



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** February 10, 2020

Approved

*D. D. Syl*

Date

*2/20/2020*

**SUBJECT: HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PERMANENT SUPPORTIVE HOUSING GRANT AWARD OF \$1,256,461 FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AWARD**

## RECOMMENDATION

(a) Adopt a resolution authorizing the Director of Housing to:

- (1) Accept the Housing Opportunities for Persons with AIDS Permanent Supportive Housing (HOPWA PSH) competitive grant award of \$1,256,461 from the United States Department of Housing and Urban Development (HUD) to continue supporting permanent supportive housing activities for low-income persons living with HIV/AIDS and their families; and,
- (2) Negotiate and execute a three-year grant agreement awarding \$1,222,902 in HOPWA PSH funding to The Health Trust for the Housing for Health Program retroactive to November 15, 2019.

(b) Adopt the following 2019-2020 Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:

- (1) Increase the estimate for Revenue from Federal Government in the amount of \$1,256,461; and
- (2) Increase the HOPWA PSH appropriation to the Housing Department in the amount of \$1,256,461.

## **OUTCOME**

The City Council's acceptance of the grant funds and approval of the funding award will enable 14 low-income persons living with HIV/AIDS to continue to live in permanent housing while accessing support services. It also allows 65 clients to access support services in San José over the next three years.

## **BACKGROUND**

The HOPWA PSH Program (HOPWA PSH or Program) supports specialized models in outreach and service delivery including efforts that target help to persons who have been homeless or are at extreme risk of becoming homeless. The primary purpose of the Program is to provide permanent supportive housing to participants and their families who are affected by human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS). The Program provides resources and incentives to devise long-term comprehensive strategies for meeting the needs of the program participants and their families. Eligible Program activities include ongoing rent subsidies and case management supportive services to help clients secure and maintain housing. Supportive services include assistance with housing search, advocacy, housing placement, developing activities of daily living, unit maintenance, resources, referrals, medical case management, and nurse case management.

HOPWA PSH renewal grants are not automatically renewed; they are funded with HOPWA competitive funding. HUD continues to evaluate whether renewal applicants are meeting threshold and program requirements to qualify for a renewal of their competitively awarded HOPWA PSH grant. HUD expects grantees to fully expend all funds awarded under HOPWA renewal grants within each three-year period of performance. If a grantee is continually unable to fully expend its grant in the three-year period of performance, HUD will consider whether the grantee is meeting threshold requirements for grant renewal.

The City's previous HOPWA PSH renewal grant of \$1,309,810 was for 2016-19, which funded the continued provision of Tenant-Based Rental Assistance to 19 households and supportive services to 75 households in Santa Clara County. This project was a joint collaboration with the project sponsor, The Health Trust. The project provided supportive services including case management, substance abuse recovery, housing search, housing placement, public benefits counseling, and independent living education. The 2016-19 renewal grant ended on November 15, 2019.

In July 2019, the City and its project sponsor, The Health Trust, applied for renewal of HOPWA PSH funding to continue to support these vulnerable San José residents with permanent housing and supportive services for another three years. On August 16, 2019, HUD awarded a HOPWA PSH renewal grant of \$1,256,461. This award amount was \$53,349 lower than the previous renewal award amount due to the funding formula and need for an extension to expend the

remaining funds at time of application. The renewal grant has a start date of December 1, 2019, and HUD has given its permission to use the funding starting November 16, 2019.

The purpose of this request is to allow the City to accept the next tranche of HUD's renewal grant funds awarded, to appropriate the funds, and to approve the City to negotiate and enter into a contract with The Health Trust to administer the funds and provide the related services.

## **ANALYSIS**

The Housing Department's goal is to ensure that individuals living with HIV/AIDS have access to affordable housing opportunities in the near- and long-term. As an entitlement City, San José automatically receives annual allocations of HOPWA entitlement funding to support similar programs. But as HUD makes HOPWA PSH funding available only every three years, it is important for the City to continue to apply and to receive additional funding to expand and supplement its HOPWA-funded programs.

The Health Trust has collaborated closely with City staff for over six years to administer the HOPWA PSH program. As the applicant, the City leads the effort in applying for funding. As the project sponsor, The Health Trust assists the City in the application process by drafting the three-year operation plan for the funding.

