RESOLUTION - ACTION REQUESTED 2020-478

MEETING: August 4, 2020

TO: The Board of Supervisors

FROM: Eric Sergienko, Health Officer/Acting HHSA Director

RE: Authorize the Submission of Project Homekey Grant Application

RECOMMENDATION AND JUSTIFICATION:
Authorize the County of Mariposa to apply for Project Homekey grant; Authorize the Director of the Health and Human Services Agency (HHSA) to execute the Application; and Authorize the Board of Supervisors Chair to Sign the Authorizing Resolution.

The County of Mariposa is requesting permission to submit a Project Homekey grant application through the California Department of Housing and Community Development (HCD). The County HHSA will be the lead agency in applying and implementing the grant activities, if the project is approved. Throughout California, HCD will make available and administer $600 million in grant funding to local public entities to purchase and rehabilitate a variety of housing types (hotels, motels, vacant apartment buildings, and other buildings) and convert to interim or permanent housing for target population. Of the $600 million in Homekey grant funds, $550 million is derived from the State’s direct allocation of the federal Coronavirus Aid Relief Funds, and $50 million is derived from the State General Fund.

HHSA views this as an excellent and rare opportunity to acquire multi-unit housing to service existing clients in need. Eligible applicants may be required to meet match requirements depending on the final project cost per door. Projects whose cost per door is $100,000 have no match requirement. Projects whose cost per door exceeds $100,000 require an additional 1:1 state:county match, i.e. for every $1,000 over $100,000, the county provides $500 to match the state’s $500. HHSA has several sources for the matching funds within existing programs that align with the proposed use of the facility. There will be no impact to the County General Fund.

In accordance with the target population criteria for Project Homekey grant, the County of Mariposa will use funding and subsequent housing options for persons experiencing or at-risk of homelessness and who are also at-risk for COVID-19. People experiencing homelessness or who are at risk of experiencing homelessness are considered inherently impacted by COVID-19, as they are most likely to have a lower life expectancy, be at a higher risk of infectious and chronic illness, and suffer substance abuse and poor health. Overall, Project Homekey program will be administered by HHSA and fulfill the following key objectives: providing services that facilitates individual recovery of clients and creating a mechanism to positively impact
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the public health of the County of Mariposa.

In addition to the intended program objectives, the geographic distribution and project prioritization established by HCD have created a greater sense of urgency in escalating Project Homekey grant application. The Notice of Funding Availability for this grant has divided the state into eight separate regions to determine the proportional share of allocation. Each region’s allocation share is calculated based on its proportional share of the persons experiencing homelessness for both the sheltered and unsheltered 2019 Homeless Point-in-Time counts and extremely low-income (ELI) renter households that are paying more than 50 percent of their income for rent. The County of Mariposa is included in the identified Balance of State region that consists of 22 smaller populated counties and, relative to other regions, has the lowest level of allocation available.

HCD has established a specific county application period of July 16 - August 13, 2020 to receive the highest priority for application review. HHSA wishes to submit the application as soon as possible, in particular before August 13, 2020, because after that date applications must pass a competitive process against a statewide pool of applications. Time is of the essence because submission of applications during the subsequent period, August 14 through September 2020, would result in being placed on a wait list and coincide with the Balance of State region funds opening up to most of the State. This would severely impact Mariposa County’s chance of receiving required funding.

**Pros and Cons**

Pros:
The County has the opportunity to be awarded approximately $3.3M derived from the State’s direct allocation of the federal Coronavirus Aid Relief Funds ($550 million statewide). This would provide cost savings over leasing and a path to ownership of a housing asset that can be utilized by HHSA for improved client service over the long term.

The convenience of the location nearby to HHSA staff would result in increased efficiency in providing claimable service. HHSA can “keep the money in the county” that would otherwise be spent on contracted out-of-county facilities.

This is a rare opportunity to bring to Mariposa County approximately $3M in new federal funding and $150K in state matching funding that will otherwise pass to other counties. The county match of approximately $150K as leverage is available in Social Services Realignment and Whole Person Care Homeless funding already in the bank.

HHSA has already been operating the units since April 10 as part of the COVID emergency sheltering response. HHSA has ongoing experience utilizing the location to serve clients, and no major obstacles have arisen over the last four months.

Cons:
There are reports that some counties have had negative experiences with hotels from damage caused by occupants. (This has not been the experience of HHSA over the last four months of operation.)
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BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board has previously authorized housing grant applications.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
If this grant is not submitted, the County will continue to have gaps in housing and treatment of COVID-19 clients. County may continue to lease housing space without pursuing ownership.

