



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 19, 2021

FROM: OFFICE OF HOMELESS SOLUTIONS WARDS: ALL

SUBJECT: GRANT APPLICATION FOR THE STATE OF CALIFORNIA HOMELESS HOUSING, ASSISTANCE AND PREVENTION PROGRAM ROUND 2 FUNDING IN THE AMOUNT OF \$3,262,879 TO PROVIDE HOMELESS AND HOUSING SERVICES - SUPPLEMENTAL APPROPRIATION

ISSUE:

Authorize the submission of a grant application to the State of California for the Homeless Housing, Assistance and Prevention Program Round 2 funding in the amount of \$3,262,879 to provide homeless and housing services in the City of Riverside.

RECOMMENDATIONS:

That the City Council:

1. Authorize the submission of a grant application to the State of California for the Homeless Housing, Assistance and Prevention Program Round 2 funding in the amount of \$3,262,879 to provide homeless and housing services in the City of Riverside that include the recommendations provided by the Housing and Homelessness Committee;
2. Upon grant award, authorize the acceptance of the Homeless Housing, Assistance and Prevention Program Round 2 grant award from the State of California, including amounts lesser or greater than the amount applied for;
3. Upon grant award, authorize an increase in revenue in the amount awarded to the Development Grants Fund, HHAP2 Program Account No. 9343200-334100 and appropriate expenditures in the same fund and amount to the accounts identified under the Fiscal Impact section of this report;
4. Authorize the City Manager, or his designee, to execute all grant documents related to the Homeless Housing, Assistance and Prevention Program Round 2, including making minor, non-substantive changes;
5. Authorize the City Manager, or his designee, to execute grant subrecipient documents with City Net in an amount not to exceed \$1,000,000 for the operations of the Pallet Shelters; and
6. Authorize the City Manager, or his designee, to execute grant subrecipient documents with Mercy House in an amount not to exceed \$1,000,000 for the operations of the Bridge Housing Program.

COMMITTEE RECOMMENDATIONS:

On January 4, 2021, the Housing and Homelessness Committee met with Chair Edwards, Vice-Chair Melendrez, and Member Plascencia present to consider the Grant Application to State of California for Homeless Housing, Assistance and Prevention Program Round 2 Funding. Following discussion, it was moved by Vice-Chair Melendrez and seconded by Member Plascencia to (1) receive, review, and direct staff to look for workforce development programs for the grant application to the State of California for the Homeless Housing, Assistance and Prevention Program Round 2 funding; (2) recommend that the City Council authorize the submission of the grant application for the State of California for the Homeless Housing, Assistance and Prevention Program Round 2 funding in the amount of \$3,262,879 to provide homeless and housing services in the City of Riverside; and (3) authorize the City Manager, or his designee, to execute all grant documents related to the Homeless Housing, Assistance and Prevention Program Round 2 funding, including making non-substantive changes. The motion carried unanimously.

BACKGROUND:

On July 31, 2019, the Homeless Housing, Assistance and Prevention (HHAP) was authorized by Assembly Bill (AB) 101, which was signed into law by Governor Gavin Newsom. HHAP is a one-time block grant program designed to support regional coordination and expand or develop local capacity to address immediate homelessness challenges throughout the state. As one of the Big 13 Cities in the State of California, the City was awarded \$6,902,244.82 to provide homeless and housing services over a five-year period. The City allocated HHAP funding towards the following programs:

HHAP	
ACTIVITY	FUNDING AMOUNT
Bridge Housing Program Rehabilitation of 2881 Hulen Place; 24 bridge housing beds	\$1,318,978.45
Recuperative Care Program Rehabilitation of 3024 Franklin, 50 beds	\$2,600,000.00
Emergency Shelter Pallets Development and Operations (First Year)	\$1,248,258.00
Rapid Re-Housing Program (Massachusetts Action Plan)	\$500,000.00
Outreach to Santa Ana River	\$202,379.00
Youth Programs (8% of grant allocation)	\$552,179.59
Administration (7% of grant allocation)	\$480,449.78
TOTAL HHAP GRANT	\$6,902,244.82

On June 29, 2020 Governor Newsom signed into law the second round of Homeless Housing, Assistance and Prevention (HHAP-2) funding authorized by AB 83. Building on the regional coordination created through HHAP-1, the Homeless Coordinating and Financing Council (HCFC) intended to support local jurisdictions in their unified regional response to reduce and end homelessness.

HCFC announced a \$300 million block grant program in HHAP-2 funding to include California's 13 largest cities, 58 counties, and 44 Continuums of Care (Attachment 1). As a Big 13 City, Riverside would receive an allocation of \$3,262,879. Additionally, the County of Riverside allocation amount is \$1,402,400.00 and the County of Riverside Continuum of Care allocation is \$1,566,822.00.

The HHAP-2 grant funding program guidelines were released on November 24, 2020, with an application deadline January 23, 2021. Applicants are encouraged to prioritize the use of HHAP funds to assist individuals experiencing homelessness with moving into safe, stable housing, with a focus on rehousing individuals currently living in Project Room Key. The State has encouraged applicants to fund housing focused interventions in permanent supportive housing or linking to permanent supportive housing through shelter or street outreach.

