



City of Chula Vista

Staff Report

File#: 15-0344, **Item#:** 12.

RESOLUTION NO. 2015-164 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) WAIVING THE COMPETITIVE BID REQUIREMENTS; (2) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AN AGREEMENT BETWEEN SOUTH BAY COMMUNITY SERVICES AND THE CITY OF CHULA VISTA FOR THE MANAGEMENT AND IMPLEMENTATION OF A HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) TENANT-BASED RENTAL ASSISTANCE PROGRAM; AND (3) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE INITIAL AGREEMENT AND AUTHORIZING THE PURCHASING AGENT TO EXECUTE THREE ONE-YEAR OPTIONS TO EXTEND THE AGREEMENT BASED ON AVAILABILITY OF HOME ENTITLEMENT FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The City of Chula Vista contracts for the administration of a Tenant Based Rental Assistance Program because it is more cost-effective than providing for such services in-house and ensures program performance from qualified and experienced third-party professionals in this highly specialized field.

South Bay Community Services (SBCS) was selected based upon their extensive experience for this type of service and their ability to best meet the City's goals and objectives in compliance with the U.S. Department of Housing and Urban Development's (HUD's) HOME program requirements.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activities for compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The proposed activities are not considered "Projects" as defined under Section 15378(b)(5) of the State CEQA Guidelines because the proposals consist of a reporting action, is an administrative function, and is not site specific project(s) and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060 (c)(3) of the State CEQA Guidelines, these activities are not subject to CEQA. Under NEPA, the Tenant Based Rental Assistance program qualifies for a Categorical Exclusion not subject to §58.5 pursuant to Title 24, Part 58.35(b)(1) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development. Thus, no further NEPA environmental review is necessary at this time.

BOARD/COMMISSION RECOMMENDATION

Not applicable.

DISCUSSION

The City of Chula Vista receives an annual entitlement of HOME Investment Partnerships Program (HOME) funding from the U.S. Department of Housing and Urban Development (HUD) to fund housing activities that serve low-income persons. Council adopted Resolution No. 2014-064, which approved HOME funding for a Tenant Based Rental Assistance Program (TBRA). Through the Program, rental and security deposit assistance is provided to those individuals who meet one of the priority groups identified in the City's HUD approved 2014-2015 Annual Action Plan.

As a condition of receiving these rental assistance subsidies, families and individuals must meet program eligibility requirements that include demonstrating an economic hardship or housing crisis and participation in a self-sufficiency program. The Program's goal is to assist clients to regain stability in their living situation.

Rental assistance will be provided for an initial 12 months to qualified clients who can meet the goals and objectives of a mutually agreed upon self-sufficiency plan. Clients will be required to access mainstream resources and meet, as needed, with a case manager. Based upon the availability of funding, an extension of assistance may be provided to those clients meeting their program goals and objectives towards self-sufficiency.

The City of Chula Vista contracts for administration of the TBRA Program since it is more cost-effective than providing such services in-house and ensures assistance from qualified and experienced third-party professionals in this highly specialized field.

This action approves the contract with SBCS utilizing the available fund balance and authorizes the purchasing agent to execute three (3) additional one-year options, for a maximum authorized amount of \$250,000 for administrative expenses and rental and security deposit assistance. In addition, this action allows the City to meet its timeliness of committing HUD funds by July 31, 2015.

Waiving Competitive Bidding Requirement

In September 2013, a Request for Proposals (RFP) was issued for agencies interested in implementing a Rental Assistance Program using the City's Emergency Solutions Grant (ESG) funds from HUD. The RFP was available through the City's Planet Bids system. Only one response was received by the submittal deadline. South Bay Community Services (SBCS), as the sole respondent, was selected based upon their extensive experience in administering and operating rental assistance programs and their ability to best meet the City's goals and objectives in compliance with HUD's requirements.

The City has partnered with SBCS to implement various Tenant Based Rental Assistance Programs since 2007, based on available funding from HUD. During this time period, SBCS has invested significant resources in training staff on how to properly implement a TBRA. This includes case management services, calculating rental subsidies, working with landlords willing to participate in the program and accept the program participant's voucher, and providing quarterly performance reports to the City to measure outcomes and deliverables.

Since SBCS has been the only bid responder in past RFPs for this type of unique and specialized services, staff is recommending that the bid process be waived and an agreement with SBCS be

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approved as to form, with an initial "Authorization Limit" up to \$250,000 through June 30, 2017 and authorizing the City Manager or his Designee, including the Purchasing Agent, to execute three (3) additional one-year options to extend, based on availability of program funds from the U.S. Department of Housing and Urban Development and contract performance (see Attachment 1).

Accordingly, based on the above, given the unique and specialized nature of the services to be provided, that South Bay Community Services has a history of working with the City since 2007, and that South Bay Community Services submitted the sole response to the City's bona fide RFP, a waiver is appropriate pursuant to Chula Vista Municipal Code sections 2.56.070(B)(3) and (4).

SBCS as Administrator:

Administration of the program requires specialized knowledge of providing case management that leads to self-sufficiency and calculation of rental assistance payments for eligible clients. SBCS, the proposed administrator for the implementation of a rental assistance program, has a regional presence and vast experience in case management services, rental and security programs, and self-sufficiency programs. Additionally, they have direct experience in managing rental assistance programs in Chula Vista and other South Bay communities. SBCS has managed, as funding was available, several housing programs on behalf of the City as follows:

- Tenant Based Rental Assistance Program 2007 - 2009
- Homeless Prevention and Rapid Re-Housing Program 2009 - 2012
- Chula Vista Homeless Initiative program 2013 - Present

They, also, currently serve as Chula Vista and Imperial Beach's (under the County of San Diego) ESG Rapid-Re-Housing administrator.

Day-to-day implementation of the rental assistance program are performed by SBCS' bilingual staff with expertise in the area of housing, as well as social services, government services, business, and data management.

Scope of Work:

The following itemizes the proposed scope of work to be performed by SBCS, including but not limited to:

- Processing of rental assistance applications to determine eligibility for potential clients;
- Providing housing counseling and case management services to participants;
- Developing a housing plan (with goals and objectives) with each client and monthly recertification of participant eligibility;
- Outreach to landlords to encourage participation in the program;
- Processing housing assistance payments on a monthly basis to participating landlords; and;
- Providing outcome reports to the City on a quarterly basis.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule found in California Code of Regulations section 18704.2 (a)(1), is not applicable to this decision. Staff is not independently aware, and has not been informed by any Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest on this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This item supports the City's Strategic Plan as it seeks to enhance the City's Strategic Goal of Healthy Community by providing a safe living environment to residents currently living in unable to obtain and maintain stable housing and also meets the City's Strategic Goal of Connected Community as it provides necessary services that may support the elderly, disabled, and/or the homeless.

CURRENT YEAR FISCAL IMPACT

The action will utilize up to \$250,000 in HOME funds for Fiscal Year 2015/2016 (FY 15/06). FY 15/16 funds are budgeted and available in the existing budget for housing activities. Any options to extend the agreement for subsequent years may be funded through the annual budget process based on the availability of HOME funds.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the City's 2015/2016 General Fund as project and staff costs are covered by the grants.

ATTACHMENT

1. HOME Agreement

Staff Contact: Jose Dorado, Project Coordinator, Development Services Department