

Memorandum



CITY OF DALLAS

DATE May 7, 2020
TO Honorable Members of the Ad Hoc Committee on COVID-19 Human and Social Recovery and Assistance
SUBJECT **Office of Homeless Solutions Projects Status**

RAPID REHOUSING PROGRAM

Background:

The COVID-19 pandemic has forced overnight shelter operators to reduce the daily number of people they serve due to social distancing. This placed an additional strain on already overburdened shelters. The Office of Homeless Solutions (OHS) developed a new rapid rehousing and case management strategy to ease the burden on overnight shelters and to meet the City's mission of using innovative, collaborative, and comprehensive solutions to end homelessness.

The target population for this initiative remains persons who are from the City of Dallas and are on the Continuum of Care Housing Priority List. Initial efforts will focus on those experiencing homelessness with current or previous employment (in the past 6 months) or a source of income up to 50% of Area Median Income (AMI).

Participants in the program must enter into an agreement for case management services including weekly virtual visits and monthly in-home visits (depending on COVID-19 efforts) and income recertification.

Participants must not be registered as Sexual Offenders or have outstanding felony warrants or prior violent felony convictions. Participants will be removed from the program if they are charged with a felony while in the program.

Current Status:

OHS has identified more than \$6.8 million to fund this initiative. The initial funding will come from a combination of City of Dallas General Funds and federal funding. None of these funds are the result of cutting services to existing residents. The balance of the funding will be provided by the federal CARES Act allocation and will largely be used to pay rent and utility subsidies to create financial stability to assist residents in reaching self-sufficiency.

OHS has met with the Office of Procurement and the City Attorney's Office to propose this new structure. While the initial proposal was favorably received, both offices are reviewing and preparing comments for improvement. When those comments are received, they will be integrated into the Request for Proposal (RFP) language.

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Conceptual Framework:

OHS is taking an unconventional approach to allocating funds for the new Rapid Rehousing Program. We believe this approach is the optimal framework given the nature of the public health emergency. Traditionally, OHS would issue a Request for Proposals and award specific amounts of money to the highest scoring applications. With this program, the applicants will submit proposals to participate in the housing program. If approved, an applicant will enter into a contract that resembles a vendor with a Master Agreement with OHS.

The best way to describe this approach is to compare it to a mortgage application. A homelessness service provider/shelter operator will serve as the broker for a client who is seeking housing. The broker will verify the client qualifies under the program guidelines and then builds an application package. That application package will include verification that the applicant is on the Housing Priority List and meets the other qualification criteria, a case management plan, and an income growth plan that provides detail on the declining subsidy model that will be used to ensure the applicant's eventual self-sufficiency. OHS staff will underwrite the application. If it is approved for funding, the broker will be provided a list of approved apartment complexes for consideration by the applicant.

In exchange for providing a successful candidate for the program, the service provider/broker will receive a baseline case management fee and administrative fee. We continue to work with shelter operators to determine what that fee will be, but it is currently estimated to be approximately \$3,000 per successful applicant. OHS will also provide funding for move-in costs up to a \$3,000 cap. That should cover deposits and any furnishings the applicant needs. OHS will pay the monthly rent and utility expenses for up to one year as established in the individual income growth plans.

The service provider will be responsible for reporting the applicant's progress with submission of a request for monthly rent and utilities payments. The service provider will provide case management services for sixteen months, four months beyond the projected rental and utility subsidies. This is intended to increase the likelihood that the participant does not fall back into homelessness once the financial support ends.

We believe this is the best approach to truly rapidly rehousing residents who are most likely to be successful living on their own. This plan gives the City of Dallas control over use of funds while also closely monitoring the long-term success of the participants and their service providers. The plan also ensures service providers receive adequate funding to manage their piece of the program but does not risk over-funding one organization or under-funding another. It is truly a performance-based program. If the plan is successful, it will provide a new model for transitioning more Dallas residents from life on the streets to productive, independent living.

Next Steps:

It is OHS' intention to release this RFP in May. Because OHS has been working closely with local service providers, we believe we can approve participants for the program and begin housing Dallas residents in early July. Shelter operators are currently performing Documentation of Priority Status (DOPS) reviews of their guests to determine which residents can be housed as soon as funds are available. Quick and thoughtful execution of this program will stabilize our housing ready residents and create additional bed space in our shelters so that fewer residents are sleeping on the street. Our goal remains to permanently house 300 residents by October 1, 2020.

