

City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 19, 2024

FROM: HOUSING AND HUMAN SERVICES WARDS: ALL

SUBJECT: APPROVE THE CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS REGIONALLY COORDINATED HOMELESS HOUSING, ASSISTANCE AND PREVENTION ROUND 5 FUNDING PLAN FOR THE CITY'S DIRECT GRANT ALLOCATION OF \$10,858,024.16

ISSUES:

Approve the submission of the Regionally Coordinated Homeless Housing, Assistance and Prevention Round 5 funding plan for the City's direct grant allocation of \$10,858,024.16 from the California Interagency Council on Homelessness.

RECOMMENDATIONS:

That the City Council:

1. Approve the submission of the Coordinated Homeless Housing, Assistance and Prevention Round 5 funding plan for the City's direct grant allocation of \$10,858,024.16 from the California Interagency Council on Homelessness; and
2. Authorize the City Manager, or designee, to sign the Standard Agreement for the Homeless Housing, Assistance and Prevention Round 5 and other grant-related documents required to secure and administer the grant funds; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue and appropriate expenditures in an amount equal to the grant award, in the Developments Grants Fund, HHAP 5 Grant Program, revenue and expenditure accounts.

BACKGROUND:

On September 29, 2023, the California Interagency Council on Homelessness (Cal ICH) released the Regionally Coordinated Homeless Housing, Assistance and Prevention (HHAP) Round 5 Notice of Funding Availability, which applications are due on March 27, 2024.

For the HHAP 5 application, regions must:

1. Apply as part of a region.

2. Be signatory to a Regionally Coordinated Homelessness Action Plan.
3. Engage key stakeholders during the development of the Regionally Coordinated Homelessness Action Plan.
4. Become part of a Regional Memorandum of Understanding (MOU).
5. Submit a complete HHAP 5 application and work with Cal ICH through any subsequent amendment requests.
6. Post the Regionally Coordinated Homelessness Action Plan to their website.

The State's priority for HHAP 5 funding is to sustain existing federal, state, and local investments towards long-term sustainability of housing and supportive services; and prioritize permanent housing solutions. HHAP 5 must effectively address and end people's experience of homelessness. HHAP 5 statute organizes the eligible use categories into three conceptual groups which include:

- Permanent Housing
- Interim Housing
- Services and Systems Support

HHAP 5 placed a limitation on new interim housing solutions. Before proposing to use HHAP 5 resources to fund interim housing solutions, the region must demonstrate that they have dedicated sufficient resources from other sources to long-term permanent housing solutions, including capital and operating costs.

A breakdown of the HHAP 5 eligible use categories is shown in Attachment 1.

On February 2, 2024, Cal ICH released the HHAP Round 5 allocation chart that identifies the following direct grant allocations within Riverside County.

- City of Riverside: \$10,858,024.16
- Riverside County: \$5,139,100.50
- Riverside City and County Continuum of Care: \$5,356,513.81

At least ten percent (10%) of the HHAP 5 allocation must be used for services for homeless youth and up to ten percent (10%) of the allocation can be used for administration costs.

Upon approval of the Riverside region's HHAP 5 application and the execution of a Standard Agreement, the City will receive 50% of its HHAP 5 grant. To receive the remaining grant award, the City must demonstrate sufficient spenddown of its first initial allocation and receive approval for the Regionally Coordinated Homelessness Action Plan.

COMMITTEE RECOMMENDATION:

On February 26, 2024, the Housing and Homelessness Committee members, including Chair Erin Edwards, Vice Chair Gaby Plascencia, and Member Clarissa Cervantes, met to review and conceptually approve the HHAP 5 Funding Plan. The Committee conceptually approved the HHAP 5 Funding Plan that includes allocating \$2,500,000 for Rapid Rehousing, \$772,221.75 for Prevention and Shelter Diversion, \$2,500,000 for Delivery of Permanent Housing and Innovative Housing Solutions, \$3,500,000 for Operating Subsidies – Interim Housing, \$750,000 for Services Coordination, \$585,802.41 for Administration, and \$250,000 for Homeless Management Information System.

DISCUSSION:

During the months of October and November, staff conducted budget workshops titled “Your Money, Your Voice.” The budget outreach meetings were paired with community engagement on the HHAP 5 grant. Attendees were provided with a survey to identify how to best allocate HHAP 5 grant funds.

The survey results are as follows:

1. Permanent Housing

- a. Prevention and Shelter Diversion
 - i. Homeless prevention through rental assistance.
 - ii. Problem-solving and diversion support programs that prevent people at risk of or recently experiencing homelessness from entering unsheltered or sheltered homelessness.
- b. Rental Assistance
 - i. Rental subsidies
 - ii. Landlord Incentives (security deposits, holding fees, funding for needed repairs, and recruitment and relationship management costs.
 - iii. Move-in expenses

2. Interim Housing

- a. Improvements to Existing Interim Housing
 - i. Maintenance of an interim housing facility.
 - ii. Minor/major rehabilitation of an interim housing facility.
 - iii. Major/minor conversion, additions, updates, and/or enhancements that lower barrier and/or increase privacy.

3. Services and Systems Support

- a. Street outreach
- b. Services Coordination
 - i. Access to workforce, education, and training programs and legal/advocacy services.
 - ii. Individual counseling and service planning.
 - iii. Other services needed to promote housing stability in supportive housing.

