (HUD) in the amount of \$1,765,545.
2. Non-approval of the submission of a Continuum of Care grant application to the U.S. Department of Housing and Urban Development (HUD) in the amount of \$1,765,545.

D. Recommendation

To approve number one above.

E. Timing

Upon Board approval, the grant will be submitted to the U.S. Department of Housing and Urban Development on July 23, 2004. Grants awarded to Lane County in the 2004 HUD competition process will provide services beginning either on January 1, 2005 or July 1, 2005.

III. IMPLEMENTATION

Upon the Board Order being approved and signed, the department will submit the grant application to HUD.

IV. ATTACHMENTS

Board Order

Shared \ HSC Admin \ Steve \ HUD2004BCC

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER:) IN THE MATTER OF APPROVING THE SUBMISSION OF A
) CONTINUUM OF CARE GRANT APPLICATION TO THE U.S.
) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
) (HUD) IN THE AMOUNT OF \$1,765,545 FOR THE PERIOD OF
) JANUARY 1, 2005 THROUGH DECEMBER 31, 2006.

WHEREAS, Lane County Department of Health & Human Services, Human Services Commission, administers homeless programs in Lane County; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has made available, on a competitive basis, \$1 billion to provide homeless assistance services in order to transition homeless persons into permanent housing and self-reliance.

NOW THEREFORE, IT IS HEREBY ORDERED, that the Lane County Department of Health & Human Services is approved to submit a Continuum of Care grant application to the U.S. Department of Housing and Urban Development (HUD) in the amount of \$1,765,545 for the period of January 1, 2005 through December 31, 2006. It is further ordered that the County Administrator is delegated authority to sign the grant application documents.

DATED this _____ day of July 2004.

Bobby Green Sr., Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 7/6/04 lane county
[Signature]
OFFICE OF LEGAL COUNSEL