DATE: May 12, 2020  
TO: Board of Supervisors  
FROM: Ky Le, Director, Office of Supportive Housing  
SUBJECT: Amendment to Agreement – Rapid Rehousing Programs  

RECOMMENDED ACTION  
Approve Second Amendment to Agreement with The Health Trust relating to providing rental assistance program administration services increasing the maximum contract amount by $834,447 from $8,224,663 to $9,059,110 with no change to the term of the agreement, that has been reviewed and approved by County Counsel as to form and legality.

FISCAL IMPLICATIONS  
The recommended action would have no new impact to the County’s General Fund. The increased funding is supported by unexpended grant funding from unspent Fiscal Year 2018-2019 Public Safety Realignment Program (AB109) funds and Homeless Emergency Aid Program (HEAP) funds that are part of existing appropriations within the Office of Supportive Housing’s (OSH) Fiscal Year 2020 budget.

Table 1: Summary of Budget Changes

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Funding Source</th>
<th>FY 20 Budget</th>
<th>Additional</th>
<th>Amended FY 20 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reentry Rapid Rehousing Program</td>
<td>AB 109</td>
<td>$1,206,647</td>
<td>$287,225</td>
<td>$1,493,872</td>
</tr>
<tr>
<td>School Based Rapid Rehousing Program</td>
<td>HEAP</td>
<td>$670,001</td>
<td>$290,109</td>
<td>$960,110</td>
</tr>
<tr>
<td>FY19-20 Technical Correction to MFO</td>
<td>General Fund</td>
<td>$8,801,997</td>
<td>$257,113</td>
<td>$9,059,110</td>
</tr>
</tbody>
</table>
For the Reentry Rapid Rehousing program, funds would be allocated from a portion of unspent Fiscal Year 2018-2019 AB 109 Funds that were originally projected to be used for a Housing Program Solving (HPS) pilot. Unfortunately, due to the current health crisis the contractor and the Administration have been unable to launch the pilot. The recommended action would take $287,225 of $625,100 from the proposed HPS pilot to immediately address a shortfall in an existing program. Administration will be returning in the future with a proposal for the HPS pilot.

For the School Based Rapid Rehousing Program, funds would be allocated from a portion of unspent HEAP funds that were originally programmed for a Shelter Diversion Pilot. Similar to the HPS pilot, the Shelter Diversion program has not launched. The recommended action would take $290,109 of the $319,108 from the proposed Shelter Diversion program to immediately address a shortfall in an existing program.

For the Fiscal Year 2019-2020 correction to the Maximum Financial Obligation (MFO), AB 109 funds were previously allocated in the first amendment approved on January 15, 2019 (Item No. 41) to increase funding to provide rental assistance program administration services for the Reentry Rapid Rehousing program. However, due to a mathematical error on the amendment form, the MFO listed was incorrect. The recommended action would add the $257,113 of existing AB 109 funds to correct the MFO to match the program budget amount.

**CONTRACT HISTORY**

This is the Second Amendment to the Agreement with The Health Trust (Agreement) relating to providing Rental Assistance Program Administration and Rapid Rehousing services. The County entered into the Agreement with the Health Trust on June 20, 2017 (Item No. 24), after a competitive procurement process. The Agreement was first amended on January 15, 2019 (Item No. 41) to increase funding to provide rental assistance program administration services for the Reentry Rapid Rehousing program.

**REASONS FOR RECOMMENDATION**

The recommended action would amend the Agreement with The Health Trust to move funds from AB 109 and HEAP. This move would take funds from two programs that have unexpended budget and move it to a program experiencing a shortfall.

The shortfall in both programs is due to increases in average rental subsidies since the inception of the program. Other factors include over enrollment of program participants, an increase in the average length of program stay and an increased need due to the current health crisis. The amendment would allow the Health Trust to be able to support the existing clients in the Reentry Rapid Rehousing Program and the School Based Rapid Rehousing Program through the end of the term of the Agreement.

**CHILD IMPACT**
This recommended action would have a positive impact on children as families have access to the Rapid Rehousing programs.

**SENIOR IMPACT**

This recommended action would have a positive impact on seniors who would have access to the Rapid Rehousing programs.

**SUSTAINABILITY IMPLICATIONS**

This recommended action has no/neutral sustainability implications.

**BACKGROUND**

The role of The Health Trust as the Rental Assistance Program Administration is to ensure that rental assistance and security deposit payments are provided to property owners efficiently, quickly, and reliably, in a manner that is compliant with program-specific requirements.

**CONSEQUENCES OF NEGATIVE ACTION**

If the recommended action is not approved, the programs would not be able to support the clients in the Reentry Rapid Rehousing Program and the School Based Rapid Rehousing Program to the end of the current fiscal year.

**STEPS FOLLOWING APPROVAL**

Please send email notification and electronic copies of the executed agreements to Trang Ochoa and Mona Guerrero in the Office of Supportive Housing and Lingxia Meng in the Office of the County Executive.

**LINKS:**

- Linked To: 93825 : 93825
- Linked To: 86351 : 86351

**ATTACHMENTS:**

- Attachment A FY17-20 THT Amend 2 (PDF)