



## Legislation Text

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**File #:** 19-580, **Version:** 1

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Department/Housing Division*

**SUBJECT:** Allocation of Fiscal Year 2019/20 Community Development Block Grant (CDBG) to Fund Sub-Grantee Programs and Approval of Agreements with Sierra Saving Grace Homeless Project, Merced Rescue Mission, Habitat for Humanity of Stanislaus County, Restore Merced, Inc., and County of Merced for their Respective Programs Previously Approved with the 2019 Annual Action Plan

### REPORT IN BRIEF

Considers authorizing the execution of Community Development Block Grant Sub-Grantee agreements for Sierra Saving Grace and Merced Rescue Mission's Acquisition/Rehabilitation Programs, Habitat for Humanity of Stanislaus County's Homeowner Rehabilitation Program, Restore Merced's Neighborhood Cleanup Program, and County of Merced's Continuum of Care Collaborative Applicant Program.

### RECOMMENDATION

**City Council** - Adopt a motion:

A. Approving agreements for programs identified in the 2019 Department of Housing and Urban Development (HUD) Annual Action Plan using Community Development Block Grant (CDBG) funds from the 2019/20 Fiscal Year (Accounts: 018-1301-552.17.00/Professional Services, and 018-1301-552-29.00/Supplies and Services, per previous City Council recommendation for:

1. An agreement with Sierra Saving Grace Homeless Project ("Sierra Saving Grace Homeless Project") for Acquisition and Rehabilitation of a Residence in the amount of \$300,000; and,
2. An agreement with Merced Rescue Mission ("Hope for Families") for Acquisition and Rehabilitation of a Residence in the amount of \$297,000; and,
3. An agreement with Habitat for Humanity, Stanislaus County ("A Brush With Kindness") for Homeowner-Occupied Single-Unit Rehabilitation in the amount of \$300,000; and,
4. An agreement with Restore Merced, Inc. ("Restore Jobs") for a Neighborhood Cleanup Program in the amount of \$60,000; and,
5. An agreement with County of Merced/Collaborative Applicant for the Continuum of Care Program in the amount of \$38,000.

B. Authorizing the City Manager or the Assistant City Manager to execute, and if necessary, make minor modifications to the agreements described above and as attached, and all associated documents; and,

C. Authorizing the Finance Officer to make necessary budget adjustments.

## **ALTERNATIVES**

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff; or,
3. Deny; or,
4. Refer to City staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

## **AUTHORITY**

Section 200 of the City of Merced Charter, City of Merced 2019 HUD Annual Action Plan, and Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning CDBG, including Subpart K of these regulations).

## **CITY COUNCIL PRIORITIES**

As approved by City Council on June 17, 2019, and budgeted for in the Fiscal Year 2019-20 Adopted Budget.

## **DISCUSSION**

Staff is requesting Council consideration of four (4) agreements with sub-recipients to carry out their respective programs, as approved in the 2019-20 Annual Action Plan. Two of these programs are acquisition with rehabilitation programs, with the others being homeowner-occupied rehabilitation and administrative activities related to Continuum of Care. These agreements are funded by the HUD Community Development Block Grant Program. Staff will monitor and oversee the sub-recipients to ensure the activities are carried out per the Housing and Urban Development (HUD) program guidelines.

The 2019 HUD Annual Action Plan identified and budgeted all of these activities, which meet the basic HUD eligibility requirements. Staff has worked with these sub-recipients to ensure they have sufficient time to complete the activities and provide the City with progress reports. The sub-recipients' services will be reimbursed upon submittal of an approved invoice and report describing their accomplishments. All five of these programs were funded last fiscal year, and all were successful in meeting their goals.

### **Sierra Saving Grace**

Sierra Saving Grace Homeless Project (SSG) is a non-profit organizations whose mission is to provide an inter-faith and community-based safety net for chronically-homeless individuals and families who are either underserved or not served by existing programs and services. SSG promotes a "housing first" approach to solving homelessness through the provision of intensive case management, advocacy, and services in recognition of the fundamental worth and dignity of all

individuals.

With CDBG funding through the City, SSG will be able to acquire a single-family or possibly a two-unit property for their program. The acquisition of the property will allow for an affordable payment by the non-profit, while turning the unit(s) from regular, market-rate housing to affordable housing to help those experiencing homelessness. With the average person served by SSG having a social security income of approximately \$900, these individuals are not able to find any housing they can afford and become homeless. With lack of available units and increasing rents a continuing issue for those with low income, the unit(s) purchased by SSG will help to alleviate the problem for one or two families facing this hardship.

