



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		04/26/2010			
Department:		Planning			
Department Head		P. Jarrell			
Agenda Coordinator (include phone #): Tammy Stuckey - Ext 7156					
CAPTION					
A Resolution of the City Council of the City of Plano, Texas, terminating the contract due to contract noncompliance by and between the Salvation Army and the City of Plano for the Homelessness Prevention and Rapid Re-Housing Program in Plano; approving its execution by the City Manager or in his absence, a Deputy City Manager; and providing an effective date.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2009-10 thru 2011-12	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
	Budget	0	509,050	0	509,050
	Encumbered/Expended Amount	0	-486,160	0	-486,160
	This Item	0	90,677	0	90,677
	BALANCE	0	113,567	0	113,567
FUND(s): AMERICAN RECOVERY & REINVESTMENT ACT GRANT					
<p>COMMENTS: This item, which has a companion agenda item, allows the City to terminate a Homelessness Prevention and Rapid Re-Housing contract with the Salvation Army in the amount of \$90,677. If this item is approved, it will unobligate the funds so that the funds can be reallocated to other allowable Homelessness Prevention and Rapid Re-Housing activities.</p> <p>STRATEGIC PLAN GOAL: Contract termination for noncompliance associated with the Homelessness Prevention and Rapid Re-Housing program relates to the City's Goals of Financially Strong City with Service Excellence and Partnering for Community Benefit.</p>					
SUMMARY OF ITEM					
This item is the termination of the Homelessness and Rapid Re-Housing Contract with the Salvation Army. Due to contract noncompliance, staff recommends that this agency no longer receive funding to administer the HUD-funded Homelessness Prevention and Rapid Re-Housing Program. This agency is deemed high risk to receive federal funds based on their performance to date.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Memo including Attachment, Resolution					

MEMORANDUM

Date: April 15, 2010

To: Tom Muehlenbeck, City Manager
Frank Turner, Deputy City Manager

From: Christina Day, Community Services Manager

Subject: Homelessness Prevention and Rapid Re-Housing Program (HPRP) Contract Termination

In April 2009, the U.S. Department of Housing and Urban Development (HUD) granted the City of Plano \$509,050 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds through the American Recovery and Reinvestment Act of 2009.

On September 28, 2009, the City Council approved the terms and conditions of the HPRP Agreements with four agencies to provide financial assistance and housing stabilization services to Plano residents in the form of rent and utility assistance and legal assistance for those undergoing the eviction process. The approved agencies and funding amounts are listed below:

Agency Name	HPRP Funding
Interfaith Housing Coalition – Plano Office	\$264,608
The Salvation Army – Plano Office	\$90,677
The Samaritan Inn	\$64,568
Legal Aid of Northwest Texas – McKinney Office	\$48,743

Throughout the contract, the City has had challenges in both communication and accomplishments from the Salvation Army. Details of the program development are provided in a timeline, attached. Despite repeated efforts to communicate and move the program forward, City staff has determined that the Salvation Army HPRP program is noncompliant with the HPRP contractual agreement due to failure to report accurately and on time.

- Reporting Requirements

The City of Plano reports the status of the HPRP grant program weekly to the city's HUD Community Planning and Development (CPD) Representative and quarterly via federalreporting.gov and Esnaps, two federal reporting systems.

In order to meet HUD's strict reporting requirements, City of Plano gave hard deadlines for HPRP-funded agencies to submit HPRP intake forms. Through the first two grant quarters (October 2009-March 2010), the agency submitted only one report and no intake forms by the contractual deadline, and documents were typically more than a week late.

Due to the agency's consistent failure to report, City of Plano has not been able to accurately account the HPRP grant status to HUD.

- Inaccuracy of Information

The reports, data, and files kept by the agency are inaccurate and out of compliance with HUD regulations. On a recent monitoring visit, staff found seven of the eight program participant files reviewed were not qualified for HUD reimbursement. Data in the Homeless Management Information System does not accurately correspond with intake forms.

Additional to the contractual non-compliance, staff has had other significant concerns that influence our recommendation to terminate the contract. Those include:

- Lack of Communication

Due to the strict compliance requirements and close oversight of Recovery Act-funded programs, open and constructive dialogue between the City and the agency is critical to the success of the program. As noted in the attached timeline, staff has had consistent problems receiving responses from the agency.

- Failure to Meet the Intent of the Program

The HPRP program was expedited by Congress, HUD, and the City to meet an intense economic need. Per HUD, "Congress enacted the Recovery Act to help persons affected by the current economic crisis. The purpose of the HPRP program is to provide homelessness prevention assistance to households who would otherwise become homeless – many due to the economic crisis". With the considerable delay in enacting the Salvation Army's HPRP program and relative inactivity, residents of Plano are not provided thorough access to available funds. Persons may become homeless, who would not otherwise, due to program delays. To date, the City has reimbursed more than \$90,000 for rent and utility assistance through the program, but no funds to the Salvation Army. They record less than \$3,800 in assistance to date, but have yet to invoice the City for any expenditures.

