



CITY COUNCIL AND HOUSING AUTHORITY AGENDA REPORT

MEETING DATE: JULY 7, 2015

ITEM NUMBER: CC-12

**SUBJECT: MATCH FUNDING FOR MERCY HOUSE EMERGENCY
SOLUTIONS GRANT**

DATE: JUNE 16, 2015

FROM: CHIEF EXECUTIVE OFFICE

PRESENTATION BY: RICHARD L. FRANCIS, ASSISTANT CHIEF EXECUTIVE OFFICER

FOR FURTHER INFORMATION CONTACT: RICHARD FRANCIS (714) 754-5099

RECOMMENDATION:

Staff recommends that the City Council and the Housing Authority approve allocation of \$40,000 for the match requirement for Mercy House's 2014 Emergency Solutions Grant (ESG) of federal funds administered by the State Housing and Community Development Department (HCD) for Rapid Rehousing Services for Costa Mesa homeless residents.

BACKGROUND:

On May 7, 2015, Mercy House Living Centers (Mercy House) was notified by the HCD that it had been awarded an ESG Program grant in the amount of \$97,000. This award is specifically for continued Rapid Re-Housing efforts in Costa Mesa. In a letter to the Executive Director of Mercy House dated November 21, 2014, the City CEO committed to providing the required matching contribution in furtherance of Rapid-Re-Housing efforts in our community, subject to Mercy House receiving the grant and the City Council's approval of the matching contributions. The match has to be an amount equal to or greater than the grant, and as such, the City agreed to provide a \$40,000 cash match and \$57,000 in non-cash match contributions.

For many decades, the City (and its former Redevelopment Agency, now the successor agency to the Redevelopment Agency) has advocated and provided financial support to many affordable housing programs and projects. These include various programs directed to serve Costa Mesa's homeless population, as well as persons at-risk of becoming homeless. In the past five years, the City has expended more than \$220,000 in Community Development Block Grant (CDBG) funds for homeless services, including transitional housing, emergency shelter, homeless prevention and rapid rehousing rental assistance, which assisted 396 homeless persons in our community. Additionally, in 2009 the City received \$560,000 in Homeless Prevention and Rapid Rehousing (HPRP) funds for a City homeless prevention assistance program administered by Mercy House and SPIN; program funds were used to obtain funds for security deposits and short term rental assistance for 36 households at-risk of losing their homes or literally homeless and living on the streets in Costa Mesa.

In November 2014, Mercy House notified the City of its intention to apply for funding through the State HCD for an allocation of part of the \$9.9M in federal ESG funds to California available through the Notice of Funding Availability (NOFA) as posted by HCD on October 30 and updated on November 18, 2014. As stated in the NOFA, ESG funds will be allocated to eligible organizations to provide assistance to persons experiencing homelessness or at risk of homelessness, with priority given to rapid rehousing programs. The NOFA permitted eligible organizations to partner with local agencies in administering this program.

The City has been aggressively seeking to assist Costa Mesa homeless in securing services and housing. In FY 2013-14, Mercy House assisted seven (7) individuals with a \$15,000 CDBG grant for housing assistance. In FY 2014-15, Mercy House received a grant for \$20,000 for rapid rehousing and so far, they have assisted eleven (11) individuals. Mercy House and the City of Costa Mesa have a long history of partnering together to address housing concerns dating back to 2005.

ANALYSIS:

The purpose of the ESG funding is slightly different than CDBG funding, in that ESG funds can assist entire homeless families, while CDBG funding primarily funds individual assistance. Mercy House is set to receive \$97,000 in ESG funds in addition to the city’s \$40,000 cash match and \$57,000 in a non-cash, in-kind match comprised of City costs for Community Outreach staff and current CDBG funding. This grant is targeted to assist 8 families for longer-term assistance than CDBG funds and will also provide for emergency shelter and bridge housing funds. As such, the per-household cost is higher for ESG. This funding will be allocated as follows:

Costa Mesa RR Program (CM twice per week)		Match Sources				
		ESG	CM Cash	CM CDBG	CM Outreach	
Admin Salaries/Professional Services (Assumes 15% of total program budget)	ESG					
Accounting Staff	\$4,680.00	\$3,900.00	\$2,000.00			
phones						
travel						
	\$4,680.00	\$3,900.00	\$2,000.00		\$0.00	
Operation						
Housing Advocate	\$5,000.00					
Outreach / Case Management	\$28,000.00	\$14,000.00	\$5,000.00	\$9,800.00	\$25,200.00	
Program Salary Totals	\$33,000.00	\$14,000.00	\$5,000.00	\$9,800.00	\$25,200.00	
Client Services & Supplies						
Direct Services (Utility Deposit/Moving/Relocation/misc.)	\$7,864.00			\$2,000.00		
Short to Medium Term Rental Assistance	\$51,456.00		\$13,000.00			
Emergency Bridge Housing		\$22,100.00				
Operation and Program Expenses Totals	\$59,320.00	\$22,100.00	\$13,000.00		\$0.00	
TOTAL OUTFLOWS	\$97,000.00	\$40,000.00	\$20,000.00	\$11,800.00	\$25,200.00	\$97,000.00

Without this type of program as a part of our comprehensive homeless prevention and reduction model, the City would undoubtedly face increased homeless families. Since January 2013, City Community Outreach Workers have been responsible for placing 87 individuals into long-term housing, 51 individuals into temporary housing such as shelters, and they have made 16 reconnections, reuniting homeless individuals with family members outside of our city. Our faith-based partners have housed six (6) individuals and reconnected an additional eight (8) just in April and May of this year. Several other reconnections occurred in 2012 due to the efforts of the former Church’s Consortium. Collectively, as a result of our coordinated efforts, City staff and our faith-based partners have been responsible for moving at least 168 individuals out of homelessness, either permanently or temporarily in our community. The vast majority of the long-term placements remain housed. Without these collective efforts, our homeless population could very well be double what it is today. Thus, staff concludes that these are resources well spent.

FISCAL IMPACT:

Funding for the cash match is presently in the Housing Authority budget. No general fund dollars are being used for this match and the salary of the part-time Community Outreach Worker is also funded 100% by the Housing Authority.

LEGAL REVIEW:

Legal has reviewed the documents and approved them as to form.

CONCLUSION:

Staff recommends that the City Council authorize the CEO to approve this match funding which will promote the continued coordinated efforts of the City and its partners to mitigate the impacts of homelessness in our community.

RICHARD L. FRANCIS
Assistant Chief Executive Officer

THOMAS R. HATCH
Chief Executive Officer

TOM DUARTE
City Attorney

ATTACHMENTS:

1. [Exhibit "A" - Support Letter from City CEO to Mercy House authorizing matching contributions](#)
2. [Exhibit "B" - Award Announcement to Mercy House](#)