### Merced Rescue Mission

The Merced Rescue Mission is a nonprofit organization with a mission to provide hope and serve people who are homeless and needy in Merced County. The Rescue Mission provides invaluable services to the homeless community, including providing meals and multiple levels of housing, including overnight shelter and transitional and permanent supportive housing. The Rescue Mission also provides service coordination and navigation for participants in their programs to help them achieve personalized goals that will lead to stability and positive productivity. The Rescue Mission operates with donations and other grant funding, including separate CDBG funding also approved by the City Council and HUD for the seasonal Warming Center.

With CDBG funding for their acquisition program, the Rescue Mission will secure a single-family property with the goal of renting this home to a homeless family with young children. The acquisition of the property, like SSG, will allow the Rescue Mission to assist with providing affordable housing to an income-eligible household for a greatly reduced amount.

### Habitat for Humanity of Stanislaus County

Habitat for Humanity of Stanislaus County is a non-profit organization based in Modesto, California, and has been handling the City of Merced's Homeowner-Occupied Housing Rehabilitation Program successfully for several years. The new 2019-20 contract will cover a two-year span of work and will allow approximately six homes to be rehabilitated over the contract period. If contracted funds are not spent over the two-year period, the contract is extendable on a per-year basis.

The "A Brush for Kindness" program provides low-income homeowners an opportunity to complete essential interior and exterior repairs in their homes up to a \$50,000 maximum total cost, including new or repaired roofing, lead paint testing and remediation, HVAC updates, energy-efficient windows, and plumbing repairs. These repairs and improvements help to preserve existing homes and improve living conditions for the homeowners. Homeowners are required to contribute ten percent of the total labor and must be within specific income guidelines.

### Restore Merced, Inc.

Restore Merced, Inc. is a community development effort "focused on creating opportunities for low-moderate income residents to experience spiritual, social, and economic flourishing," employing an asset-based approach by looking at areas of need in Downtown neighborhoods to determine where to invest their time and energy.

With CDBG funding through the City, the Restore Jobs program will be providing weekly-rotating neighborhood cleanup projects in the Downtown area and along Bear and Black Rascal Creeks. The cleanup projects will provide valuable work experience and training for individuals who have been formerly homeless, incarcerated, or are in addiction recovery. The program seeks to be a stepping stone to meaningful employment opportunities for individuals seeking positive re-entry, pride in self-sufficiency, and income stability, while restoring and beautifying our public spaces.

Their 2018-19 program proved beneficial to the City's Downtown and areas along Bear and Black Rascal Creeks that typically accumulate rubbish, while successfully providing work experience, training, mentorship, and case management for the program participants.

#### Merced County - Continuum of Care Collaborative Applicant

The Collaborative Applicant is the business entity of the Merced City and County Continuum of Care (CoC) Program through the Merced County Human Services Agency (HSA). The CoC is a group of government agencies and nonprofit organizations that work to prevent and reduce homelessness, and the Collaborative Applicant, overseen by the HSA, is responsible for ensuring the Continuum of Care (CoC) is implemented.

With the CDBG funding from the City of Merced, the Collaborative Applicant/HSA will be able to provide administrative support to the Merced City and County CoC board and general membership, by:

1. Developing and posting monthly meeting agendas and minutes for the public and interested community agencies and organizations.
2. Collecting monthly grantee reports for the Merced City and County CoC board for their review of grant status.
3. Monitoring grantees during grant periods, reporting any findings, and providing technical support.
4. Ensuring the CoC and grantees are in compliance with all Federal and State regulations regarding homelessness programs and projects.
5. Researching and applying for funding opportunities through Federal, State, and other programs.
6. Assisting in administering and developing collaboration between County-wide agencies that address homelessness.

At the conclusion of the 2019-20 CDBG program year, the accomplishments of the above programs and contracts will be reported in the City's Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER is a HUD-required report that summarizes and analyzes the accomplishments of the City's CDBG and other program funding and each activity.

#### Contract not included in Council Action

When the 2019 Annual Action Plan was approved this June, funding was also approved for Project Sentinel, Inc. for fair housing services under CDBG public services. The 2019 contract is currently being reviewed by HUD, however, to ensure that it qualifies under HUD's eligibility requirements. City staff is currently researching to look into whether HUD's fair housing requirements may be

accomplished in-house. This contract may be brought to Council separately at a later time.

### **IMPACT ON CITY RESOURCES**

These agreements do not require any expenditure from the General Fund. Funds used will be from Accounts 018-1301-552-17.00 (Professional Services) and 018-1301-552-29.00 (Supplies and Services).

### **ATTACHMENTS**

1. Agreement with Sierra Saving Grace Homeless Project - Acquisition/Rehabilitation
2. Agreement with Merced Rescue Mission - Acquisition/Rehabilitation
3. Habitat for Humanity of Stanislaus County - Homeowner-occupied Rehabilitation
4. Restore Merced, Inc. - Neighborhood Cleanup
5. Merced County - Continuum of Care Collaborative Applicant