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EMERGENCY SHELTER FUNDING

Background:

On June 12, 2019, City Council adopted the FY 2019-20 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (“HUD”) grant funds by Resolution No. 19-0886. The budget included the Emergency Solutions Grant (“ESG”) (Grant No. B-19-MC-48-0009) in the amount of \$1,256,675. The grant funds are available beginning October 1, 2019, contingent upon approval of the City’s FY 2019-20 Action Plan and execution of the grant agreements with HUD.

In October 2019, the City of Dallas Office of Procurement Services advertised a Request for Competitive Sealed Proposal (#BRZ19-00010792) soliciting proposals from area service providers for ESG services.

As a result of the COVID-19 pandemic, the award of these funds was originally delayed by OHS to assess impacts on services by the pandemic. Notices went out on April 8th, 2020, to inform all original proponents of this delay in grant awards.

OHS then sought to add additional General Fund dollars to the ESG funds to create a larger award amount for operational cost of overnight shelter activities. The total award amount for this program is now \$1.5 million.

Current Status:

This funding program is in its final stages of award and is expected to be presented to the City Council for approval on May 27th, 2020.

Award recommendations are being made based upon the following criteria:

1. Must have operated as an overnight shelter for a minimum of one year starting no later than March 1, 2019.
2. Nightly bed occupancy must be greater than 50 for the period March 1, 2020 through April 15, 2020.
3. Bed occupancy for the period March 1, 2020 through April 15, 2020 must be provided to the City of Dallas Office of Homeless Solutions on the template provided and is subject to review and audit by the City of Dallas.
4. Awardees are required to provide overnight shelter services to individuals experiencing homelessness while the City of Dallas Shelter in Place order remains in effect.
5. Awardees are required to provide a summary of all expenses, including those incurred due to COVID-19, for the operation of their shelter for the period March 1, 2020 through September 30, 2020.
6. Any employee or shelter guest of grant awardee who tests positive for COVID-19 must be reported to the City of Dallas Office of Homeless Solutions within two (2) hours of receiving test results.

Based on the criteria, awards were recommended for the following five entities:

- Austin Street Shelter
- Bridge Steps/The Bridge

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- Family Gateway
- Family Place
- Salvation Army

Each awardee provides shelter to men and women experiencing homelessness annually in the City of Dallas. These shelters serve individuals, to include chronically homeless, seniors (ages 60 and above), single adult men and women, youth (ages 18-24), veterans, and persons with mental and/or physical disabilities and families.

Each awardee provides shelter, meals, showers, storage for personal belongings, and other basic needs. Care/case management services are also provided which includes health/behavioral health care coordination, jail diversion/reentry, and income/housing services - designed to help guests attain housing stability. Through multiple methods each awardee connects their guests with health/behavioral health care services, employment/income services, housing services, and short-term outplacement and follow-up or after-care services for persons placed in housing.

Each awardee must input client-level data into the local Homeless Management Information System with applicable written consent. Agencies must also submit monthly financial reports (including supporting documentation) and performance reports (including demographic data, outputs, and outcomes), as well as an overview of accomplishments at year end, to the City. These reports are compiled at year end into the City’s annual report to HUD.

Reporting Requirements:

	Amount	Brief Description of Expenses
Personnel additional staffing/overtime due to COVID-19		
Supplies Example: food, cleaning supplies, etc.		
Services example: private security, food catering, equipment rental, etc.		
Overnight Stays Reported overnight stays by night through 9/30/2020		

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Proposed Awards:

Based on the methodology described above the following awards are recommended for this item:

Agency	Average Population	Percent of Whole	Award Amount
The Bridge	239	22.7%	\$340,779.47
Salvation Army	304	28.9%	\$433,460.08
Family Gateway	181	17.2%	\$258,079.85
Austin Street Center	238	22.6%	\$339,353.61
Family Place	90	8.6%	\$128,327.00
Totals	1052	100.0%	\$1,500,000.00

Next Steps:

This item is scheduled for Council Approval on May 27th, 2020. OHS appreciates council’s support of this item to continue shelter operations in the City to our most vulnerable population.

