

STAFF REPORT
City of Lancaster, California

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Date: May 12, 2009

To: Mayor R. Rex Parris and City Council Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Substantial Amendment Approval for the Homeless Prevention & Rapid Re-Housing Program Grant Pursuant to Title XII of the American Recovery and Reinvestment Act of 2009**

Recommendation:

Approve the Substantial Amendment for the Homeless Prevention & Rapid Re-Housing Program grant pursuant to Title XII of the American Recovery and Reinvestment Act of 2009. The grant monies will provide financial assistance and services to either prevent individuals and families from becoming homeless or to help those who are experiencing homelessness to be quickly re-housed and stabilized.

Financial Impact:

Funding of the City's Homeless Prevention & Rapid Re-Housing Program comes from the U.S. Department of Housing and Urban Development's Emergency Shelter Grant (ESG) Homeless Prevention & Rapid Re-Housing Program pursuant to Title XII of the American Recovery and Reinvestment Act of 2009. \$564,646 is expected in revenues and will be used in eligible expenditures for the program.

Background:

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009, which includes \$1.5 billion for a Homelessness Prevention Fund. Funding for this program, called the Homelessness Prevention and Rapid Re-Housing Program (HPRP), is being distributed based on the formula used for the Emergency Shelter Grants (ESG) program. The City of Lancaster is expected to receive a HPRP allocation of \$564,646.

The main purpose of the grant is to provide prevention assistance to individuals and families who would otherwise become homeless and to provide assistance to rapidly re-house persons who are homeless and those at risk of becoming homeless. The funding is designed to serve as a short-term means for those in imminent danger of becoming homeless and for those individuals and families living in a shelter, on the street or in transitional housing. All funding will benefit households with incomes equal to or less than 50% of the area median income. In addition, individuals and families must lack the financial resources and support networks needed to obtain immediate housing or remain in its existing housing.

In order to receive funding, the Submittal of the Substantial Amendment to the 2008 CDBG Action Plan is a requirement of the U.S. Department of Housing and Urban Development. Furthermore, the City of Lancaster must ensure that the HPRP grant funds are expended in accordance with federal guidelines.

The HPRP consists of four eligible activities that must benefit individuals or families who are at risk of becoming homeless or are already homeless. Eligible activities include: 1) Financial assistance for short-term rental assistance, medium term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers to prevent homeless or rapidly re-house qualifying individuals and families; 2) Housing relocation and stabilization service activities to individuals and families to prevent homelessness or to help those experiencing homelessness with case management, outreach, housing search and placement, legal services, mediation and credit repair; 3) Data collection and evaluation associated with operating approved homeless management information systems for the purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds; and 4) General administration and planning activities associated with administration of the Homeless Prevention & Rapid Re-Housing Program.

City staff proposes issuing a Request for Proposal (RFP) to allow subgrantees an opportunity to submit proposals for the City's allocation of the HPRP funds. Program staff will then review and evaluate prospective subgrantee proposals in order to determine benefit and eligibility requirements and program support for the Consolidated Plan goals. City staff will then enter into agreements with qualified subgrantees and frequently monitor their activities to ensure HPRP requirements are met and funds are expended in a timely manner.

The HPRP program will begin on September 1, 2009 and sixty (60) percent of funding must be spent in the first two (2) years and the remaining forty (40) percent by September 1, 2012.

Recommendation:

Staff recommends that the City Council approve the Substantial Amendment to the 2008 CDBG Action Plan in order to receive Homeless Prevention & Rapid Re-Housing Program grant funds.

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Attachment:

HPRP Substantial Amendment