In the last period of performance for HOPWA PSH, The Health Trust provided 17 households with tenant-based rental assistance, slightly below its initial goal of serving 19 households. The slight underperformance was due to an increase in housing costs since the initial program estimate. Also, the focus of the program is to provide households with assistance for the duration of their need; thus, the number of households served with rental assistance is expected to be modest.

Given the decreased renewal grant award amount for the 2019-22 period, increased local housing costs, and increased personnel costs to keep up with inflation, the City and The Health Trust have estimated that the next tranche of renewal funding should be able to support 14 households with tenant-based rental assistance and 65 households with supportive services over three years.

Given the integral role of The Health Trust in administering the HOPWA PSH program and its ongoing ability to find homes and provide services for individuals living with HIV/AIDS, staff recommends awarding the contract of \$1,222,902 to The Health Trust. Staff requests that the Director of Housing be granted authorization to negotiate and execute the three-year grant agreement for The Health Trust so that services may be provided uninterrupted and that the agreement be made retroactive to the date that HUD has named as permissible, November 16, 2019.

City administrative costs are capped by HUD at up to 3% of the total grant award. The Department requests that \$33,359 be appropriated to the Housing Department for program administration and monitoring.

## **CONCLUSION**

Given HUD's approval of renewal funding and the City's ongoing successful partnership with The Health Trust on the HOPWA PSH program, staff recommends awarding a contract of \$1,222,902 to The Health Trust to provide permanent supportive housing to participants and their families and services to those who are affected by human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS). The contract would run for a three-year period, retroactive to November 16, 2019 ending on December 31, 2022.

## **EVALUATION AND FOLLOW-UP**

Outcomes from the entitlement HUD-funded programs in the City's Consolidated Plan are reported to HUD each fall in a report approved by the City Council called the Consolidated Annual Performance Evaluation Report (CAPER). However, the HOPWA PSH Program to support individuals living with AIDS is special and is not covered in the CAPER. Therefore, staff will report back on the HOPWA PSH Program in the annual homeless report.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memo has no effect on Climate Smart San José's energy, water, or mobility goals.

## **PUBLIC OUTREACH**

Public outreach was not conducted on actions recommended in this memorandum as it involves the renewal of an existing funding award from HUD for this specific eligible use. This memorandum will be posted on the City's Council Agenda website for the March 3, 2020 Council Meeting.

## **COORDINATION**

This memorandum was coordinated with the Office of the City Attorney.

**COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action, as it is outside the scope of the Housing and Community Development Commission.

**FISCAL/POLICY ALIGNMENT**

This recommendation is consistent with priorities and strategies identified in the City's *FY 2015-20 Consolidated Plan* to assist individuals living with HIV/AIDS.

**COST SUMMARY/IMPLICATIONS**

The recommendations included in this memorandum will recognize and appropriate \$1,256,461 in grant funding from HUD. Of this funding, \$1,222,902 will be used to negotiate and execute a contract with The Health Trust to provide supportive housing services to participants and their families who are affected by HIV or AIDS. These services include assistance with housing search, advocacy, housing placement, developing activities of daily living, unit maintenance, resources, referrals, medical case management, and nurse case management. HUD caps administrative costs at up to 3% of the total grant award. It is recommended that the remaining grant funding of \$33,559 will be appropriated to the Housing Department for program administration and monitoring costs.

**BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the action recommended as part of this memo.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Action	2019-2020 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
448	R110	Revenue from Federal Government	\$3,316,527	\$1,256,461	X-70	10/22/2019, 79270
448	201Z	HOPWA PSH	\$197,699	\$1,256,461	X-71	10/22/2019, 30325

HONORABLE MAYOR AND CITY COUNCIL

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**Subject: HOPWA Permanent Supportive Housing Program Appropriation and Award**

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**CEQA**

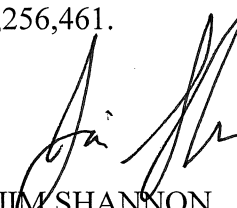
CEQA: Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant impact to the environment; and PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

JACKY MORALES-FERRAND  
Director, Housing Department



JIM SHANNON  
Budget Director

I hereby certify that there will available for appropriation in the Multi-Source Housing Fund in the Fiscal Year 2019-2020 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$1,256,461.



JIM SHANNON  
Budget Director

For questions please contact Ragan Henninger, Deputy Director of Housing, at (408) 535-3854.