



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/4/2020
Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Minh Tran - County Executive Officer
Housing and Homeless Services
REPORT BY: Molly Rattigan, Deputy County Executive Officer - 253-4112
SUBJECT: Homeless Housing, Assistance, and Prevention Grant Funds

RECOMMENDATION

Director of Housing and Homeless Services requests the following regarding the Homeless Housing, Assistance and Prevention (HHAP) grant program:

1. Authorization for the Director of Housing and Homeless Services to submit a grant application in the amount of \$351,411 on behalf of Napa County for capital improvements to the South Napa Shelter and rental assistance and housing support services to transitional aged youth; and
2. Authorization for the Director of Housing and Homeless Services to submit a grant application in the amount of \$500,000 on behalf of the Napa City & County Continuum of Care for capital improvements to the South Napa Shelter and rental assistance and housing support for individuals and families experiencing or at-risk of experiencing homelessness; and
3. Authorization for the Director of Housing and Homeless Services or the County Executive Officer to sign subsequent loan documents and agreements with the State of California and the Continuum of Care regarding these two grant applications.

EXECUTIVE SUMMARY

The Homeless Coordinating and Financing Council (HCFC) has made available grant funding for the Homeless Housing, Assistance and Prevention (HHAP) program. HHAP is a \$650 million block grant program designed to provide local jurisdictions with one-time funds to support regional coordination and to expand or develop local capacity to address immediate homelessness challenges throughout the state. Of the \$650 million in one-time funding for local jurisdictions, \$190 million is available to Continuum of Care (CoC's), \$275 million is available for cities or counties that are also counties with populations greater than 300,000, and \$175 million is available to counties. HHAP is authorized by AB 101 (Committee on Budget, Chapter 159, Statutes of 2019), which was signed into law by Governor Gavin Newsom on July 31, 2019.

Today's action authorizes two HHAP applications on behalf of Napa County. County staff have worked with members of the Napa City & County CoC and its leadership to jointly identify eligible projects and activities for the HHAP funding. Further, the Napa City & County CoC authorized the Chair to file its intent to Redirect Program Allocation to Napa County. The combined allocations of CoC and County HHAP funds requested in this application will meet urgent and emerging needs by providing otherwise unavailable funds to expand emergency shelter capacity and operation, as well as develop new, dedicated programs for youth homelessness prevention and/or rapid resolution.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	State Funds
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item is discretionary in that there is no mandate to accept HHAP funds. Napa County has been allocated these flexible funds to assist the community with addressing needs of the homeless population. Staff has identified eligible expenditures, including upgrades and expansion of the South Napa Shelter capacity.
Is the general fund affected?	Yes
Future fiscal impact:	Funds will likely be expended through Fiscal Year 2022-2023.
Consequences if not approved:	If this item is not approved, Napa County will not receive state allocated funding for homeless services.
County Strategic Plan pillar addressed:	Healthy, Safe, and Welcoming Place to Live, Work, and Visit
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The HHAP program was signed into law on July 31, 2019 by Governor Gavin Newsom. HHAP is a \$650 million one-time block grant that provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address immediate homelessness challenges.

The HHAP program requires grantees to expend funds on evidence-based solutions that address and prevent homelessness among eligible populations. As stated in HSC § 50219(c)(1-8), funds shall be expended on any of the following:

1. Rental assistance and rapid rehousing.
2. Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.
3. Landlord Incentives (including, but not limited to, security deposits and holding fees).
4. Outreach and coordination (which may include access to jobs programs) to assist vulnerable populations in accessing permanent housing and to promote housing stability in supportive housing.
5. Systems support for activities necessary to create regional partnership and maintain a homeless services and housing delivery system particularly for vulnerable populations including families and homeless youth.
6. Delivery of permanent housing and innovative housing solutions (such as hotel and motel conversion).
7. Prevention and shelter diversion to permanent housing.
8. New navigation centers and emergency shelters based on demonstrated need.

Demonstrated need for new navigation centers and emergency shelters shall be based on the following:

1. The number of available shelter beds in a jurisdiction;
2. The shelter vacancy rate in the summer and winter months;
3. The percentage of exits from emergency shelter to permanent housing solutions; and
4. A plan to connect residents to permanent housing.

Additionally, HSC 50218(b) mandates that grantees use **at least 8 percent** of their funds for services specific to the needs of homeless youth. Applicants are also allowed to use funds for the following:

1. Up to five percent of an applicants program allocation may expended on a strategic homelessness plan and/or infrastructure development to support a Coordinated Entry System (CES) or Homeless Management Information System (HMIS).
2. Up to seven percent of a program allocation may be used for a jurisdiction's administrative costs incurred to administer the funds. This does not include staff costs or other costs directly related to implementing or carrying out activities funded by program allocation.

In addition, grantees shall not use HHAP grant program funding to supplant existing local funds for homeless housing, assistance, or prevention.

Eligible Applicants

Eligible applicants for HHAP funding include the 44 Continuums of Care (CoC's), 58 Counties, and 13 largest cities with populations greater than 300,000 (as of January 1, 2019) in the state. Individuals, cities not identified as one of the 13 largest cities, and nonprofit organizations are not eligible to apply directly.

In designing the program, HCFC acknowledged there are jurisdictions that want to redirect their HHAP program allocations to their partnering CoC, large City or County. Therefore, in lieu of directly applying for their program allocation, eligible applicants may redirect their HHAP program allocation to another eligible applicant in their same region. The Napa City and County CoC has opted to redirect their allocation to the County of Napa.

Expenditure Deadlines

Counties must contractually obligate their full program allocation, and CoC's must contractually obligate no less than fifty percent of program allocations, on or before May 31, 2023. All HHAP program funds must be fully expended by June 30, 2025.

Local HHAP Grant Allocations

Napa City & County CoC Allocation: \$500,000.00

Napa County Allocation: \$351,410.70

Proposed Grant Applications

The proposed applications for Napa County and the Napa CoC will focus on completing the necessary repairs and upgrades to the South Napa Shelter and Day Center to increase the overnight capacity by approximately 20 individuals. The South Napa Shelter currently serves 69 overnight guests and provides hygiene, food, medical and case management services to additional clients during the daytime hours. The facility was not built to handle the existing caseload and needs upgrades, particularly restroom facility upgrades, to continue to provide services to the current caseload. Additionally, on any given day there is a waiting list for overnight beds at the South Napa Shelter. Staff has worked with the Fire Marshal and Public Works that the overnight capacity can increase if additional shower facilities can be added. The County recently contracted with an architecture firm to study the feasibility of upgrades to the facility. Additional upgrades will be made to the laundry services and kitchen services as part of this grant.

Remaining funds and funds designated for the youth-set aside will provide rental assistance and other flexible housing funds to assist clients with long-term and successful housing solutions.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi