



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 28, 2022

FROM: OFFICE OF HOMELESS SOLUTIONS WARDS: ALL

SUBJECT: FIVE-YEAR PLAN TO REDUCE HOMELESSNESS, INCLUDING THE HOMELESS HOUSING, ASSISTANCE AND PREVENTION-3 AND HOME INVESTMENT PARTNERSHIPS-AMERICAN RESCUE PLAN DRAFT REGIONAL OUTCOME GOALS AND PROPOSED AMENDMENT TO THE CITY OF RIVERSIDE 2021-2022 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ANNUAL ACTION PLAN FOR THE ALLOCATION OF \$4,335,583 OF HOME INVESTMENT PARTNERSHIPS PROGRAM-AMERICAN RESCUE PLAN GRANT FUNDS – PUBLIC HEARING - SUPPLEMENTAL APPROPRIATION

ISSUES:

Review and provide input to the draft Five-Year Plan to Reduce Homelessness, including the Homeless Housing, Assistance and Prevention-3 and HOME Investment Partnerships-American Rescue Plan regional outcome goals and required and the HOME Investment Partnerships Program- American Rescue Plan allocation plan; and Approve a Substantial Amendment to the City of Riverside 2021-2022 United States Department of Housing and Urban Development Annual Action Plan for the allocation of \$4,335,583 of HOME Investment Partnerships Program-American Rescue Plan grant funds.

RECOMMENDATIONS:

That the City Council:

1. Conduct a public hearing as required by the United States of Housing and Urban Development HOME Investment Partnerships Program-American Rescue Plan regulations;
2. Review and provide input to the Five-Year Plan to Reduce Homelessness, including the Homeless Housing, Assistance and Prevention-3 and HOME Investment Partnerships-American Rescue Plan regional outcome goals as required by the State of California Interagency Council on Homelessness;
3. Approve a Substantial Amendment to the City of Riverside 2021-2022 United States Department of Housing and Urban Development Annual Action Plan for the allocation of \$4,335,583 of HOME Investment Partnerships Program-American Rescue Plan grant funds;

4. Adopt the HOME Investment Partnerships Program-American Rescue Plan allocation plan required by the United States of Housing and Urban Development HOME Investment Partnerships Program-American Rescue Plan regulations; and
5. With at least five affirmative votes, authorize an increase in revenue and appropriation expenditures in the amount of \$4,335,583 in the HOME Investment Partnership Program Fund, HOME Investment Partnership Program.

BACKGROUND:

Five-Year Plan to Reduce Homelessness

The City of Riverside's Office of Homeless Solutions, in collaboration with the Housing and Homelessness Committee, is working toward a Five-Year Plan to Reduce Homelessness (Five-Year Plan) in the City. The City is building from the Envision Riverside 2025 Strategic Plan, the Housing & Homelessness Committee's FY 2021/22 goals, and the City's Housing First Policy. The plan will center around pillars that work to prevent homelessness, increase housing production and affordability, increase shelter beds and services, build a regional infrastructure with other jurisdictions and organizations, expand public awareness about homelessness and housing, and identify funding opportunities. The plan will encompass: 1) Homeless Housing, Assistance and Prevention-3 (HHAP-3) funding requirements, goals, strategies, and application, HOME Investment Partnership Program-American Rescue Plan (HOME-ARP) planning requirements, and 3) goals to be carried out during the Five-Year Plan.

HHAP-3

The State of California's Interagency Council on Homelessness (Cal ICH) has made available a third round of HHAP-3. The third round of HHAP funding is a \$1-billion-dollar block grant authorized by AB 140 which was signed into law by Governor Gavin Newsom on July 19, 2021. HHAP Round 3 is designed to build on regional coordination developed through previous rounds of funding, including the Homeless Emergency Aid Program (HEAP), HHAP rounds 1 and 2, and COVID-19 funding. HHAP-3 should be used to continue to build regional coordination and a unified regional response to reduce and end homelessness informed by a best-practices framework focused on moving individuals and families experiencing homelessness into permanent housing and supporting efforts to help those households maintain their permanent housing. The state expects applicants to:

- Strategically pair these funds with other local, state, and federal funds to reduce and end homelessness.
- Demonstrate a commitment to address racial disproportionately in homeless populations and achieve equitable provision of services and outcomes for Black, Native and Indigenous, Latinx, Asian, Pacific Islanders, and other People of Color who are disproportionately impacted by homelessness.
- Establish a mechanism for people with lived experience of homelessness to have

meaningful and purposeful opportunities to inform and shape all levels of planning and implementation.