Additionally, OHS is developing a second round of funding to overnight shelters that did not meet requirements for this opportunity. OHS has identified \$500,000 in General Fund dollars to competitively bid for smaller shelters and domestic violence shelters in the City of Dallas. The requirements and award process would mirror the current item except for the number of overnight stays. We are in the process of developing this program for proposals. The anticipated release of the RFP is by the end of May 2020.

Kevin Oden
Director (I)
Office of Homeless Solutions

- c: Dallas City Council
- Chris Caso, City Attorney
- Mark Swann, City Auditor
- Biliera Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager
- Jon Fortune, Assistant City Manager
- Joey Zapata, Assistant City Manager
- Nadia Chandler Hardy, Assistant City Manager
- Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
- M. Elizabeth Reich, Chief Financial Officer
- Laila Alequresh, Chief Innovation Officer
- M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
- Directors and Assistant Directors

Office of Homeless Solutions Project Status Update

**Ad Hoc Committee COVID-19
Human and Social Recovery
and Assistance**

May 7, 2020

**Kevin Oden
Interim Director
Office of Homeless Solutions**



Overview

- Purpose
- Rapid Rehousing Project
- Emergency Shelter Funding Project
- Discussion



Purpose

- Update the Ad Hoc Committee on efforts to:
 - Implement a strategy to rapidly rehouse 300 individuals and families by October 1, 2020
 - Award funds to emergency shelters that are serving homeless individuals

Rapid Rehousing Project

Background:

- Housing Priority List Eligible
- Income up to 50% AMI
- Agree to case management
- No prior violent felony convictions
- Priority is for guests of:
 - KBHCCD Shelter
 - Dallas Love Field Area Hotel

Rapid Rehousing Project

Current Status:

- OHS has identified \$6.8M to support this project
- Began RFP design with Procurement and City Attorney's Office
- Seeking additional funding vehicles to grow program

Rapid Rehousing Project

Conceptual Framework:

- Different than Status Quo
- Similar to a Mortgage Application
- Providers bring clients for review/approval
- OHS serves as underwriter for application and primary funder
- OHS serves as lead housing navigator where necessary

Rapid Rehousing Project

Conceptual Framework:

- Service Provider receives funding for case management, move-in costs and administrative costs
- OHS pays monthly rent and utilities
- Service Provider delivers required reports monthly to OHS for continued rent and utility subsidy

Rapid Rehousing Project

Conceptual Framework:

- Requirements for Contracting:
 - Past Performance Review (RRH)
 - Ability to serve Clients
 - Case Manager to Client Ratio
 - Ability to meet Local, State and Federal Requirements

Rapid Rehousing Project

Conceptual Framework:

<u>Project Component</u>	<u>Cost Per Unit/Person</u>	<u>Total Projected Cost</u>
Case Management	\$3,000	\$900,000
Move-in Assistance	\$3,000	\$900,000
Flex Account (Incentives & Support)	\$3,000	\$900,000
Contract Admin Costs	\$300	\$90,000
Total Release	\$9,300	\$2,790,000

Rapid Rehousing Project

Next Steps:

- Develop RFP for May 2020 Release
- 2-week application Process
- Council Approval June 10th
- Complete Documentation at Sites:
 - KBHCCD Shelter
 - Dallas Love Field Area Hotel

Emergency Shelter Funding

Background:

- ESG RFP Originally Created in October 2019
- OHS Made decision to delay award April 8th, 2020
- Created fund for shelter operators shortly after:
 - \$751,000 – FY19-20 ESG
 - \$749,000 – General Funds

Emergency Shelter Funding

Current Status:

- Created Criteria for Award
- Able to utilize previous ESG RFP applicants
- Award Recommendations
 - Austin Street Shelter
 - Bridge Steps/The Bridge
 - Family Gateway
 - Family Place
 - Salvation Army

Emergency Shelter Funding

Award Recommendations:

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The Bridge	239	22.7%	\$340,779.47
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Emergency Shelter Funding

Reporting Requirements:

- Personnel
- Supplies
- Services
- Overnight Stays (reported monthly)
- HMIS Entry

Emergency Shelter Funding

Next Steps:

- Scheduled for Council approval on May 27th, 2020
- Developing second round of funding:
 - \$500,000 – General Funds
 - Intended for shelters **NOT** awarded with this funding
 - Includes Domestic Violence Shelters
 - Application release expected May 2020

Discussion



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Interim Director
Office of Homeless Solutions**