Based on Cal ICH’s priorities and the responses from the community survey, staff is recommending allocating HHAP 5 grant funds in the following categories:

Eligible Use Category	Dollars Budgeted	If applicable, Dollars Budgeted for the Youth Set-Aside
Rapid Rehousing	\$ 2,500,000.00	\$1,085,802.42 (10% allocation requirement)
Prevention and Shelter Diversion	\$ 772,221.75	\$0
Delivery of Permanent Housing and Innovative Housing Solutions	\$ 2,500,000.00	\$0
Operating Subsidies -Permanent Housing	\$0	\$0

Operating Subsidies - Interim Housing	\$ 3,500,000.00	\$0
Improvements to Existing Interim Housing	\$0	\$0
Interim Housing	\$0	\$0
Street Outreach	\$0	\$0
Services Coordination	\$ 750,000.00	\$0
Systems Support	\$0	\$0
Administrative Costs	\$ 585,802.41	
Additional 1% for HMIS	\$ 250,000.00	
Total	\$10,858,024.16	\$1,085,802.42

Staff’s recommendation includes allocating the following:

- Operating Subsidies – Interim Housing to cover operating costs for Bridge Housing Program operations for the City’s 23 non-congregate shelter beds and Path of Life Emergency Shelter;
- Delivery of Permanent Housing and Innovative Housing Solutions for the development of permanent housing; and
- Services Coordination to fund Project Connect that connects justice involved individuals with resources to help them achieve housing stability and self-sufficiency.

The County of Riverside is drafting the MOU that must be signed by each participating applicant committing to participate in and complying with the Regionally Coordinated Homelessness Action Plan, which will include the City of Riverside. The MOU will identify the Regionally Coordinated Homelessness Action Plan is the County of Riverside Department of Housing and Workforce Solutions and Continuum of Care’s Homelessness Action Plan (Attachment 2), which the City’s Homelessness Action Plan (Attachment 3) action items support many of the goals highlighted in the County’s Homelessness Action Plan and will be refenced in the MOU.

On February 21, 2024, staff attended the Riverside County Continuum of Care’s virtual HHAP 5 planning session that was held to receive feedback from CoC members and individuals with lived experience on the HHAP 5 grant. The sessions focused on reviewing prior strategies and recommending new strategies to achieve the State’s outcome goals. For example, one goal was to address homeless prevention at the root cause. However, it is unknow at this time what the root causes are based on data that needs to be collected from program participants and reported in the Homeless Management Information System. The County is working on finalizing the HHAP 5 strategies that will incorporate the City’s strategies developed in 2023 under the HHAP 4 grant. Once these strategies have been completed, they will be shared on the City’s website.

STRATEGIC PLAN ALIGNMENT:

This item contributes to:

- (1) **Strategic Priority 2 – Community Well-Being** and the following goals:
 - a. **Goal No. 2.1**, facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels; and

b. **Goal No. 2.2**, collaborate with partner agencies to improve household resiliency and reduce the incidence of homelessness.

(2) **Strategic Priority 5 – High Performing Government** and **Goal No 5.3**, enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making.

This item aligns with Each of the five Cross-Cutting Threads as follows:

1. **Community Trust** –The City conducted community meetings to obtain input on the HHAP 5 funding plan.
2. **Equity** –Riverside residents will have equal access to the programs that will be funded through the HHAP 5 grant.
3. **Fiscal Responsibility** – The City will ensure that the HHAP 5 grant funds will be used in accordance with the state program regulations including funding evidence-based programs serving people experiencing homelessness among eligible populations.
4. **Innovation** –The HHAP 5 grant will provide the City with the ability to support innovative programs that address gaps in our homeless system of care.
5. **Sustainability & Resiliency** – The HHAP 5 grant funds will provide funding to meet the gaps in our homeless system of care and adapt to the needs of our homeless population and service providers.

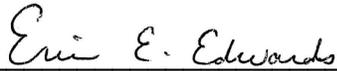
FISCAL IMPACT:

The fiscal impact of this action is \$10,858,024.16. Upon grant award and Council approval an increase in revenue and a supplemental appropriation in the amount of the grant award as indicated in the table below. There is no City match required for this grant.

Fund	Account Name	Account Number	Amount
Revenue			
Development Grants	HHS Grants Revenue	9351000-334100	\$10,858,024.16
Expenditures			
Development Grants	Rapid Rehousing	9351010-440210	\$2,500,000.00
	Prevention and Shelter Diversion	9351020-440210	\$772,221.75
	Delivery of Permanent Housing and Innovative Housing Solutions	9351030-440210	\$3,000,000.00
	Operating Subsidies – Interim Housing	9351040-440210	\$2,500,000.00
	Service Coordination	9351050-440210	\$750,000.00
	Administrative Costs	9351060-440210	\$1,085,802.41
	HMIS	9351070-440210	\$250,000.00
Total Expenditures			\$10,858,024.16

Prepared by: Michelle Davis, Housing and Human Services Director
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Mike Futrell, City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Concurs with;



Erin Edwards, Chair
Housing and Homelessness Committee

Attachments:

1. HHAP 5 Eligible Use Categories
2. County of Riverside Department of Housing and Workforce Solutions and Continuum of Care's Homelessness Action Plan Presentation
3. City of Riverside Homelessness Action Plan
4. Presentation