- Fund projects that provide housing and services that are Housing First compliant and delivered in a low-barrier, trauma-informed, and culturally responsive manner.

On October 12, 2021, the City Council adopted a resolution authorizing the City to submit a Standard Agreement to Apply for \$8,433,288.22 of HHAP-3 funds and authorized an increase in revenues and appropriate expenditures in an amount equal to \$ 8,433,288.22 in the Development Grants Fund, HHAP3 Grants Program. The Standard Agreement A maximum of 7% may be used to support administrative activities. At least 10% of HHAP-3 funds must be allocated to serve youth experiencing homelessness. HHAP-3 funds must be fully expended by June 30, 2026.

On June 5, 2022, staff received the executed Standard Agreement for the initial disbursement of \$1,686,657.64 of HHAP-3 grant funds from the State of California. The remaining grant funds will be provided to the City after the following have occurred: (1) City submits the HHAP-3 application and local homeless action plan to the State, (2) State has approved the City's HHAP-3 application and local homeless action plan, and (3) Standard Agreement for the remaining grant funds has been executed.

HOME-ARP

The City of Riverside has been allocated \$4,335,583 of HOME-ARP funding from the US Department of Housing and Urban Development (HUD). To receive the HOME-ARP allocation, the City must develop a HOME-ARP allocation plan that will become part of the City's FY 2021/22 HUD Annual Action Plan by substantial amendment.

To ensure broad input into the HOME-ARP Allocation Plan from stakeholders and the public, the City is conducting the following: engaging in consultation with stakeholders and the public, including in-person and virtual consultation sessions, the homeless task force, a 15-day public comment period, and a public hearing.

HOUSING AND HOMELESSNESS COMMITTEE:

On June 8, 2022, the Office of Homeless Solutions presented the draft Five-Year Plan to Reduce Homelessness, HHAP-3, and HOME-ARP to the Housing and Homelessness Committee during a special meeting. Over several months the OHS engaged experts in the field, community members, and end-users to gather quantitative and qualitative data that informed the OHS of the importance of identifying gaps and the focus on addressing subpopulations. Further, the 2022 Point-in-Time Count data weaved into the information collected from stakeholders supported the creation of new goals the City intends to implement intentionally. Two members of the Housing and Homelessness Committee, Chair Edwards and Committee Member Cervantes, voted to move the Five-Year Plan to Reduce Homelessness, HHAP-3, and HOME-ARP along to the City Council with recommendations of incorporating feedback received and working with Chair Edwards for continued leadership and support during the process.

DISCUSSION:

In order to ensure the Five-Year Plan reflects the needs of Riverside's residents, the City held three hybrid community meetings (simultaneously in-person and on Zoom) to inform the community about the Five-Year Plan, obtain feedback on the proposed pillars and the activities within the pillars and prioritize activities for HHAP-3 and HOME-ARP funding. These community meetings featured both Spanish and American Sign Language (ASL) interpretations. The City also hosted three Homeless Task Force meetings via Zoom and invited leaders and front-line staff who work with the homeless population and extremely low- to low-income residents to provide input on how to craft a feasible and useful Five-Year Plan.

The three major themes of the community meetings and the task force meetings were: (1) the need to prioritize vulnerable groups experiencing homelessness; (2) supporting creative housing and low barrier shelter options; and (3) getting all hands-on deck to help with the homelessness crisis. The meeting attendees also supported the following six goals to address homelessness:

- (1) Increase housing production with a focus on affordability;
- (2) Availability of services, with a focus on physical and mental health substance use disorder treatment;
- (3) Prevent homelessness;
- (4) Increase availability and effectiveness of emergency shelters;
- (5) Expand public awareness; and
- (6) Build a coordinated regional infrastructure.

The draft Five-Year Plan to Reduce Homelessness (Attachment 1) includes each goal and the corresponding new program and policy deliverables, partnerships, city department leads, leveraged city resources, timelines, and goal alignments.

