

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: NICOLE DEL FIORENTINO, HOUSING AND COMMUNITY
SERVICES MANAGER
SUBJECT: HOUSING AND COMMUNITY SERVICES DEPARTMENT
PUBLIC HEARING – THE HOME INVESTMENT PARTNERSHIP
AMERICAN RESCUE PLAN (HOME-ARP) ALLOCATION PLAN
(CEQA EXEMPT)

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution: 1) authorize submittal of the Home Investment Partnership – American Rescue Plan (HOME-ARP) Allocation Plan (Plan) to the U.S. Department of Housing and Urban Development (HUD) incorporating comments received at the public hearing; and 2) authorize the City Manager or their designee to execute the funding agreements with HUD and any additional documentation required by HUD to implement the HOME-ARP Program.

EXECUTIVE SUMMARY

The City of Santa Rosa (City), was allocated \$2,737,433 in HOME Investment Partnerships – American Rescue Plan (HOME-ARP) funds by the U.S. Department of Housing and Urban Development (HUD). The one-time funds must benefit individuals experiencing or at risk of homelessness, experiencing housing instability, or fleeing domestic violence. Eligible uses for these funds include Tenant Based Rental Assistance (TBRA), development and support of affordable housing, provision of supportive services, and acquisition and development of non-congregate shelter (NCS) units. Selection of an eligible use for these funds is dictated by a public participation process determined by HUD, which began in December 2021 and will include comments received at this public hearing. To utilize HOME-ARP funds, HUD requires the City to create a HOME-ARP Allocation Plan (Plan) that identifies the public participation process guiding the use of funds, includes a needs assessment and gap analysis, and goals for the program. Based on the consultation process, the draft HOME-ARP Plan recommends use of the funds for supportive services, focusing on homelessness prevention.

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BACKGROUND

The HOME-ARP Program was created by American Rescue Plan Act of 2021 which appropriated \$5 billion to provide housing, services and shelter to individuals experiencing homelessness and other vulnerable populations. The City was allocated \$2,737,433 in HOME-ARP funds. HOME-ARP funds must be used to primarily benefit individuals or families from the following Qualifying Populations (QP):

- Homeless;
- At-risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Other populations at risk of homelessness due to housing instability;
- Veterans and families that include a veteran family member that meet one of the preceding criteria.

HOME-ARP funds may only be used for the following four eligible activities: (1) Tenant Based Rental Assistance (TBRA), (2) development and support of affordable housing, (3) provision of supportive services, and (4) acquisition and development of non-congregate shelter (NCS) units. These activities must primarily benefit individuals from the previously mentioned QPs.

The Department of Housing and Community Services (HCS) has undertaken a HOME-ARP Allocation Plan consultation process, as required by HUD, to solicit input from the public, stakeholder agencies, the Housing Authority, the Continuum of Care (CoC) board, and hosted a series of round table meetings in conjunction with the Sonoma County Community Development Commission (CDC) (the other HOME-ARP recipient in Sonoma County), as outlined below.

- November 22, 2021: Housing Authority meeting to present program information and collect feedback;
- December 1, 2021: public meeting to collect community feedback;
- February 23, 2022: Continuum of Care board meeting to present program information and collect feedback
- May 26, 2022: Stakeholder meeting – affordable housing developers
- June 30, 2022: Stakeholder meeting – service providers for victims of domestic violence, dating violence, and human trafficking;
- October 27, 2022: Stakeholder meeting – homeless services providers and veterans' services providers;
- February 27, 2023: Housing Authority meeting to present draft Plan;
- February 28, 2023: City Council Public Hearing to present draft Plan and collect feedback.

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The draft Plan, attached as Exhibit A, was made available on the City’s website, and in printed format at the City Hall Annex at 90 Santa Rosa Avenue, the City Manager’s Office in Room 10 of City Hall at 100 Santa Rosa Avenue, and the Central Santa Rosa branch of the Sonoma County Library at 211 E Street, Santa Rosa.

To access the HOME-ARP funds the City must submit the Plan to HUD for approval. The Plan must outline the public participation efforts, the identified eligible uses of the funds, the proposed method of deploying funds, and the how public participation guided the development of the Plan. The Plan must be submitted to HUD by March 31, 2023.

PRIOR CITY COUNCIL REVIEW

None.

ANALYSIS

Of the \$2,737,433, fifteen percent (15%) of the grant award, equating to \$410,614 can be allocated to administration of the program, which includes preparation of this Plan, with the remaining eighty-five percent (85%), equating to \$2,326,819 is allocated to program delivery. Once HUD approves the Plan, program funds must be expended by September 30, 2030.

The draft Plan includes a summary of the consultation process and public participation process outlined above, a needs assessment and gap analysis, the proposed method for selecting subrecipients, and the recommended use of HOME-ARP for supportive services. The needs assessment and gap analysis indicate there are more people experiencing homelessness than shelter beds available, and over 7,300 Santa Rosa households are at risk of homelessness.

When the HOME-ARP program was presented to the CoC board, they requested that the City wait to develop the Plan until the 2022 Point In Time (PIT) count was released as to allow for the most current data available. During the series of round table meetings, HCS received feedback from service providers and stakeholders that the HOME-ARP funds would have the greatest impact if allocated to the provision of supportive services, specifically housing stabilization and homeless prevention services. The need for affordable housing was noted, with the caveat that the amount of funding available and the one-time nature of the funding would make allocation of the funding to affordable housing development less impactful.

The supportive services that are eligible uses for HOME-ARP funds include, but are not limited to:

- The establishment and operation of childcare services for families experiencing homelessness
- The establishment and operation of an employment assistance program,

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including providing job training

- The provision of outpatient health services, food and case management
- The provision of assistance in obtaining permanent housing, employment counseling and nutritional counseling
- The provision of outreach services, advocacy, life skills training, and housing search and counseling services
- The provision of mental health services, trauma counseling and victim services
- The provision of assistance in obtaining other Federal, State or Local assistance available for residents of supportive housing (including mental health benefits, employment counselling, and medical assistance)
- The provision of legal services for purposes including requesting reconsiderations and appeals of veteran's and public benefit claim denials and resolving outstanding warrants that interfere with an individual's ability to obtain and retain housing
- Transportation services that facilitate an individual's ability to obtain and maintain employment
- Other supportive services necessary to obtain and maintain housing.

Based on the unmet needs identified in the Plan and the feedback received during the consultation process, it is recommended to use HOME-ARP funds for supportive services, focusing on homelessness prevention. Upon approval of the Plan by HUD, and following HUD guidance, applications for use of the funds are proposed to be solicited through a Request for Proposals (RFP) process.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. HOME-ARP, one-time program funds in the amount of \$2,737,433 are appropriated to the Housing Authority's budget.

ENVIRONMENTAL IMPACT

This action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable.

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ATTACHMENTS

- Resolution / Exhibit A - Draft City of Santa Rosa HOME-ARP Allocation Plan

PRESENTER

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