

SUPPLEMENTAL



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: June 12, 2009

Approved

Date

6/16/09

COUNCIL DISTRICT: City-wide
SNI AREA: All

SUPPLEMENTAL

SUBJECT: APPROVAL OF FUNDING FOR THE IMPLEMENTATION OF A ONE-YEAR TENANT BASED RENTAL ASSISTANCE PROGRAM FOR CHRONICALLY HOMELESS INDIVIDUALS AND FAMILIES, AS AMENDED

REASON FOR SUPPLEMENTAL

The purpose of this Supplemental Memorandum is to provide more detailed information on the recommendations made in the original City Council memorandum:

- Participating households in the proposed TBRA program will pay a \$50.00 flat monthly rent rather than 30% of their total monthly income as stated in the original City Council memorandum.
- Limit the use of allocated HOME funds solely for rent subsidies and the administration of the program. Funds will not be used for security and utility deposits as stated in the original City Council memorandum.

HONORABLE MAYOR AND CITY COUNCIL

June 12, 2009

Subject: Approval of Funding for the Tenant-Based Rental Assistance Program, As Amended - Supplemental Memorandum

Page 2 of 2

ANALYSIS

The proposed TBRA program will provide approximately 100 chronically homeless households with subsidized rents and supportive services for up to four years. Participating households will have their rents subsidized by City of San Jose HOME funds and matched with supportive services, in the form of case management and clinical services, by the Santa Clara County Mental Health Department. Since writing the original City Council memorandum, additional negotiations with the Program Administrator, Program Responsible in Daring Excellence (P.R.I.D.E.), clarified that it would be both administratively more efficient and better aligned with the goals of the program, if the participating households paid a flat monthly rent of \$50.00 rather than 30% of their total monthly income. As originally stated, the remainder of the participating household's rent will be subsidized with the HOME funds.

Further, the City and the Program Administrator have agreed to utilize alternative resources to fund any needed security and utility deposits for the participating households. The City originally projected using \$250,000 in HOME funds for security and utility deposits. These funds will instead be added to the rent subsidies, thus increasing the leveraging of outside funding.

REVISED COST SUMMARY

The program will fund the following costs over a one-year program period:

Expense Item	Cost
Project Costs:	
Rent Subsidies	\$ 1,350,000
Total Project Costs	\$ 1,350,000
Administrative Costs:	
Program Administrator: P.R.I.D.E. (10% of Project Costs)	\$ 150,000
TOTAL PROGRAM COST	\$ 1,500,000


LESLEYE KRUTKO
Director of Housing

For questions please contact Leslye Krutko, Director of Housing at (408) 535-3851.