



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### SUBJECT

Approve Agreement with Abode Services for Administration of the City's Tenant Based Rental Assistance (TBRA) Program for Homeless and At-Risk Households

#### BACKGROUND

The City has been operating a TBRA program, funded with federal HOME Investment Partnerships Program (HOME) grant funds, since fiscal year (FY) 2010/11. TBRA programs are very similar to the federal "Section 8" housing voucher program, but are funded with HOME grant funds rather than with federal Section 8 housing funds, which are provided to housing authorities, not to cities. In addition, TBRA programs are not subject to the very complex federal regulations that apply to Section 8, therefore they can be modified somewhat to meet the particular housing needs of each locality that funds such programs. The City's TBRA program has been designed to help homeless clients move into rental housing, following the federal "Housing First" policy, and to prevent homelessness by assisting those at imminent risk of homelessness to obtain replacement housing when facing eviction or housing loss.

Like Section 8, TBRA programs pay for a portion of an eligible household's rent each month, however TBRA assistance is only available to each household for a limited term of up to two years, whereas Section 8 has no such time limits as long as the household continues to be income-eligible. The TBRA assistance can also be used to pay for security deposits, if needed, to help the clients move into new rental units.

Due to its limited term, TBRA operates more like a transitional housing program, intended to help a client obtain or maintain housing while recovering from difficult circumstances, such as a job loss or health crisis, that might have caused them to become homeless. Clients are required to participate in supportive services, such as case management, career counseling, and job training to help them regain economic self-sufficiency and retain their housing after the TBRA term of assistance ends.

For additional background on the City's TBRA program, please see [RTC 12-296](http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CouncilReports/2012/12-296.pdf) [<http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CouncilReports/2012/12-296.pdf>](http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CouncilReports/2012/12-296.pdf).

Funding for the proposed TBRA administrative services contract was appropriated with Council's approval of the FY 2015 HUD Action Plan and FY 2015/16 Budget in May and June, respectively. The budget includes an appropriation of \$270,000 in HOME funds for direct rental assistance and \$31,000 in Housing Mitigation funds for administrative services. The proposed agreement with Abode Services (Abode) is provided in **Attachment 1**.

#### EXISTING POLICY

## **2015-2020 Sunnyvale Consolidated Plan:**

- Goal A-1: Affordable Housing. Support affordable rental housing for lower-income households.
- Goal B: Alleviation of Homelessness. Help people who are currently homeless or at imminent risk of homelessness to obtain housing, employment or other sources of income, and adequate support services/networks to achieve stability.
- 1.b Continue to implement the TBRA program for homeless and at-risk clients, many of whom have obtained employment through the WorkFirst Sunnyvale Program. The TBRA program provides transitional rental assistance for a term of up to two years, which may include security deposit and/or monthly rental assistance.

## **ENVIRONMENTAL REVIEW**

This action is exempt from environmental review because it is not a project within the meaning of the California Environmental Quality Act (CEQA) as it involves an administrative activity that will not result in direct or indirect physical changes in the environment (Guideline 15378(b)(5)).

## **DISCUSSION**

For the first several years, the City's TBRA program was administered by the Housing Authority of the County of Santa Clara. In early 2012 staff began discussions with the County of Santa Clara Office of Supportive Housing (OSH), which was also implementing several TBRA programs of its own. Those discussions led to a revenue-sharing agreement with the County, approved by Council in late 2012 (RTC 12-296).

That revenue-sharing agreement allowed the County to administer the City's TBRA program through a sub-contract with Abode, a non-profit agency and the only entity in the South Bay region currently offering such administrative services. This partnership with OSH and Abode has worked well to date. However, because OSH is currently implementing a number of major housing and homeless assistance efforts in addition to administering the TBRA programs, and has limited staffing for all the fiscal and administrative tasks needed to administer the City's program in a timely manner, it will be more efficient for the City and the County if the City contracts directly with Abode for its TBRA program.

OSH is in agreement with the proposed change, and is willing to assign the remaining months on its current (FY 2014/15) contract to Abode as well, if the City approves the proposed new contract with Abode. Staff will continue to coordinate with the County in order to maximize the effectiveness of the City's programs and identify areas for potential future partnerships and/or regional programs.

### **Abode Qualifications**

Abode was founded in 1989 to address family homelessness in Alameda County, and currently serves more than 4,400 clients throughout Santa Clara, Santa Cruz, and Alameda counties. It implements a variety of "housing first" programs to prevent and end homelessness. It has administered the County of Santa Clara Rental Assistance Program since 2012 and administers a large TBRA program for San Jose.

Abode's experience administering TBRA and similar local voucher programs qualifies it well to

continue administering the City's TBRA program, this time through direct contract with the City rather than through a subcontract with the County.

#### **Draft Agreement**

The proposed contract budget includes up to \$270,000 for monthly rental assistance payments and associated security deposits, which are paid directly to landlords, and up to \$31,000 for administrative services and expenses. Other services include client eligibility verification; rental unit "housing quality" inspections prior to lease approval and annually throughout the TBRA term; coordinating with tenants; case managers and landlords through the lease-up process; disbursing TBRA rent payments to landlords with active TBRA tenants; recertifying tenant incomes annually or upon major changes in income; and managing the program's waiting list. The administrative services are described in more detail in the Scope of Services included as Exhibit A to the proposed Agreement (Attachment 1). The contract term is for a period of up to two years, and may be extended if needed until funds are fully expended.

In May 2015, the City approved the 2015 HUD Action Plan, which allocated \$270,000 in HOME funds for the City's Tenant-Based Rental Assistance (TBRA) program in FY 2015/16. In June, Council approved the FY 2015/16 Projects Budget which included a TBRA project with an appropriation of \$270,000 for direct rental assistance. An additional appropriation of \$31,000 in Housing Mitigation funds was included in the Operating Budget to pay for the costs of administering the program.

As noted above, following execution of the new contract, the County will coordinate with staff to assign its remaining obligations pursuant to its current agreement with the City to Abode, so that there are not two different administrators of the program at the same time. That agreement includes the portion of the funding allocated in FY 2014/15 which remains for the TBRA clients' second year of rental assistance, which will be expended during FY 2015/16.

#### **FISCAL IMPACT**

This action will not impact the General Fund. Funding for this agreement was approved by Council in June as part of the FY 2015/16 Budget, as explained above.

#### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

#### **RECOMMENDATION**

Approve the Agreement with Abode Services, in substantially the form provided in Attachment 1 to the report, for implementation of the TBRA program in Sunnyvale, and authorize the City Manager to execute the Agreement in final form as approved by the City Attorney.

The Agreement provides a total of \$301,000 in funding from the City's HOME and Housing Mitigation funds to provide rental assistance and administration of the TBRA program for the next two fiscal years. The proposed agreement with Abode will provide efficient and effective administration of the City's TBRA Program to ensure that the allocated HOME funds are expended in a timely manner.

Prepared by: Katrina L. Ardina, Housing Programs Analyst

Reviewed by: Suzanne Isé, Housing Officer

Reviewed by: Hanson Hom, Director, Community Development

Approved by: Kent Steffens, Assistant City Manager for Deanna J. Santana, City Manager

**ATTACHMENT**

1. Agreement with Abode Services