



## Legislation Text

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### City of Alexandria, Virginia

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#### MEMORANDUM

**DATE:** SEPTEMBER 5, 2018

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of Approval for the Department of Community and Human Services/Community Services Board to Apply for a Permanent Supportive Housing Grant from the Virginia Department of Behavioral Health and Developmental Services

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**ISSUE:** City Council's consideration of retroactive approval for the Department of Community and Human Services (DCHS)/Community Services Board (CSB) to apply for a grant from the Virginia Department of Behavioral Health and Developmental Services (DBHDS) to fund Permanent Supportive Housing (PSH) rental subsidies and services.

**RECOMMENDATION:** That City Council ratify the prior submission of the DCHS/CSB competitive grant application (Attachment 1) of \$961,563 to DBHDS for funding of rental subsidies and supportive housing services to expand PSH opportunities for homeless individuals with serious mental illness or co-occurring substance use disorders.

**BACKGROUND:** DCHS/CSB was notified by DBHDS on July 9, 2018 of a competitive funding opportunity for a 30-bed minimum Permanent Supportive Housing program for which application was due to DBHDS August 13, 2018. The rapid turnaround time between notification and application deadline combined with the CSB and Council being in summer recess did not permit either body's consideration or approval prior to grant application submission. The grant was submitted on August 13, 2018, contingent on CSB and City Council's consideration at their respective September 6, 2018 and September 11, 2018 meetings.

Two other CSBs in the Northern Virginia region (Loudoun County CSB and Prince William County CSB) were also eligible to apply for this grant. In order to meet the solicitation's 30-bed program minimum and to achieve a more competitive proposal and efficiently operated program, Loudoun County, Prince William County and the City of Alexandria agreed to submit a combined regional grant application totaling 40-beds, with Alexandria serving as lead applicant and fiscal agent, if the grant is awarded. If awarded, Alexandria and Loudoun CSBs will each be allotted 10 PSH beds and Prince William CSB will be allotted 20 PSH beds, all operated and administered through a private contract vendor which will be identified through Alexandria's formal RFP process. The CSBs in the respective jurisdictions will provide clinical and rehabilitative services to the PSH program participants through existing resources.

**DISCUSSION:** Permanent Supportive Housing is a national evidence-based model that combines the provision of safe and stable affordable leased housing (where combined housing and utility costs do not exceed 30% of income) with supportive, clinical and rehabilitative services. The target population for this grant is individuals who have serious mental illness or co-occurring substance

use disorders and who are homeless, have unstable housing, or who are in jails or hospitals and in need of appropriate housing and services upon release to the community. In the PSH model, housing and clinical services are de-coupled, driven by client choice, and housing is not contingent upon a participant's acceptance of or compliance with services. Goals of PSH include: improving participants' housing stability; improving participants' physical and mental health; and reducing emergency department and inpatient hospitalization utilization.

Alexandria DCHS/CSB, as fiscal agent, is applying for DBHDS Permanent Supportive Housing (PSH) grant funds to provide PSH to 40 individuals within the City of Alexandria (10 beds), Loudoun County (10 beds), and Prince William County (20 beds). The unmet need for affordable housing with support in Alexandria is evidenced by the CSB consistently receiving at least 14 more applications for each vacancy in the existing permanent supportive housing program and by the January 2018 annual point-in-time homeless count which identified 36 homeless individuals with serious mental illness and 22 with co-occurring disorder (unduplicated). The grant funds will be used to provide rental subsidies and housing services through a contracted qualified PSH provider that will be identified through Alexandria's formal RFP solicitation process. The contracted PSH Housing provider will provide housing location services, relationship development with private market landlords, lease negotiation, housing assistance through rental subsidies, housing placement and case coordination. The contracted PSH Housing Provider will be expected to secure corporate lease agreements and sublease to PSH tenants in order to minimize barriers to housing, such as poor credit. The clinical, rehabilitative and supportive service components of the PSH program will be provided through existing "in-kind" resources within the respective CSBs, therefore grant funds are not being requested for these services. In Alexandria, the clients who are expected to receive housing through this project are already receiving clinical and other services through the CSB, so receipt of this grant will not result in an increased level of service or additional staff positions for DCHS/CSB. Rather it will provide much-needed housing resources to clients already receiving services.

Currently, Alexandria CSB partners with a private PSH provider that received State PSH funding in 2016 to provide 19 PSH beds in the City. The proposed program model for this new grant will closely resemble what is already in place and successful wherein a PSH housing provider manages all tenant application and leasing services, administers rental subsidies, provides facility maintenance, and submits reports to the state. The CSB will provide all of the clinical services that the client needs and wants to support the client's well-being and with the goal of maintaining successful tenancy. Both the City Purchasing Department and the Office of Housing have been notified of DCHS/CSB's intent to apply for this grant and have offered support, if the monies are awarded. Purchasing would be involved in the RFP process and the Office of Housing may play a role in identifying Fair Market Rate Housing units in the City.

The amount of the grant request combines rental subsidies with housing services and other housing expenses. The amount for rental subsidies was calculated using the Fair Market Value of area rental housing and rental charges of 30% of participant income, based upon average disability income. The housing services will be provided by a 1.0 FTE Housing Specialist and a .5 FTE Tenant certification specialist employed by the private contract PSH provider. Housing expenses include such things as household set-up; security deposits; credit repair; application fees, etc.

The grant award announcement is anticipated in late September and initial project implementation is expected in January 2019, though this will be dependent upon the time required for the RFP process.

**FISCAL IMPACT:** The annualized grant request totals \$961,563. The portion of that total that would be dedicated to serving Alexandrians would be approximately \$240,391 for 10 of the 40 beds. No matching funds are required. Funds will support a contract with a private PSH vendor which will be identified through formal solicitation process. No new City positions are being requested. The grant period is FY 2019 to FY 2020. While the DBHDS funding is expected to be ongoing, there are no funds currently available in the DCHS budget to

continue PSH activities should funding be discontinued in the future.

**ATTACHMENT:** Permanent Supportive Housing Grant Application

**STAFF:**

Debra Collins, Deputy City Manager

Kate Garvey, Director, Department of Community & Human Services (DCHS)

Carol Layer, LCSW, Director, Center for Adult Services, DCHS