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AGENDA COVER MEMO

AGENDA DATE: July 2, 2003

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 \$1,620,066 FOR THE PERIOD OF JANUARY 1, 2004 THROUGH DECEMBER 31, 2005.



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 \$1,620,066 FOR THE PERIOD OF JANUARY 1, 2004 THROUGH DECEMBER 31, 2005.

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 \$1,620,066 to the U.S. Department of Housing and Urban Development's (HUD) competitive Supportive Housing Program. The intent of the HUD grants are to maintain the current continuum of care system for serving homeless youth and families with children. HUD has made available over \$1 billion for nationwide competitive, 2003 homeless grant applications. Funding will be awarded in December 2003.

On April 16, 2003, HUD issued a Notice of Funding Availability for its fiscal year 2003 Homeless Continuum of Care competitive application process. For the past several 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 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 Safe Haven Assisted Housing Project for homeless dually-diagnosed individuals, who have both mental illness and are in recovery from substance abuse.

We have also included a Latino Men's Homeless Housing Project to provide permanent housing to homeless monolingual (limited English speakers) Latino males. The program will provide a bed, food, and a clean, safe, sober and drug-free environment to residents. The shelter will provide housing so that residents may receive alcohol counseling, recover from medical problems, resolve legal problems, and gain regular employment.

Lane County is requesting renewal of six HUD grant projects that would otherwise expire during the calendar year 2003. 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 2003 HUD Continuum of Care submission prioritizes the addition of two permanent housing projects; one for dually-diagnosed and mentally ill homeless individuals, and one for Latino men who are in recovery for substance abuse. In addition, Lane County's grant application seeks the renewal of six

current projects targeting homeless families and the disabled. The six renewal projects 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.

The St. Vincent DePaul Connections project renewal grant is included in this application given that HUD requests that entities within the same community file one application. Lane County is not expected to have any grant performance, management, or liability responsibilities for their grant. All other seven projects are submitted by Lane County through the HSC.

A Request for Qualified Providers is being used to include potential provider organizational information as part of the grant application for the two proposed new projects. If the projects are funded, a competitive selection process for providers will follow. Providers for the renewal projects have been selected through the competitive bid process for potential continuation of their contractual agreements if federal funds are awarded. Projects that are included in the grant application were prioritized through the HSC budget planning process.

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

Lane County, Oregon 2003 Continuum of Care Priorities	Grant Funding
Lane County – Safe Haven – Assisted Permanent Housing	\$ 383,679
Lane County Homeless Youth and Young Parent Housing	108,973
Lane County Open Doors	150,472
St. Vincent DePaul of Lane County Connections	233,331
Lane County Family Shelter Transitional Services	86,318
Lane County Housing Scholarship	61,495
Lane County Latino Housing	198,000
Lane County Shankle Safe Haven	397,798
Total Amount	\$1,620,066

1. The Lane County ***Safe Haven Assisted Permanent Housing*** project will address the housing and supportive service needs of chronically mentally ill homeless persons through six-bedrooms of permanent assisted housing, with onsite day-room and group meal services. Lane County has a significant number of homeless dually-diagnosed individuals. An estimated 733 individuals and families circulate through the court system, treatment centers and emergency shelters. Only 12 transitional housing beds are

currently available for this population. ***Six chronically mentally ill homeless persons will be served over the next two years.***

2. 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. ***Extended funding will provide housing and services for 70 young homeless households over the next year.***
3. 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. Rooted in a multi-agency consortium of public and nonprofit service providers and homeless agencies, the Open Doors project has provided these supportive services and housing for 48 young homeless families over the past year. A primary outcome of Open Doors has been knitting elements of Lane County's continuum of care services into a seamless housing and service network of participating private, non-profit and public agencies. Common intake and assessment procedures and forms are now used by all participating agencies, case management and family support is now coordinated, and monitoring systems now assure the efficient use of resources. ***With extended funding, an additional 45 families will be served.***
4. 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. Connections involves team, case management and partnership agreements for specialized at-risk populations including victims of domestic violence, Latinos, and at-risk children. ***With extended funding, an additional 136 families will receive housing, intensive case management, and associated services.***
5. 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 Shankle Safe Haven provides a secure, non-threatening, non-institutional and highly supportive environment where an individual "just off the streets" feels at ease, out of danger, and subject to relatively few service demands. After a period of stabilization in the Shankle Safe Haven program, participants are willing to take part in services and referrals, and eventually are ready to move into

more traditional forms of housing. The Shankle Safe Haven 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.***

6. 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. The Lane County Housing Authority provides low cost housing units for households referred from the program. ***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.***
7. 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. Founded on the principles of financial incentive, personal responsibility and self-determination, the Housing Scholarship Program demonstrates how individuals who have been homeless can benefit from a reward approach that develops self-esteem and increases personal accountability. Scholarship recipients earn hourly credits for each hour of attendance in 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.***
8. The Lane County ***Latino Men's Homeless Housing*** project provides ten beds of permanent housing to homeless monolingual (limited English speakers) Latino males. The project provides a bed, food, and a clean, safe, sober and drug-free environment to residents. The shelter provides housing so that residents may receive alcohol counseling, recover from medical problems, resolve legal problems, and gain regular employment.

In summary, these projects address the most critical gaps for mental health and Latino housing identified by both the 2003 HSC and the mental health planning processes. These projects also maintain the capacity for transitional housing units and effective services for homeless persons with mental illness and families with children.

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 fulfill 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?

While there are no restrictions, the grant's 5 percent administrative budget limit mostly covers the 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 Board by Wednesday, June 25, 2003.

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 \$1,620,066.

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 \$1,620,066.

D. Recommendation

H&HS recommends that the Board of County Commissioners approve the submission of the Federal Continuum of Care grant application in the amount of \$1,620,066.

E. Timing

Upon Board approval, the grant will be submitted to the U.S. Department of Housing and Urban Development on July 15, 2003. Grants awarded to Lane County in the 2003 HUD competition process will provide services beginning either on January 1, 2004 or July 1, 2004.

III. IMPLEMENTATION

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

IV. ATTACHMENTS

Board Order

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 \$1,620,066 FOR THE PERIOD OF
) JANUARY 1, 2004 THROUGH DECEMBER 31, 2005.

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 \$1,620,066 for the period of January 1, 2004 through December 31, 2005. It is further ordered that the County Administrator is delegated authority to sign the grant application documents.

DATED this _____ day of July, 2003.

Peter Sorenson, Chair
Board of County Commissioners

APPROVED AS TO FORM

Date 6/24/03 lane county
[Signature]
OFFICE OF LEGAL COUNSEL