



COUNTY OF NEVADA
HEALTH & HUMAN SERVICES AGENCY
Housing & Community Services Division

950 Maidu Ave.
Nevada City, California
95959

Agency Director
Ryan Gruver

Telephone (530) 265-1627
Fax (530) 265-2295

Department Directors
Phebe Bell, MSW, Behavioral Health
Jill Blake, MPA, Public Health
Mike Dent, MPA, Child Support Services / Collections / Housing &
Community Services Division
Rachel Roos, LCSW, Social Services

NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: October 27, 2020

TO: Board of Supervisors

FROM: **Mike Dent**

SUBJECT: Resolution approving execution of Amendment No. 1 to the renewal Professional Services Agreement with Nevada County Housing Development Corporation (NCHDC) for services related to community-based housing projects, housing for residents with a mental and/or physical health disabilities or other significant barriers to housing, and reimbursement for authorized lease/rental agreements, to : 1) increase the maximum Contract Amount to \$1,318,970 for FY 20/21 (an increase of \$858,446); 2) revise Exhibit "A" Schedule of Services to reflect the addition of duties related to rehabilitation and operation of a Home Key site; and 3) revise Exhibit "B" Schedule of Charges and Payments to reflect the increase in the maximum Contract price, for the term of July 1, 2020 through June 30, 2021. (RES. 20-332)

RECOMMENDATION: Approve the attached Resolution.

FUNDING: The added funds for this contract come from funds awarded by California Housing and Community Development Homekey grant. Building on the success of Project Roomkey, Homekey is the next phase in the state's response to protecting Californians experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19. Homekey funds totaling \$600 million were made available through a competitive grant process to fund acquisitions, rehabilitation and operation of interim and/or permanent housing sites. There are no county general fund dollars required in the Agreement.

BACKGROUND: On July 16, 2020, HCD released a Notice of Funding Availability for Homekey funds. Homekey funds are comprised \$550 million of the State's direct allocation of federal Coronavirus Relief Funds (CFR) and \$50 million in State General Funds. Homekey funds allow for the acquisition, rehabilitation and operation of interim and/or permanent housing for residents who are impacted by the COVID-19 pandemic and experiencing homelessness or are at

risk of homelessness. Per federal expenditure requirements, State CFR funding, and thus Homekey funding, must be fully expended by Dec 30, 2020.

On August 13, 2020, Nevada County HHSA applied for Homekey funding to purchase a hotel located at 628 South Auburn Street in Grass Valley. County staff identified the Nevada County Housing Development Corporation (NCHDC) as a development partner based on the organization's experience providing housing programs in both Placer and Nevada Counties and based on their designation as a Community Housing Development Organization (CHDO) which allows NCHDC to seek grant funding and tax credits for the development of permanent housing projects. Additionally, the limited timeframe for applying for and expending HomeKey grant funds required quick selection of a development partner who could rapidly move to rehabilitate the site and begin operations by December 15, 2020. In consultation with NCHDC, the partners created a development vision for the project: (1) acquiring a site and implementing a two year "navigation" interim housing project, and (2) seeking additional funds to convert the units into permanent housing by 2024. With a shared development vision in place and a with the project receiving the HomeKey grant award, NCHDC opted to contribute \$170,000 in allocated Homeless Emergency Aid Program (HEAP) funds to the project to be used for rehabilitation steps required to convert the units into permanent housing.

Amendment Budget information:

- Homekey site operations (year 1) - \$338,696
- Renovation and Rehabilitation – up to - \$519,750
- NCHDC contribution towards long term permanent housing conversion - \$170,000

The Homekey site will build on this Board's stated priority of addressing homelessness and housing in Nevada County by providing 17 units of interim housing in 2021 and 2022. The project will convert to permanent housing in 2023, bringing 22 units of deeply affordable housing to the community by 2025. Further, this project allows for the implementation of a "navigation center" strategy as outlined to this board in previous presentations and in items brought for your consideration and approval. Activities and funding outlined in this amendment are in line with activities contained in Resolution No. 20-332 approving the renewal contract with Nevada County Housing Development Corporation (NCHDC) for housing-based programs for highly vulnerable homeless residents. That renewal marked one decade of partnership between the County and NCHDC. The award of Homekey funding and this contract amendment continues the valuable and effective partnership between the County and NCHDC in providing housing to vulnerable residents of the county.

It is recommended that the Board approve this Amendment as the addition of Homekey funding will allow NCHDC to rehabilitate and operate the Homekey site, providing services to help program participants succeed in interim housing and obtain permanent housing, and will increase the number of affordable options available in Nevada County.

Item Initiated and Approved by: Mike Dent, Director of Housing & Community Services
Division