



City of Huntington Beach

File #: 20-1726

MEETING DATE: 7/6/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Ursula Luna-Reynosa, Director of Community Development

Subject:

Authorize and direct the City Manager to enter into the City's standard Professional Services Agreement with the following service providers for the Tenant Based Rental Assistance (TBRA) Program: 1) Families Forward, 2) Interval House, and 3) Mercy House; and, approve the Operating Guidelines

Statement of Issue:

The City provides a Tenant Based Rental Assistance (TBRA Program funded by Federal HOME Investment Partnership (HOME) funds. The contracts with the existing service providers expired on June 30, 2020. The City Council is asked to authorize and direct the City Manager to execute the City's standard Professional Services Agreement with three service providers - Families Forward, Interval House, and Mercy House - to continue the TBRA Program.

Financial Impact:

There are sufficient fund balances to cover the cost of the three agreements, including up to \$700,000 in the HOME Investment Partnership Funds (24080801.89250, 24080901.89250 and 24082700.89250), and up to \$131,000 in HOME Administration Funds (24080901.69365).

Recommended Action:

- A) Authorize and direct the City Manager to execute a Professional Services Agreement with Families Forward in an amount not to exceed \$313,000; and,
- B) Authorize and direct the City Manager to execute a Professional Services Agreement with Interval House in an amount not to exceed \$151,249; and,
- C) Authorize and direct the City Manager to execute a Professional Services Agreement with Mercy House in an amount not to exceed \$309,079; and,

D) Approve the Operating Guidelines (Attachment #1), which will be attached to the Professional Services Agreement as an exhibit.

Alternate Action(s):

Do not authorize and direct the City Manager to execute the Professional Services Agreements, and do not approve the Operating Guidelines.

Analysis:

Annually, the City is allocated HOME funds from the U.S. Department of Housing and Urban Development (HUD). A Tenant Based Rental Assistance (TBRA) program, where funds are allocated to provide rental subsidy to individual households to afford housing costs such as rental assistance, security and utility deposits, is an eligible expense under HOME guidelines.

The City has sponsored this program since 2015, helping hundreds of households avoid homelessness and find housing stability. Most recently, in light of COVID-19, the need for rental assistance has grown exponentially. In one month alone, more than 41 new households were provided with TBRA assistance.

To continue this program, the City undertook a Request for Proposals (RFP) to seek service providers to administer the program moving forward. In May 2020, an RFP was released. Eight (8) service providers expressed interest and five (5) service providers submitted proposals in June 2020. A panel of raters, consisting of a member of the Homeless Task Force, Planning Division and Housing Division, reviewed the proposals and selected the top three candidates: Families Forward, Interval House, and Mercy House, described in greater detail below.

Families Forward

Families Forward began its collaboration with the City in 2018. While the other two service providers help individuals and families, Families Forward focuses on households with children. Since 2018, Families Forward has assisted 23 households, consisting of 47 people. It is projected that Families Forward will provide assistance to 20 homeless and/or nearly homeless families who plan to transition into permanent housing under a Professional Services Agreement in an amount not to exceed \$313,000.

Interval House

The City implemented its first TBRA program in 2015 with Interval House. Under three contracts since 2015, Interval House has successfully housed 75 households (155 people). Additionally, in the month of April 2020, Interval House helped 37 new households, consisting of 86 people, which would have been displaced due to the impacts of COVID-19 on the economy. The impacts of the pandemic are still being felt in the community and it is anticipated that more households will need housing assistance before year's end. The proposed Professional Services Agreement with Interval House, in an amount not to exceed \$151,249, will potentially provide financial assistance to at least 17

eligible extremely low, very low, and low income families and households.

Mercy House

Mercy House has managed a TBRA contract with the City since 2016. Since that time, Mercy House has helped 46 households, consisting of 151 people, find housing stability. The proposed Professional Services Agreement with Mercy House, in an amount not to exceed \$309,079, will potentially provide assistance to a least 18 extremely low, very-low, and low income households.

All three service providers will work with the City's Homeless Task Force and Police Department to identify and target at-risk families and individuals with demonstrable ties to the City of Huntington Beach. The goal is to meet their immediate needs and create pathways that will allow them to quickly move into stable, self-sufficient, permanent housing.

Funding will be used to provide short to medium-term rental assistance to households who are currently homeless, or those who have exhausted other options and would become homeless without funding.

Environmental Status:

A level of Environmental Review was completed and the program is Categorically Excluded, Not Subject to 58.5 per 24 CFR 58334(a) and 58.35(b) Tenant-Based Rental Assistance (U.S. Department of Housing and Urban Development).

The proposed request consists of approval of agreements with service providers to provide financial assistance to at-risk households. No physical changes to the environment would result from approval and implemental of the agreements. As such, the request is covered by Section 15061(b) (3) of the CEQA Guidelines, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environmental. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Strategic Plan Goal:

Enhance and maintain high quality City services

Attachment(s):

1. Operating Guidelines for the Tenant Rental Based Assistance (TBRA) Program