FINANCIAL IMPACT:
There will be no impact to the County General Fund. HHSA has several sources for the potential $150K matching funds within existing programs that align with the proposed use of the facility.

ATTACHMENTS:
Mariposa Homekey Authorizing Resolution for Local Public Entity - Applicant (DOCX)
2020_HCD_HomeKey-NOFA_07-15-2020 (PDF)
Homekey Application Blank (PDF)
Mariposa Homekey Applicant Compliance Certification fillable (PDF)

RESULT: ADOPTED [UNANIMOUS]
MOVER: Rosemarie Smallcombe, District I Supervisor
SECONDER: Merlin Jones, District II Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
AUTHORIZING RESOLUTION

Resolution No.: 2020-478

A RESOLUTION OF BOARD OF SUPERVISORS OF COUNTY OF MARIPOSA AUTHORIZING APPLICATION TO THE HOMEKEY PROGRAM

WHEREAS:
A. The Department of Housing and Community Development (Department) has issued a Notice of Funding Availability ("NOFA"), dated July 16, 2020, for the Homekey Program ("Homekey" or "Homekey Program"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.)

B. COUNTY OF MARIPOSA ("Applicant") desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds ("Application") to the Department for review and consideration.

C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement ("Standard Agreement"), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Applicant is hereby authorized and directed to submit an Application to the Department in response to the NOFA, dated July 16, 2020, and to apply for Homekey grant funds in a total amount not to exceed $________________. That amount includes $________________ for capital expenditures (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(1)-(6)) and $________________ for a capitalized operating subsidy (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(7)).

2. If the Application is approved, Applicant is hereby authorized and directed to ensure that any funds awarded for capital expenditures are spent by December 30, 2020, and that any funds awarded for capitalized operating subsidies are spent by June 30, 2022.

3. If the Application is approved, Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed $________________, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the "Homekey Documents").

4. Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

5. Eric Sergienko, Acting Director of the Health and Human Services Agency is authorized to execute the Application and the Homekey Documents on behalf of Applicant for participation in the Homekey Program.
PASSED AND ADOPTED this 4th day of August, 2020, by the following vote:

| AYES:5 | NAYES: 0 | ABSTAIN: 0 | ABSENT: 0 |

The undersigned, Rene LaRoche, Clerk of the Board of Applicant, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

| SIGNATURE: | DATE: |
| NAME: | TITLE: |

COUNTY OF MARIPOSA

________________________
Kevin Cann, Chair
Board of Supervisors

ATTEST:istine as to Form:

________________________
Rene LaRoche
Clerk of the Board

________________________
Steven W. Dahlem
County Counsel
NOTICE AND INSTRUCTIONS

1. **Notice.** The Department is providing this template Authorizing Resolution as informational guidance only. The Department encourages each Applicant to consult with professional legal counsel during the development of its own formal, legally binding statement that it is authorized to apply to and participate in the Homekey Program.
   a. Please note, however, that any limitations or conditions on the authority of the signatory or signatories to execute the Application or the Homekey Documents may result in the Department rejecting the Authorizing Resolution.

2. **Accuracy, Verification.** The Department will verify that this Authorizing Resolution comports with the legal authority and composition of Applicant’s governing body. Applicant must timely notify the Department, in writing, of any factors that limit its ability to provide an Authorizing Resolution which is materially in line with this template.

3. **Dollar Amounts of Grant Awards.** The Department recommends identifying an authorized dollar amount that is at least double the anticipated award (based on current formula calculations). Award amounts are subject to change. If Applicant is ultimately awarded an amount in excess of the amount identified in the Authorizing Resolution, the Department will require a new Authorizing Resolution from Applicant before execution of a Standard Agreement.

4. **Authorized Signatory or Signatories, Designee.** Applicant, as a Local Public Entity, may designate an authorized signatory by title only. In addition, Applicant may authorize multiple signatories, so long as there is clarifying language as to whether the signatories are authorized to execute the Homekey Documents individually or collectively. In addition, Applicant may authorize a designee of the authorized signatory to execute the Homekey Documents. In such case, Applicant must append a supporting document (e.g., memorandum, meeting notes of official action), which indicates the name and title of the designee who is authorized to legally bind the governing body.

5. **Vote Count.** Please fill out the field by every voting category (i.e., Ayes, Nayes, Abstain, Absent). If none, please indicate zero (0) for that field. The vote count must comport with the legal authority and membership of the Applicant’s governing body.

6. **Certification of Authorizing Resolution.** The individual who certifies the Authorizing Resolution cannot also be authorized to execute the Homekey Documents on behalf of Applicant.