



COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles

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Acting Executive Director

April 28, 2009

The Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Commissioners:

**ACCEPTANCE AND ADMINISTRATION OF HOMELESSNESS PREVENTION AND
RAPID RE-HOUSING PROGRAM FUNDS FOR THE COUNTY OF LOS ANGELES
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter requests authority to accept and administer \$12,197,108 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds from the County of Los Angeles. The U.S. Department of Housing and Urban Development has made these funds available to the County under the American Recovery and Reinvestment Act of 2009. The Commission will serve as the agent of the County for administration of the HPRP funds, which will be used to provide temporary financial assistance and services to either prevent at-risk individuals and families from becoming homeless, or to help those who are experiencing homelessness to be re-housed and stabilized. HPRP funds will be used within the 47 participating cities and the unincorporated areas of the County.

An Amendment to the County's Fiscal Year 2008-2009 Action Plan is required to receive the HPRP funds. This letter relates to another item on the agenda of the Board of Supervisors, for approval of the Action Plan Amendment.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that from the acceptance of Homelessness Prevention and Rapid Re-Housing Program funds is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Authorize the Commission to accept and incorporate into its Fiscal Year



2008-2009 budget up to \$12,197,108 in Homelessness Prevention and Rapid Re-Housing Program funds from the County of Los Angeles.

3. Authorize the Acting Executive Director to execute agreements necessary for implementation of the Homelessness Prevention and Rapid Re-Housing Program, as described in the Amended Action Plan for Fiscal Year 2008-2009, to be effective upon approval as to form by County Counsel and executed by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Commission will serve as the agent of the County for administration of the Homelessness Prevention and Rapid Re-Housing Program. The proposed HPRP funds address the applicable needs identified in the County's Continuum of Care plan for homeless prevention in coordination with Los Angeles Homeless Service Authority (LAHSA). The HPRP funds will provide targeted temporary housing assistance for at-risk families and individuals most in need, to prevent further homelessness within the 47 participating cities and unincorporated areas of the County.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. HPRP funds in the amount of \$12,197,108 will be incorporated into the Commission's Fiscal Year 2008-2009 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, the U.S. Congress enacted the American Recovery and Reinvestment Act of 2009 (ARRA), which created the HPRP. The HPRP is authorized under Title XII of ARRA to provide targeted temporary assistance to every State, U.S. territory, and certain local eligible grantees to provide housing assistance and homelessness prevention assistance to at-risk households and individuals who would otherwise become homeless (many affected by the current economic crisis) and to provide assistance to rapidly re-house persons who are homeless. While HUD will allow grantees the discretion to develop prevention and/or rapid re-housing programs that meet locally defined needs, HUD also expects that these resources will be targeted and prioritized to focus on housing for homeless and at-risk households that are most in need of temporary financial assistance and are most likely to achieve stable housing, once the HPRP concludes.

Based on HUD's allocation formula, the County will receive a total of \$12,197,108. Each grantee receiving an allocation of HPRP funds, including Los Angeles County, must submit an Action Plan amendment to HUD by May 18, 2009 describing the intended use

of these funds. Grantees must obligate funds to their subgrantees by September 30, 2009. At least 60% of funds must be spent within the statutory deadline of two (2) years from their receipt and 100% of funds, within three (3) years of the date of the grantee's original grant agreement.

The Commission will serve as the lead agent of the County for administration of the allocated HPRP funds, implementing both financial assistance and housing relocation and stabilization services. In addition, the Commission will collaborate with LAHSA to ensure that all HPRP activities complement the needs identified in the County's Continuum of Care. Since December 17, 1993, the County of Los Angeles and the City of Los Angeles have maintained a joint exercise of power agreement that created LAHSA to provide coordinated homeless services.

In order to meet the program deadlines for expenditure, the Commission will also work with existing County Departments (Departments) that have successful ongoing homelessness prevention programs specifically focused on the targeted populations. Furthermore, those Departments already receiving funds under ARRA from other federal agencies will be considered for direct HPRP funding. To ensure "rapid implementation" programs, Departments will be required to present implementation plans that are tied to specific goals and implementation schedules. Selected Departments will be part of an overall referral system of services that will enable program participants to receive comprehensive services based on their individual needs.

