



COUNTY OF HUMBOLDT

For the meeting of: 5/4/2021

File #: 21-544

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Departmental

SUBJECT:

Submission of a Grant Application to The California Department of Housing and Community Development's Community Development Block Grant Program Coronavirus Response Round 2/3 (CDBG-CV2/3)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt attached Resolution (Resolution 21-__) (Attachment 1) doing the following:
 - a. Approving an application for funding to be submitted to the Department of Housing and Community Development ("HCD") for the 2020 Community Development Block Grant Program Coronavirus Response Round 2/3 (CDBG-CV 2/3) in an amount not to exceed \$1,104,668.
 - b. Authorizing and directing the Planning and Building Department Director to execute, in the name of the County of Humboldt, the application, the Standard Agreement, and all other documents required by HCD for participation in the CDBG-CV 2/3 Program, and any amendments.

SOURCE OF FUNDING:

The California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG-CV 2/3) allocation and CDBG Program Income.

DISCUSSION:

On December 18, 2020 the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for the Coronavirus Response Round 2/3 (CDBG-CV 2/3) funding. On March 10, 2021, HCD issued an amendment to the NOFA and extended the application period. HCD will be accepting applications until May 7, 2021. This funding was made available through Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law March 27, 2020. HCD will be distributing this funding to non-entitlement jurisdictions on a formula allocation basis. Humboldt County and its incorporated cities are non-entitlement jurisdictions and

apply for CDBG funding through HCD. Humboldt County is eligible to apply for \$1,104,668 under the CDBG-CV 2/3 NOFA.

The CDBG-CV funding was made available to help communities adapt to and mitigate the effects of the COVID-19 pandemic. Eligible activities must principally benefit low-to-moderate income persons. Allowable activities under CDBG-CV Round 2/3 include: Public services to respond to COVID-19 impacts, Public facility improvements to increase capacity of healthcare facilities (facility improvements must include a documented connection with healthcare facility needs), Public facility acquisition, provided that the end use increases healthcare facility capacity, Acquisition and/or improvement of housing facilities for persons experiencing homelessness, Economic Development with a focus on job retention including business assistance and microenterprise assistance. Applicants must document that the funding applied for does not duplicate services or normal governmental functions. The CDBG-CV2/3 funding must be fully expended within two years of disbursement from the state. HCD has expanded eligibility for funding activities given the later stage of the pandemic and delays in getting the first round of CDBG CV funding out. CDBG CV 2/3 funding may be used to prepare for future pandemics as well as responding to the current pandemic.

On January 19, 2021, County staff held a duly noticed virtual meeting as required by the CDBG program. At the meeting, staff went over the funding available and the program requirements. As a result of the meeting, staff received three proposals that met the eligibility requirements set forth in the NOFA. The Proposals were:

Motel Acquisition - Southern Humboldt Housing Opportunities (SHHO). SHHO proposed the acquisition of a 17- room motel in Redway. The motel would be converted to and operated as a non-congregate homeless shelter. The project would need wrap-around support services and operational funding from other sources. The project acquisition cost was around \$1,250,000, and first year operational costs, including some renovations, would have been around \$750,000.

Covid-19 Health Center Improvements - Redwoods Rural Health Center (RRHC) in Redway. This proposal is the addition of sidewalks to the RRHC campus. This improvement will increase patient and staff safety for the provision of curbside medical services, Covid-19 testing and vaccinations. There are currently no sidewalks connecting the buildings at the RRHC campus and having sidewalks would improve the quality of care and treatment capacity at the facility.

Humboldt Inn Elevator Project - The Humboldt Inn is a non-congregate homeless shelter and supportive housing facility in Eureka. The facility is owned and operated by Provident Supportive Housing, a non-profit arm of Provident/St. Josephs Health. The facility has provided shelter to some of the sickest and neediest people in our community, however their ability to provide shelter is limited because many of their clientele are mobility limited. The project would provide elevator service to three buildings. This would respond to the current and future pandemics by increasing the supply of non-congregate shelter for those with serious health conditions, thus reducing demand on our emergency medical care capacity.

Staff reviewed and considered the three proposals. The Motel Acquisition project with SHHO seemed

to present the best opportunity to provide new housing units to those that are the hardest to house. The project would serve Southern Humboldt, an area that has been underserved, and would have funded the second homeless shelter in the unincorporated area of the county. SHHO got to work and made an offer on a hotel. That hotel was not immediately for sale. SHHO made an offer on a different 17-room hotel in Redway. The purchase price for that Hotel was approximately \$1,250,000, or \$250,000 more than the County's CDBG CV 2/3 allocation. SHHO and county staff agreed to reallocate funding from the Food Aid and Hotel Stays for Southern Humboldt Homeless activity made in the CDBG CV 1 allocation, which added about \$50,000 to the Motel acquisition activity. The motel acquisition activity was still under-funded by about \$200,000 and SHHO also needed to work with County Department of Health and Human Services (DHSS) to get funding for shelter operations. The Arcata Economic Development Commission (AEDC) was prepared to lend the gap funding but that loan would need to be secured with a deed on the property. DHSS Staff had promising leads on operational funding for year one and two, but nothing was secured; long term funding for homeless shelters is extremely rare. The SHHO board ultimately decided there was too much risk for this ambitious project and withdrew their proposal. The funding for the Food Aid and Hotel Stays in Southern Humboldt is currently being provided by other sources but the long-term prognosis is unclear.

With the Southern Humboldt Motel Acquisition project withdrawn, the Humboldt Inn Elevators and the RRHC Sidewalks improvement projects moved to the top of the list. Therefore staff recommends approving Attachment 1, a resolution approving an application to HCD for the County's CDBG CV 2/3 allocation. The activities and funding amounts in the grant application are:

Humboldt Inn Elevator Project: \$613,910

Covid-19 Health Center Improvements (Sidewalks): \$416,440

Program Administration: The department will apply for up to 7% of the grant to manage the program. Proposed amount not to exceed \$74,318.

These activities, plus allowable administration, will total \$1,104,668 which accounts for the entirety of Humboldt County's CDBG-CV 2/3 allocation.

FINANCIAL IMPACT:

This action solicits grant funds from the State of California. Salary and benefits costs are covered by the grant while other costs will be covered by the General Fund allocation in the Advanced Planning Division (1100-282). Grant funding in the amount of \$1,104,668 will be sought and if awarded staff will return with necessary budget adjustments.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT:

California Department of Housing and Community Development.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide not to apply for the CDBG-CV 2/3 funds; or the Board may choose to approve different proposals.

ATTACHMENTS:

Attachment 1: Draft Resolution Approving an application for funding to be submitted to the Department of Housing and Community Development (“HCD”) for the 2020 Community Development Block Grant Program Coronavirus Response Round 2/3 (CDBG-CV 2/3) in an amount not to exceed \$1,104,668.

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A