Specifically, the award of funds is intended to build on regional coordination developed through previous rounds of HCFC funding, including: Homeless Emergency Aid Program (HEAP), HHAP-1, and COVID-19 Emergency Homeless funding. A unified regional response to reduce homelessness is encouraged by leveraging local, state and federal funds, demonstrating a commitment to address racial disparities, establish a mechanism for people with lived experience of homelessness to have an opportunity to inform planning and implementation, and prioritizing programs that are Housing First compliant, low barrier, trauma informed, and culturally responsive.

While eligible uses for funding are broad and should be determined based on the need of the jurisdiction, suggested uses include but are not limited to:

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, non-congregate shelters, interim or bridge housing, and navigation centers.
3. Street Outreach to assist persons experiencing homelessness to access shelter and permanent housing and services.
4. Services Coordination, including access to workforce, education, training programs, and other supportive services.
5. Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system.
6. Delivery of permanent housing and innovative solutions, such as hotel and motel conversions.
7. Prevention and shelter diversion including crisis resolutions, and light touch financial assistance.
8. New Navigation Centers and Emergency Shelters, with clients obtaining housing as the primary goal.

In addition, Health and Safety Code Section 50218.5(f) requires that applicants must use at least 8 percent of its allocation for services for homeless youth populations, which are defined as unaccompanied youth who are between 12 and 24 years old and experiencing homelessness. No

more than 5 percent of an applicant's program allocation may be expended on a homeless strategic plan and no more than 7 percent of applicant program allocation may be expended on administrative costs.

DISCUSSION:

Staff is recommending allocating the HHAP-2 funding totaling \$3,262,879 to the following program activities and requesting to submit application narratives as shown below.

ACTIVITY	ELIGIBLE CRITERIA	DESCRIPTION	FUNDING AMOUNT
Bridge Housing Program Operations	2, 7	<ul style="list-style-type: none"> Riverside County CoC awarded the City \$606,575 for the rehabilitation of 2881 Hulen Place to create a 24-bridge housing bed facility with showers, case management for permanent housing linkages, and additional wraparound supportive services (March 24, 2019). City staff released an RFP for an operator for the Bridge Housing in fall 2019; Mercy House selected operator. Grant will cover the first year of operations. 	\$1,000,000.00
Emergency Shelter Village Pallet Operations	2, 8	<ul style="list-style-type: none"> Cover second year of operations for the Emergency Shelter Village, which was approved by the City Council in December 2019 City Net operates the Village 	\$1,000,000.00
Santa Ana River Outreach Program (Regional Partnership)	3, 5	<ul style="list-style-type: none"> Street outreach program to assist persons experiencing homelessness to access shelter and permanent housing, with wraparound supportive services Regional partnership with County and adjacent jurisdictions 	\$ 773,447.15
Youth Programs	1 through 8, special emphasis on 5	<ul style="list-style-type: none"> To assist unaccompanied youth who are between the ages of 12 and 24 years, and experiencing homelessness Regional partnership, and potential collaboration with County and CoC to leverage resources 	\$ 261,030.32
Administration		Staff costs	\$ 228,401.53
TOTAL			\$3,262,879.00

The Santa Ana River Outreach Program currently has \$202,379 allocated from HHAP-1. The HHAP-2 grant application includes a funding recommendation of \$773,447.15, which would bring the total program budget to \$975,826.15. City staff convened a meeting on December 14, 2020 with County and CoC staff to discuss a regional partnership opportunity to leverage the HHAP-1 and HHAP-2 funds to conduct a targeted outreach effort along the Santa Ana River.

The Housing and Homelessness Committee will be discussing the HHAP-2 grant application at its January 4, 2021 meeting. The Committee's final recommendations will be presented to the City Council on January 19, 2021.

FISCAL IMPACT:

The grant award is for \$3,262,879. No matching funds are required. If awarded, grant funding will be appropriated in the Development Grants Fund as follows:

HHAP 2		
ACTIVITY	ACCOUNT NO.	FUNDING AMOUNT
Bridge Housing Program Operations	9343210-440210	\$1,000,000.00
Emergency Shelter Pallets Operations	9343220-440210	\$1,000,000.00
Santa Ana Riverbottom Outreach Program	9343230-440210	\$ 773,447.15
Youth Programs	9343230-440210	\$ 261,030.32
Administration	9343200-440210	\$ 228,401.53
TOTAL HHAP2 GRANT		\$3,262,879.00

Prepared by: Hafsa Kaka, Officer of Homeless Solutions
 Certified as to
 availability of funds: Edward Enriquez, Chief Finance Officer/City Treasurer
 Approved by: Moises Lopez, Deputy City Manager
 Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. HHAP-2 Funding Allocations
2. HHAP-2 NOFA
3. HHAP-2 Application Guidance
4. HHAP-2 Application Template
5. Presentation