



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



September 26, 1989



Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Application to the Department of Housing and Urban Development (DHUD) for an Allocation under the Section 8 Operation Bootstrap Program; Execution of the Annual Contribution Contract (ACC) and Authorization to Contract for Program Coordination

SUMMARY

This report recommends approval of the Agency's submittal of an application to the Federal Department of Housing and Urban Development (HUD) for Funding of 100 Units Under the Section 8 Operation Bootstrap program.

BACKGROUND

HUD has announced the availability of funds under a new program called Operation Bootstrap. Under this program, HUD will grant new Section 8 Certificates to Public Housing Authorities (PHAs) that develop and implement an innovative program to coordinate housing, education and job training, counseling and placement with support services such as childcare and transportation. The objective of Operation Bootstrap is to enable low income families who are unemployed or underemployed to become economically independent.

Agency staff submitted the application to HUD on deadline August 4, 1989 in response to the Notice of Funds Availability issued by HUD in June, 1989. HUD plans to announce awards of Operation Bootstrap Section 8 Certificates by September 30, 1989.

Also, HUD has required recently a specific resolution adopted by the Governing Board approving the submittal of applications for HUD assistance. In the past Agency applications were submitted to HUD under the authority granted pursuant to a resolution adopted in 1987.

9-26-89 (1)

All Districts

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Because Sacramento has a unique umbrella organization, Sacramento Housing and Redevelopment Agency (SHRA), that provides housing and employment services to low income clients and has a ready network of providers of job training and support services, Operation Bootstrap offers an incentive for better coordination and delivery of existing community services to assist low income families toward self-sufficiency. Assisting low income families to become independent of government assistance programs is the overall goal of Operation Bootstrap which is certainly a major objective of Sacramento Housing and Redevelopment Agency and other local public and private service providers including the County GAIN Program, SETA, and our Job Bank and Enterprise Zone Programs. Thus, the Operation Bootstrap program is readily adaptable to, and will improve, Sacramento's system for delivery of services to low income families.

Sacramento's Goals

The goals of the Sacramento Operation Bootstrap program are:

1. To assist 100 very low income unemployed and/or underemployed individuals and their families toward economic independence from public assistance.
2. To assist these families to become economically independent by efficient and innovative use of existing public and private resources, including but not limited to such local, state and federal programs.
3. To integrate the Section 8 Existing Housing Assistance Payments Program with private and public sector resources to achieve economic independence for program participants.
4. To provide stable rental assistance in quality safe housing near transportation, child care and service centers enabling clients to participate in educational, job training and placement successfully.
5. To document the implementation of a successful Operation Bootstrap program that can be replicated in other communities.

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Coordinating Council

A Coordinating Council has been formed, as required by HUD guidelines, to establish policies, set client selection procedures and monitor and review program performance. The following organizations are represented on Sacramento's Coordinating Council:

- Sacramento Housing and Redevelopment Agency (SHRA)
- Enterprise Zone Program, City and County of Sacramento
- County of Sacramento Department of Social Services - GAIN Program
- Sacramento Metropolitan Chamber of Commerce
- Private Industry Council (PIC)
- Sacramento Employment and Training Agency (SETA)
- Sacramento Apartment Owners Association
- Pacific Coast College
- MVS & Associates - Management Consultant

In addition, a working committee of staff members of these organizations have been working since June 1989 to prepare the application. While many of these staff members have worked together in smaller networks, it was Operation Bootstrap that has brought these representatives together in one forum for the first time. Consequently, discussions have occurred and steps have already been taken to better coordinate and deliver services to clients. This has and will have a positive impact whether or not Operation Bootstrap is approved.

Homeownership

One innovative proposal included in our Operation Bootstrap application is a plan to help up to ten of the families

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participating in the program to purchase a home - the ultimate achievement of economic self-sufficiency. It is proposed that up to ten vacant, boarded homes in target areas, will be purchased and rehabilitated by Sacramento Housing and Redevelopment Agency. Then, the homes will be provided to Operation Bootstrap families, initially, on a lease-purchase basis. Given sufficient time, from two to five years, to secure stable employment and save some funds, families will be able to buy their home. Initial mortgages will be secured by the Section 8 rent subsidies of the tenants and will be held by a local non-profit.

Once a family buys their home, the Section 8 Certificate will be recycled and made available to other low income families who enter the Operation Bootstrap program. This lease-purchase program may serve as a model for helping larger numbers of very low income families to buy a home and become independent of public assistance.

FINANCIAL DATA

If all 100 units proposed in this application are approved the Section 8 Annual Contribution Contract with HUD will yield an additional \$622,800 per year in housing assistance payments for the Sacramento area.

Since it is planned that Operation Bootstrap will be administered by SHRA, there will be a need to hire a program coordinator on a contract basis. The primary function of Operation Bootstrap is coordination of job training, housing, child care and other services between existing local public and private organizations. The proposed 100 Section 8 Certificates applied by the City, plus the 100 units applied for under the County would yield approximately \$96,000 per year in administrative fees. The Agency's Housing Management Division will use the majority of these funds to administer the additional Section 8 Certificates, if they are approved. It is recommended that up to \$35,000 of the new administrative fees be used to fund the proposed Contract Coordinator position which is planned to be assigned to the Enterprise Zone program.

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ENVIRONMENTAL REVIEW

NEPA: Exempt per 24CFR, Part 58.34(a)(3).

CEQA: Exempt per Section 15378(b)(3).

POLICY IMPLICATIONS

The actions proposed herein are consistent with previously approved policy and there are no policy changes being recommended.

VOTE AND RECOMMENDATION OF COMMISSION

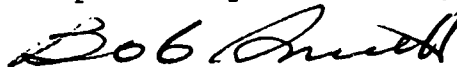
At this regular meeting of Sept. 11, 1989 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Moose, Pernell, Sheldon, Simon, Simpson, Strong,
Wiggins, Wooley, Yew
NOES: None
NOT PRESENT TO VOTE: Amundson
ABSENT: None

RECOMMENDATION

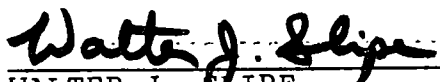
Staff recommends approval of the attached resolution which approves submittal of an application to HUD for the Section 8 Operation Bootstrap program for 100 units (the application was submitted to HUD on August 4, 1989, pursuant to HUD deadlines.); authorizes execution of an Annual Contribution Contract with HUD in the event an award is received; and authorizes the Executive Director to enter into contract for coordinating services to implement the Operation Bootstrap program, if it is funded by HUD.

Respectfully submitted,



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLIPE
City Manager

Contact: John Molloy, 440-1357
2493D

(5)

RESOLUTION NO. 89-040

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO



ON DATE OF _____

SECTION 8 REHABILITATION FUNDING APPLICATION

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: The submission by staff of an application to the U.S. Department of Housing and Urban Development for 100 units under the Section 8 Operation Bootstrap Program is ratified.

Section 2: Upon approval of the application, the Executive Director is hereby authorized to execute an Annual Contribution Contract (ACC) with the U.S. Department of Housing and Urban Development for administration of such Section 8 Operation Bootstrap Program and take all actions necessary to carry out the terms of the ACC.

Section 3: Upon approval of the application, the Executive Director is hereby authorized to take all actions necessary to contract for the services of a Coordinator to implement the Operation Bootstrap Program.

Section 4: The Executive Director may allocate not more than \$40,000 of Section 8 Program administrative fees for the Coordinator Contract.

Section 5: This resolution shall be effective upon its adoption.

CHAIR

ATTEST:

SECRETARY

1100WPP2(430)

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____