To receive the HHAP-3 grant funds, the City must submit a local homelessness action plan and HHAP-3 application (Attachment 2) by June 30, 2022. The HHAP-3 application, a component of the Five-Year Plan, requires regional collaboration with the County and Continuum of Care (CoC) to complete the eight tables included in the application. Applicants are required to submit a landscape analysis of the needs and demographics of people experiencing homelessness within the City and throughout the region. The landscape analysis includes a breakdown of who is being served by which programs and all funding sources leveraged to support the homeless and housing response system.

Development of regional outcome goals based on baseline data submitted by Continuums of Care through the State's Homeless Data Integration System (HDIS) is required. Communities that achieve their regional goals will be eligible for bonus funding. In addition to the establishment of regional outcome goals, applicants are required to develop strategies that will be leveraged to facilitate the achievement of outcome goals. In alignment with the developed outcome goals and strategies, applicants will submit a budget of planned expenditure of HHAP-3 funds.

On April 7, 2022, the state released the outcome goals shown in Attachment 3 that grantees must identify within their Local Homelessness Action Plan to specify the amount of change that is expected to occur on each of the six performance measures related to preventing and reducing homelessness as well as how those goals apply to disproportionately impacted populations. The City met with the County and Continuum of Care to draft the outcome goals for community input that are ambitious but achievable and will further progress in the Five- Year Plan.

Staff is recommending that the following activities be considered for HHAP-3 and HOME-ARP funding:

1. Development of affordable housing
2. Emergency shelter development and operations
3. Rental Assistance
4. Homeless Prevention
5. Outreach Services

The HOME-ARP allocation plan (Attachment 4) includes a needs assessment and gap analysis along with the following proposed use of HOME-ARP funding.

Activity	Funding Amount	Percent of Allocation	Statutory Limit
Tenant-based Rental Assistance	\$300,000	7%	
Rental Housing	\$3,818,803.85	88%	
Administration and Planning	\$ 216,779.15	5%	15%
Total HOME-ARP Allocation	\$4,335,583.00	100%	

Staff is recommending the following HHAP funding expenditure plan:

Activity	Funding Amount	Percent of Allocation	Statutory Limit
Rapid Rehousing	\$1,443,328.80	17.1%	Includes 10% youth set-aside allocation
Operating subsidies	\$1,200,000.00	14.2%	
Street Outreach	\$609,629.26	7.2%	
Service Coordination	\$400,000.00	4.8%	
System Support	\$30,000.00	0.4%	
Prevention and shelter diversion	\$160,000.00	1.9%	
Interim sheltering	\$4,000,000.00	47.4%	
Administration and Planning	\$590,330.16	7%	7%
Total HOME-ARP Allocation	\$8,443,288.22	100%	

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;
 - b. **Goal No. 2.2**, collaborate with partner agencies to improve household resiliency and reduce the incidence; and
 - c. **Goal No. 2.3**, strengthen neighborhood identities and improve community health and the physical environment through amenities and programs that foster an increased sense of community and enhanced feelings of pride and belonging citywide.
- (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.

The item aligns with each of the five Cross -Cutting Threads as follows:

1. **Community Trust** — The City conducted community meetings and reestablished the Homeless Task Force to assist with drafting the Five -Year Plan.
2. **Equity** — Riverside residents will have equal access to the programs that will be supported through the Five -Year Plan.
3. **Fiscal Responsibility** —The City will ensure that the HHAP 3 and HOME-ARP grant funds will be used in accordance with the state and federal program regulations including funding evidence -based programs serving people experiencing homelessness among eligible populations.
4. **Innovation** — The Five -Year Plan provides the City with the ability to support innovative programs that address gaps in our homeless system of care.
5. **Sustainability & Resiliency** — The HHAP 3 and HOME -ARP 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 recommendation is \$4,335,583 of HOME Investment Partnerships Program-American Rescue Plan grant funds. Upon City Council approval, an increase will be recorded in revenues and appropriations in the amount of \$4,335,583 in the HOME Investment Partnership Program Fund, HOME Investment Partnership Program, Unprogrammed Funds account no. 2835200- 453001.

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Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Finance Officer/City Treasurer
Approved by: Edward Enriquez, Interim Assistant City Manager/Chief Finance Officer/City Treasurer
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Draft Five-Year Plan to Reduce Homelessness
2. HHAP-3 Application
3. HHAP-3 Outcome Goals
4. HOME-ARP Allocation Plan
5. Presentation