



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: NOVEMBER 22, 2022**
FROM: OFFICE OF HOMELESS SOLUTIONS **WARDS: ALL**
SUBJECT: CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS, HOMELESS HOUSING, ASSISTANCE AND PREVENTION ROUND 4 FUNDING APPLICATION AND GRANT ACCEPTANCE – SUPPLEMENTAL APPROPRIATION

ISSUE:

Approve the submission of the Homeless Housing, Assistance and Prevention Round 4 funding application to the California Interagency Council on Homelessness, accept the grant award, and appropriate grant funds into fiscal accounts

RECOMMENDATION:

That the City Council:

1. Approve the submission of the Homeless Housing, Assistance and Prevention Round 4 funding application to the California Interagency Council on Homelessness and accept the grant award.
2. Authorize the City Manager, or designee, to sign the Standard Agreement for the Homeless Housing, Assistance and Prevention Round 4 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 pending state grant award, in the Developments Grants Fund, HHAP 4 Grant Program.

BACKGROUND:

On October 12, 2021, the City Council authorized the submission of a Standard Agreement to Apply for \$8,433,288.22 of Homeless Housing, Assistance and Prevention (HHAP) Round 3 grant funds to be allocated as follows:

Activity	Funding Allocation
Rapid Re-Housing	\$1,443,328.80
Operating subsidies	\$1,200,000.00
Street Outreach	\$ 609,629.26
Services Coordination	\$ 400,000.00
Systems Support	\$ 30,000.00
Prevention and Shelter Diversion	\$ 160,000.00
Interim sheltering	\$4,000,000.00
Administration	\$ 590,330.16
Total HHAP-3 Grant	\$8,433,288.22

On May 3, 2022, the Standard Agreement for the initial disbursement of \$1,686,657.64 was executed. These funds were earmarked to support the Project Connect Program that connects homeless individuals who are released from the Robert Presley Detention Center with programs and resources including shelter, interim housing, social welfare programs, and physical or mental health care services and the design-build of an emergency alternative housing site at 670 Iowa Avenue.

On June 28, 2022, the Office of Homeless Solutions presented the draft Homelessness Action Plan, HHAP-3, and HOME-ARP to City Council. Over several months the Office of Homeless Solutions (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 with a focus on addressing subpopulations. Further, data from the 2022 Point-in-Time Count, woven into information collected from stakeholders, supported the creation of new goals that the City intends to implement intentionally. Recommendations by City Council included coordination between the City and County to provide joint efforts to address homelessness across the City, preventing lawlessness and ensuring safety for all, review of the Crime Free Multi-Housing Program, affordable for sale options, and differentiation between CARE Court and HOME Court.

On June 29, 2022, the City submitted to Cal ICH the HHAP-3 grant application and draft Homeless Action Plan. The plan leverages goals and activities identified by the Housing & Homelessness Committee, Homelessness Task Force, the community, end-users, experts, and other stakeholders. The goals and activities work toward homelessness prevention, increased housing production and affordability, increased shelter beds and services as well as a regional infrastructure with other jurisdictions and organizations, expanding public awareness about homelessness and housing, and identification of funding opportunities. On October 11, 2022, the City Council adopted the Homelessness Action Plan.

On November 3, 2022, Governor Newsom released a press release announcing that he will convene local leaders in mid-November to review the state's collective approach to homelessness and identify new strategies to better address the growing homelessness crisis. Until this convening, the state has placed a hold on funding of the remaining HHAP 3 grants.

DISCUSSION:

On September 30, 2022, Cal ICH released the HHAP Round 4 (HHAP-4) grant application, which is due on November 29, 2022. Per Health and Safety Code Section 50220.8(b)(4), the applicant's application for HHAP-4 needs to be agendized at a regular meeting of the governing body, including receiving public comment, before being submitted to Cal ICH.

The HHAP-4 application requires the applicant to establish outcome goals using the Calendar

Year 2021 Baseline Data, which is generated from the State's Homeless Data Integration System (HDIS) and reflects data from the Riverside County Continuum of Care.

Once the Annual Homeless Assessment Report (AHAR) has been released by the U.S. Department of Housing and Urban Development, Cal ICH will then calculate the grantees HHAP-4 funding allocations. The AHAR is expected to be released in January 2023.

Upon approval of the City's HHAP-4 application and execution of the HHAP-4 disbursement contract, the City will receive 50% of its HHAP-4 funding allocation. The second disbursement will be provided upon confirmation of having contractually obligated 75% and expended 50% of the HHAP-4 first disbursement.

The following activities are eligible under the HHAP-4 grant.

1. Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.
2. Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.
3. Street outreach to assist persons experiencing homelessness to access permanent housing and services.
4. Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.
5. Systems support for activities necessary to create regional partnerships 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 conversions.
7. Prevention and shelter diversion to permanent housing, including rental subsidies.
8. Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing non-congregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:
 - a. The number of available shelter beds in the city, county, or region served by a continuum of care.
 - b. The number of people experiencing unsheltered homelessness in the homeless point-in-time count.
 - c. Shelter vacancy rate in the summer and winter months.
 - d. Percentage of exits from emergency shelters to permanent housing solutions.
 - e. A plan to connect residents to permanent housing.
 - f. Any new interim sheltering funded by round 4 funds must be low barrier, comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division

8 of the Welfare and Institutions Code, and prioritize interventions other than congregate shelters.

9. Improvements to existing emergency shelters to lower barriers and increase privacy.

Staff is recommending allocating the HHAP-4 grant to the following activities.

Activity	Percentage of Grant Allocation
Rapid Re-Housing	18%
Operating Subsidy	14%
Street Outreach	7%
Services Coordination	3%
System Support	1%
Prevention & Shelter Diversion	2%
Delivery of Permanent Housing	48%
Administration & Planning	7%

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 belongings 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 Homelessness Action Plan which goals align with the HHAP-4 funding recommendations.
2. **Equity** - Riverside residents will have equal access to the programs that will be funded through the HHAP-4 grant.
3. **Fiscal Responsibility** -The City will ensure that the HHAP 4 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-4 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 4 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 total fiscal impact of the action is unknown at this time. The grant application is requesting applicants to identify the eligible categories for which proposed activities will be funded and at what percentage. Upon Council approval, the grant amount awarded will be distributed along the percentages laid out in the account numbers as per the table below.

Fund	Account Name	Account Number	Percentage of Grant
Revenue			
Development Grants	Development Grants Revenue	2875000-331100	100%
Expenditures			
Development Grants	Rapid Re-Housing	9347500-440210	18%
	Operating Subsidy	9347510-440210	14%
	Street Outreach	9347520-440210	7%
	Services Coordination	9347530-440210	3%
	Systems Support	9347540-440210	1%
	Prevention & Shelter Diversion	9347550-440210	2%
	Delivery of Permanent Housing	9347560-440210	48%
	Administration & Planning	9347570-440210	7%
Total Expenditures:			100%

Prepared by: Lorissa Villarreal, Homeless Solutions Officer
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
 Approved by: Edward Enriquez, Interim Assistant City Manager
 Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. HHAP-4 Application Tables
2. Presentation