Eligible Program Participants

HPRP is not intended to provide long-term support for program participants, nor will it address all of the financial and supportive services needs of households that affect housing stability. Rather, assistance will be focused on housing stabilization, linking program participants to community resources and mainstreaming benefits, and helping them develop a plan for preventing future housing instability. No program participant may receive more than 18 months of assistance under HPRP.

In order to receive financial assistance or other services funded by HPRP, individuals and families (whether homeless or housed) must at least meet the following minimum criteria:

1. Individual or family provided with financial assistance through HPRP must have at least an initial consultation with a case manager or other authorized representative who will determine the appropriate type of assistance.
2. The household must be at or below 50% of Area Median Income.

3. The household must be either homeless or at-risk of losing its housing and meet both of the following circumstances: (a) no appropriate subsequent housing options have been identified; and (b) the household lacks the financial resources and supportive networks needed to obtain immediate housing or remain in its existing housing.

The requirements established by HUD are minimum conditions that an individual or family must meet in order to receive assistance through HPRP. However, HUD strongly encourages communities to consider other factors when designing their local programs by working in collaboration with other local agencies to serve the targeted populations well beyond the initial submission of the HPRP application. With this in mind, the Commission will continue to work with the County's Chief Executive Officer (CEO) – who has taken the lead in coordinating the collaborative efforts between the Commission, Departments, participating cities, and LAHSA - to determine eligible activities and identify specific projects that will be funded under HPRP beyond the submission of the HPRP application to HUD. The Commission will report back to the Board to identify the types of projects to be funded and populations to be served under HPRP.

Eligible HPRP Financial Assistance

The HPRP Financial Assistance activities are limited to the following: short-term rental assistance (assistance may not exceed rental costs accrued over a period of three (3) months); medium-term assistance (assistance may not exceed rental costs accrued over a period of four (4) to 18 months); security deposits; utility deposits and utility payments; moving cost assistance; and motel or hotel vouchers.

Eligible HPRP Housing Relocation and Stabilization Services

The HPRP Housing Relocation and Stabilization Services activities are limited to the following: case management; outreach; housing search and placement; legal services; mediation; and credit repair.

Other Eligible Activities

ARRA requires that data collection and reporting for HPRP be conducted through the use of the Homeless Management Information Systems (HMIS), or a comparable client-level database. Therefore, reasonable and appropriate costs associated with operating an HMIS for purposes of collecting and reporting data required under HPRP and analyzing patterns of use of HPRP funds are eligible. The County will work with LAHSA to report client-level data, including numbers of persons served and their demographic information in HMIS.

Administrative funds equaling 5% of the total HPRP will be allocated to the Commission. Eligible administrative costs include: pre-award administrative costs; accounting for the use of grant funds; preparing reports for submission to HUD; obtaining program audits; similar costs related to administering the grant after the award; and grantee or subgrantee staff salaries associated with administrative costs. Finally, administrative costs will also include the training of staff who will administer the program or case managers who will serve the program participants, as long as the training is directly related to learning about HPRP.

Ineligible and Prohibited Activities

The intent of HPRP is to provide funding for housing expenses to persons who are homeless or who would be homeless if not for this assistance. Therefore, financial assistance or services to pay for expenses that are available through other ARRA programs are not eligible. It is also important to note that HPRP is not a mortgage assistance program; all mortgage assistance-related activities are therefore prohibited. Other ineligible activities include: construction or rehabilitation; credit card bills or other consumer debt; car repair or other transportation costs; travel costs; food; medical or dental care and medicines; clothing or grooming; home furnishings; pet care; entertainment activities; work or education related materials; and cash assistance to program participants; development of discharge planning programs in mainstream institutions such as hospitals, jails, or prisons. Finally, HPRP funds may not be used to pay for certifications, licenses, and general training classes for case managers and program administrators.

ENVIRONMENTAL DOCUMENTATION

Acceptance of Homelessness Prevention and Rapid Re-Housing Program funds is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because it does not involve activities that will alter existing environmental conditions. Acceptance of the HPRP funds is not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Each program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

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IMPACT ON CURRENT PROJECTS

The HPRP-funded projects incorporated into the Amended Action Plan will benefit low-income residents of the unincorporated County and participating cities.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Corde D. Carrillo".

CORDE D. CARRILLO
Acting Executive Director