For these reasons, resulting in an imprudent risk to the City and lack of assistance to Plano residents, it is staff's request that the HPRP contract with the Salvation Army be terminated.

Removing HPRP funding from this agency does not prohibit the agency from providing Plano residents with rent and utility assistance. The Salvation Army received \$37,258 in 2009-10 BCSG funds to assist Plano residents with rent and utility aid. The agency can move all eight of the clients assisted with HPRP funds to their BCSG program which, as of their first quarter report ending December 31, 2009, had not spent any funds.

Attachment: Salvation Army HPRP Program Outline of Events

CC: Phyllis Jarrell, Director of Planning
Anita Bell, Budget Analyst

Salvation Army HPRP Program Outline of Events

November 12, 2010;

The Agency signed the HPRP Funding Agreement.

December 3, 2010:

November monthly reports were due. The Agency submitted no reports.

December 15, 2009:

The Agency had not submitted monthly reports nor had any correspondence with the City regarding their program status, so City staff called the Agency. The Agency caseworker stated that the agency did not know how to qualify HPRP applicants in accordance with HUD's HPRP income guidelines, and that their HPRP program would begin in January 2010.

January 4, 2010:

City staff called the Salvation Army Dallas Regional office which oversees the Plano location, to inform them that City of Plano staff would be providing technical assistance to the Plano office as a result of the December 15, 2009 HPRP program status inquiry.

City staff provided technical assistance to the Salvation Army caseworker, as well as reviewed the City's monthly and weekly reporting requirements for the grant.

January 5, 2010:

December monthly reports were due. The Agency submitted no reports.

January 6, 2010:

Salvation Army Dallas Regional program compliance representatives informed City staff that the Plano HPRP program would likely begin in mid-April, and all HPRP correspondence should be sent to the Dallas representatives. City staff should not correspond with the Plano office regarding the Plano HPRP program status.

January 14, 2010:

The Salvation Army Plano caseworker called and asked City staff to check the HUD required Homelessness Management Information System (HMIS) to ensure that the Plano office's HPRP client was input correctly.

Consequently, City staff emailed the Salvation Army Dallas office and copied the Plano office requesting a meeting with both Salvation Army offices to clarify the status of the Plano HPRP program.

January 25, 2010:

Representatives of the Regional (Dallas) and Local (Plano) Salvation Army met with City staff. The Salvation Army Dallas representative stated that the Plano HPRP program would likely begin in mid-February with the hiring of an HPRP caseworker, and City staff would be mailed the proposed timeline for the Plano HPRP program as soon as it was available. It was agreed that the Plano Commander would serve as the single point of contact for the Plano office and would submit all reports. Also, the Dallas office should be copied on all correspondence sent to the Plano office. City staff stressed the urgency of need within the community, the intent of the program, and the City's expectation that the program should have started by now.

January 27, 2010:

The Plano Caseworker emailed City staff monthly HPRP reports showing that they had served one client during the month of January 2010.

January 28, 2010:

The Plano Commander emailed the HPRP client intake form dated January 13th to City staff. The intake form was due on January 19, 2010.

February 3, 2010:

January monthly reports were due. The Agency submitted the January report on January 27, 2010, as stated above.

March 3, 2010:

February monthly reports were due. The Agency submitted no reports.

March 5, 2010:

The Agency did not submit a timeline for the Plano HPRP program, so staff called the Plano Commander and left a voicemail message inquiring about the program.

March 9, 2010:

Staff sent a follow-up email to the Plano Commander to inquire about the HPRP program status.

March 10, 2010:

City staff contacted the Dallas Regional representative to inquire about the status of the Plano HPRP program. The Dallas representative stated that they were working with the Salvation Army Territorial and Divisional Headquarters to get the job description for an HPRP Caseworker approved so that an HPRP caseworker position can be posted for the Plano office. Also, the representative stated that City staff should contact the Dallas office regarding HPRP funding questions, only.

