



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: February 3, 2004

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Edie Oliveto-Oates, Phone 612-673-5229
Presenter in Committee: Edie Oliveto-Oates

Approved by: Chuck Lutz, Deputy CPED Director _____
Lee Pao Xiong, Director, Housing _____

Subject: Amend 2003 Funding for the School Site Project and authorize contracting for 2004– “Its All About the Kids”

RECOMMENDATION: The Director recommends that the contract with Lutheran Social Services for 2003 be increased by \$37,196 and that the Council authorize CPED to enter into a contract with Lutheran Social Services not to exceed \$194,000 for 2004.

Previous Directives: On July 27, 2001 the City Council approved the appropriation of \$300,000 in Fund FNA for this project. On April 22, 2002 the Board authorized the MCDA to enter into a Grant Agreement with the Youth Coordinating Board to fund the activities of the Minneapolis Redesign over a two-year term for \$172,288. On November 2002 the Board authorized a contract increase with LSS for \$88,730 and reduced the commitment to YCB for Minneapolis Redesign to \$142,162. On January 21, 2003 the Board authorized canceling the contract with YCB and increasing the funding for LSS to \$145,143.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: City Wide

Neighborhood Notification: Not Applicable

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable and meets current needs and promotes future growth. Promote public community and private partnerships to address disparities and support strong healthy families and communities.

Comprehensive Plan: 5.1 - Minneapolis will invest human and financial resources in nurturing healthy children and providing them with a safe school environment.

Zoning Code: Not Applicable

Living Wage/Job Linkage: Not Applicable

Other: Not Applicable

Background/Supporting Information

Project Summary:

The MCDA is working in collaboration with the Minneapolis Public Housing Authority (MPHA), Family Housing Fund, Youth Coordinating Board/Minneapolis Redesign, the Minneapolis Public Schools and Lutheran Social Services on a demonstration project. The focus of the project is to identify affordable, high quality rental housing options for low-income families near the community schools in which their children are enrolled. These families currently live outside of the communities where the school is located and their children are being transported some distances from their homes to their schools. The project has been titled "It's all about the Kids."

The goals of the project are:

- Provide affordable housing options in non-concentrated areas of the City
- Improve school attendance
- Reduce the need for busing by providing diversity in all Minneapolis neighborhoods

The MCDA/CPED has contracted with Lutheran Social Service (LSS) to market the project to landlords and encourage their participation in the Section 8 program overall. In addition LSS provides case management and support to families while preparing to relocate. This preparation includes advocacy in the areas of; credit counseling, budget classes, tenant education classes, or clearing up past legal issues. Families are asked to commit to improving attendance, ultimately striving to reach 95% or better attendance rate for their children and active involvement with school activities i.e. parent teacher conferences and school events.

The project is targeting landlords who have not traditionally been involved with the Section 8 program. The MPHA has reserved 75 section 8 vouchers for this project. The Minneapolis Public Schools are identifying students with attendance issues who are

bused from other neighborhoods and whose families potentially meet Section 8 income requirements.

Funding:

It has been determined that landlords who have never been involved with the Section 8 program may need some assurance that their units will be protected from unusual damage and assistance with minimum rehabilitation necessary to meet Section 8 housing standards. Assistance to landlords has been structured in the form of guarantees and as a grant. The grant is for repairs to insure the unit passes the Section 8 housing standards before the family moves in. Once the unit passes the MPHA inspection the owner is reimbursed for approved repairs. The guarantee is to cover material damages to the unit up to a maximum of \$1,000 when the family vacates the unit. In addition, it is anticipated that the families will need assistance with moving related expenses and security deposits. Since the beginning of this program the partners have approached the Family Housing Fund and received \$340,000 to be spent over 2 years plus an additional \$45,000 for consulting services. These funds are available to fund the landlord participation portion of the project. The MCDA is currently funding LSS for \$145,143. In January 2003 LSS submitted an amended nine-month budget requesting a contract amendment to accommodate this budget. Staff has now determined that the budget increase should have been up to \$182,339. This is an increase of \$37,196. At this time LSS has spent these funds and are anticipating reimbursement.

In addition, during the 2004 budget process the City Council approved \$194,000 for this program. At this time staff is requesting authorization to enter into a contract with LSS for up to \$194,000 to continue with the work on the program. I have attached the scope of work and their 2004 budget.

It's All About the Kids

Lutheran Social Service of Minnesota - Scope of Services
Housing Demonstration Project

The Minneapolis Community Development Agency (MCDA) is contracting with Lutheran Social Service of Minnesota (LSS) to provide owner outreach and intake and case management services in the "*It's All About the Kids*" Demonstration Project.

LSS shall accomplish the following:

1) Owner Outreach Activities

- Enroll new rental property owners into the program
- Maintain a database of all enrolled owners
- Meet individually with interested owners and maintain ongoing relationship
- Maintain involvement in owner organizations and associations
- Sponsor and present at owner functions
- Help mediate owner/tenant conflicts
- Work with family case workers to provide appropriate vacancies for families in need
- Educate owners on the Section 8 process
- Complete pre-Section 8 inspection
- Help coordinate the MPHA to set up and complete the inspection of a unit
- Administer the Family Housing Fund dollars

2) Intake & Assessment Process

- Work with school representatives to facilitate referrals to the project when appropriate
- Complete all intake paperwork
- Process the Landlord Protection Agency (L PA) paperwork
- Verify eligibility for the "Kids" project
- Complete family assessment as appropriate for the "Kids" project
- Coordinate the exchange of information with the caseworker
- Make referrals to the LSS Tenant Education Program and Credit Counseling Services, as needed

4) Case Management

- Establish family plan, making referrals when appropriate
- Work with Owner Outreach Coordinator to identify vacancies in eligible neighborhoods
- Coordinate family activities such as viewing a unit, applying for assistance, etc.
- Orientation to new community and connection to neighborhood resources
- Connect families having a specific need with volunteers who can help fill that need.

3) Administrative Work

- Attend full partner and direct service meetings

- Complete Quarterly Reports
- Administer the Family Housing Fund client assistance dollars
- Ensure completion of Security Deposit, Improvement Grant and Damage Claim forms
- Coordinate/supervise volunteer activities.

“It’s All About the Kids”

Lutheran Social Service

12 Month Budget 1/1/04 - 12/31/04

Salary & Benefits	\$135,003
Supplies	\$ 401
Computer/Communication	\$ 10,224
Training/Recruitment	\$ 4,104
Mileage	\$ 1,752
Rent	\$ 15,776
Client Fees	\$ 5,004
<u>Administration</u>	<u>\$ 22,171</u>
TOTAL	\$194,435

This 12-month budget assumes a 7.08 FTE. The budget reflects a staffing level of a 2.0 FTE Owner Outreach Coordinators, a .30 FTE Intake Worker, 3.0 FTE Case Workers and a .78 FTE program supervisor. The budget also includes a proportional share of staff expenses. It is assumed that this project will be active from 1/1/04-12/31/04.