



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** OCTOBER 18, 2022

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**BY:** ROD POWELL, PLANNING MANAGER

**TITLE:** ACCEPTANCE OF CA-COC 506 SALINAS/MONTEREY AND SAN BENITO COUNTIES CONTINUUM OF CARE HOMELESS HOUSING ASSISTANCE AND PREVENTION PROGRAM GRANT FUNDS

RECOMMENDED MOTION:

A motion to approve a resolution authorizing:

1. the acceptance of \$722,305.07 of CA-COC 506 Homeless Housing Assistance and Prevention Program grant funds; and
2. the establishment and/or increase of Housing - Other Agency Match Fund Special Programs (2945.30.3240) appropriations totaling \$722,305.07 and corresponding revenue budget; and
3. the City Manager or designee to execute all applicable agreements.

EXECUTIVE SUMMARY:

In December 2019, the California Homeless Coordinating and Financing Council (CHCFC) issued a Notice of Funding Availability (NOFA) for a \$650 million Homeless Housing Assistance (HHAP) block grant program designed to support regional coordination and expand or develop local capacity to address immediate homelessness challenges throughout the state. \$190 million of this funding was designated as available to local Continuums of Care (COC) to identify and distribute within their jurisdiction with an informed framework involving best practices focused on moving homeless individuals and families into permanent housing.

In early 2020, following CHCFC's notification, the CA-506 Salinas/Monterey and San Benito Counties Continuum of Care (COC), through its administrative entity the Coalition of Homeless Services Providers (CHSP), released a local \$2.424 million NOFA soliciting applications to fund HHAP projects addressing the immediate needs of the local homeless community. In support of efforts to expand the capacity and operations of its Chinatown Navigation Center (CNC), the City applied for \$1,000,000 in funding. On June 30, 2020, CHSP notified the City of its \$722,305.07 award amount.

Concurrent to the City's application and subsequent award notification, the onset of the Covid-19 pandemic triggered the availability of significant amounts of additional federal and state priority

entitlement funding. As a result, the acceptance and programming of HHAP funds was postponed until FY 2022-2023.

### BACKGROUND:

On March 4, 2020, under the auspices of CHCFC and through its designated administrative entity the CHSP, the COC issued a NOFA soliciting applications to fund HHAP projects, services or programs addressing the immediate needs of the local homeless community. In response, on April 30, 2020, the City submitted an application requesting \$1,000,000 in support of the emergency shelter operations of its Chinatown Navigation Center. On June 30, 2020, following a competitive evaluation process, the City received notification from CHSP of a \$722,305.07 HHAP award.

Concurrent to the City's application and subsequent award notification, the onset of the Covid-19 pandemic triggered the availability of significant amounts of additional federal and state priority entitlement funding. As a result, the acceptance and programming of HHAP funds was postponed.

### DISCUSSION:

Since the onset of the pandemic, the City has diligently and thoughtfully programmed and leveraged these one-time Covid funds to allow for an effective, comprehensive expansion of homeless services supported by the full expenditure of its allocation. As part of this programming and expenditure plan, it was determined that the use of the City's COC HHAP award would not be necessary until FY 2022-2023. As outlined in its original HHAP application, the City plans to utilize its award to partially fund the annual 24/7 operations of its Chinatown Navigation Center and Sprung shelter. HHAP funds must be contractually obligated by May 31, 2023 and fully expended by June 30, 2025.

Through subrecipient agreements with the City, Community Homeless Solutions (CHSol) currently serves as the operator of the City's CNC and Sprung shelter, providing up to 50 nightly shelter beds, case management, computer access, and housing navigation services in the City's Chinatown neighborhood. Additionally, the CNC provides access to meals and sanitary and hygiene services such as restrooms, showers, and personal care items to those experiencing homelessness in our community.

Providing these necessary, best practice services at the CNC requires a significant commitment of funds that far exceeds the typical levels of available entitlement funding. In recent years, the City has strategically used its windfall of Covid-19 funds to strengthen and expand the level of homeless services ranging from street outreach to supportive 24/7 shelter operations. These efforts have resulted in a remarkable 10% decrease in the number of unhoused residents as reported in the COC's most recent 2022 Point-in-Time Count. This is especially remarkable since most COCS experienced a significant increase in unhoused populations during the pandemic.

In recognition of the current inadequate level of state and federal entitlement funding for homeless services, the City Council has elevated its support for these vital initiatives through the prioritization of one-time American Rescue Plan Act (ARPA) and targeted Capital Improvement Plan (CIP) funding. CDD Housing Division staff continue to diligently support this funding prioritization by seeking and pursuing other grant funding opportunities, such as HHAP.

In FY 2022-2023, the City's HHAP award will be used to support CNC operations while allowing other resources to be directed towards vital housing navigation activities. In support of this strategy, CHSol will add three dedicated Housing Navigators to provide CNC residents with the wraparound supports and assistance necessary to attain permanent housing.

CEQA CONSIDERATION:

*Not a Project.* The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) per Guidelines Section 15378.

STRATEGIC PLAN INITIATIVE:

Acceptance and use of COC HHAP funds supports the provision of much needed shelter beds and housing navigation services for unhoused City residents within a supportive Housing First best practice model. This initiative supports City of Salinas 2022-2025 Strategic Plan Goals and Strategies including *Housing/Affordable Housing* and *Effective and Culturally Responsive Government*.

DEPARTMENT COORDINATION:

This agenda item is solely administered by the Community Development Department's Housing and Community Development Division in coordination with the City Attorney and Finance Departments.

FISCAL AND SUSTAINABILITY IMPACT:

Acceptance of awarded COC HHAP funds has no impact to the City's General Fund. The expenses appropriated to the Housing - Other Agency Match Fund (2945) will be offset with a corresponding revenue budget for the funds received. The operation of the CNC also benefits from designated ARPA and CIP 9125 funds.

ATTACHMENTS:

1. Resolution
2. Homeless Housing Assistance and Prevention Program Grant (HHAP) Agreement