City staff emailed a response to the Dallas office and copied the Plano Commander informing the Agency that the City continued to have significant concerns and that they were noncompliant with their contract. The following concerns were specifically noted:

- The HPRP program was expedited by Congress, HUD, and the City to meet an intense need. With the considerable delay in enacting your program, residents of Plano are not provided thorough access to available funds. Persons may become homeless, who would not otherwise, due to program delays. The City believes that the Plano HPRP program could have reasonably been in operation within the first six months (1/3) of the contract period;
- The City required a job description be submitted as part of your proposal for HPRP funding. Specifically, a job description for "Homeless Prevention and Rapid Rehousing Program Caseworker" dated May 15, 2009 was provided; and
- The City has no program operation timeline for your agency, which was to be sent following the January 25th meeting. The contract, yet the contract timeframe is through March 31, 2011, leaving little more than one year to expend considerable funds.

March 12, 2010:

The City held a mandatory informational meeting for HPRP agencies, and a Salvation Army Plano Corps Officer attended. After the meeting, she submitted the Agency's monthly February 2010 monthly report (due March 3) and a copy of the intake form for the client served on January 13, 2010. Following the meeting, the Officer left a voicemail message for City staff stating that the Dallas Regional office gave them permission to start their HPRP program.

March 15, 2010:

Since City staff had not received a response to the March 10, 2010 email, they mailed and emailed a copy of a contract compliance letter to the Salvation Army Plano, copying the Dallas representatives. The letter stated the following:

"In accordance with Section VI(G) of the contractual agreement between the City of Plano and the Salvation Army Plano office. This is your notice pursuant to 24 CFR 85.43, that your agency has failed to materially comply with the terms established in your contract agreement as follows:

1. Your agency has not hired an HPRP caseworker nor started a Plano HPRP program as described in Exhibit A of the contract agreement; and
2. Your agency has failed to comply with Reporting Requirements set forth in Exhibit B of the contract agreement.

Please provide a written response to this letter and include a statement of your perceived contract compliance status to us within 30 days of the date on this letter."

March 24, 2010:

City staff emailed the Plano Corp Commander and copied the Dallas representatives informing the Agency that City staff would be conducting a monitoring visit on March 31, 2010 of the HPRP client file which the Agency submitted.

March 31, 2010:

City staff arrived at the Salvation Army Plano office and was unable to monitor the Agency because the Plano Commander was not there, as required.

April 1, 2010:

Salvation Army Plano Corp Commander emailed City staff a letter stating that he was unable to be available for the monitoring visit because he had to leave for a meeting. Also, The Area Commander in Dallas was still in the process of securing another HPRP caseworker, but the Plano office was given approval to begin using HPRP funds until a new HPRP caseworker was placed.

City staff responded to Plano Commander's letter thanking him for the correspondence and noted that communication problems continue to exist between City staff and the Agency. The letter ended by requesting that the Agency contact staff to re-schedule the monitoring visit.

April 5, 2010:

March monthly reports were due. The Agency submitted no reports.

April 8, 2010:

The Agency submitted two intake forms for clients assisted on March 16th. The due date for these two forms was March 23, 2010. The Agency submitted one intake form for a client assisted on March 23rd. The due date for the intake forms was March 30, 2010. The Agency submitted one intake form for a household assisted March 29th. The due date for the intake form was April 6, 2010.

April 13, 2010:

City staff monitored the Salvation Army Plano's HPRP program. Per the Plano Corp Commander, eight households were assisted, so City staff reviewed all eight files. Of the eight households that received assistance, only one household assisted met the HPRP eligibility guidelines established by HUD.

April 15, 2010:

Deadline for response to the non-compliance letter passed without correspondence from the Salvation Army. Community Services Manager spoke with the Plano Corp Commander and informed him of our intentions to cancel the contract.

A Resolution of the City Council of the City of Plano, Texas, terminating the contract due to contract noncompliance by and between the Salvation Army and the City of Plano for the Homelessness Prevention and Rapid Re-Housing Program in Plano; approving its execution by the City Manager or in his absence, a Deputy City Manager; and providing an effective date.

WHEREAS, the City Council authorized the City Manager to execute a funding agreement with the Salvation Army for the expenditure of U.S. Department of Housing and Urban Development Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds on September 14, 2009;

WHEREAS, the City determined that the Salvation Army is noncompliant with the reporting rules and guidelines established in the HPRP funding agreement;

WHEREAS, the City notified the agency of the noncompliant determination, requested a written response including a timeline of actions to accomplish compliance, and received no response;

WHEREAS, the City has determined that the Salvation Army is not administering their HPRP program in the intent that HUD set forth for the program;

WHEREAS the City has determined that it is in the best interest of the citizens of Plano that the Homelessness Prevention and Rapid Re-Housing funding agreement with the Salvation Army be terminated.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

SECTION I. - The Homelessness Prevention and Rapid Re-Housing contract with the Salvation Army be terminated.

SECTION II. - This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS 26TH DAY OF APRIL, 2010.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, CITY SECRETARY

Approved as to form:

Diane C. Wetherbee, CITY ATTORNEY