



## Staff Report

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### Yountville Town Council Staff Report

**DATE:** May 5, 2020

**TO:** Mayor and Town Council

**FROM:** Sandra Liston, Planning & Building Director  
Planning Manager

Daniel Gordon,

#### **TITLE**

Consider Adoption of Resolution Number 20-3983 Approving Amendment to the 2018 Application to the California State Department of Housing and Community Development for a Grant of up to \$500,000 Under the HOME Investment Partnership Program in Response to the COVID-19 Pandemic.

#### **DISCUSSION/BACKGROUND**

The Town has received grants through the California Department of Housing and Community Development (HCD) under the HOME Investment Partnership Program (HOME) from the U.S. Department of Housing and Urban Development (HUD). These funds are administered by the Housing Authority of the City of Napa and have primarily been used to assist low-income owners whose primary residence is in need of repairs, improvements, or reconstruction necessary to meet federal, state, or local building codes and for correction of all healthy and safety deficiencies.

In June 2018, HCD issued a Notice of Funding Availability (NOFA) under the HOME Program. In response to the NOFA, the Town applied for, and in February 2019 was awarded, \$500,000 in home rehabilitation funding. However, to date, HCD has not yet issued a Standard Agreement for the grant. The Town has since also applied for \$500,000 from a separate January 2020 HCD HOME NOFA.

In addition to receiving HOME funds through new grants, the Town also receives HOME program funding through the repayment of loans. This includes approximately \$27,000 in recouped grant funds this fiscal year and \$72,000 in recouped grant funds last fiscal year, all of which were disbursed to new projects.

Economists estimate 1.5 million American households could be at-risk of becoming homeless as a result of the COVID-19 disaster. Locally, Napa Valley Community Organizations Active in Disaster (COAD) reports that, as of early April, over 2,600 households have reached out to them seeking food and financial assistance, including rental assistance. COAD reports the need far outweighs existing resources. Because of the overwhelming immediate need and knowing that tenant-based rental assistance (TBRA) is also an eligible program under the HOME Program, Housing Authority staff reached out to HCD to receive approval to use HOME program income to establish a TBRA program. In recognition of the significant and urgent need for rental assistance as a result of the COVID-19 disaster, HCD staff not only approved this request but also informed the Town that all 2018 HOME grant awardees were being given the unique opportunity to amend their 2018 grant applications in order to add TBRA as an activity.

Approval of the recommended actions would provide at least \$250,000 in funding for tenant-based rental assistance in Yountville to enable low-income renters to stay in their units. Dependent both on demand for TBRA as well as the amount of future HOME program income received, this amount may be increased (by deploying additional HOME funding from the owner-occupied rehabilitation program to TBRA). Staff will closely monitor this and provide Council with an update after the program is launched.

Under the HOME TBRA requirements, participants must rent units that are at or below 110% of Fair Market Rents. Participants would pay approximately 30% of their incomes for housing. The maximum term of this rental assistance would be one year. Under the Town's proposed program preference, households who can lease-in-place and who have a reduction of 30% or more of their income as a result of a pandemic would receive preference. Space rent on mobile homes is also eligible under the program. All assisted participants and units must meet HOME requirements as described in the attached guidelines.

Housing Authority staff is also working with the Town of Yountville to establish a similar TBRA program funded with a portion of Yountville's 2018 HOME grant. The other jurisdictions in Napa County do not have 2018 HOME grant awards and do not have HOME program income on hand.

In order to help ensure impacted tenants are aware of this new program, staff will work with local property managers, non-profits, and COAD to help spread the word. In order to safely and more fairly serve applicants, staff intends to hold a lottery to establish a program waiting list similar to how the Section 8 Housing Choice Voucher Program waiting list operates. Households who need assistance with their applications should be able to receive help from Housing staff and other community partners.

Staff is recommending amending the 2018 HOME applicant to include Tenant Based Rental Assistance, which is an eligible activity under the HOME Program. Furthermore, staff is recommending the re-programming of the HOME Program Income to be used for rental assistance.

Staff is also recommending providing a preference for those households who have been financially impacted by the pandemic and who can lease-in-place. These preferences have been added to the State's model HOME Program Tenant Based Rental Assistance Guidelines.

## **ENVIRONMENTAL REVIEW**

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3)

## **FISCAL IMPACT**

Is there a Fiscal Impact? No

Is it Currently Budgeted? Yes

Where is it Budgeted? The Town received HOME funds in 2018.

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Nominal

## **STRATEGIC PLAN GOAL**

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Exceptional Town Services and Staff:** The Town supports its talented staff who deliver high quality municipal programs and services while maintaining public infrastructure for the benefit of the community.

Briefly Explain Relationship to Strategic Plan Goal and Objective. By adapting current programs and policies

to meet the needs of residents, the Town can continue to meet its goal of providing exceptional services.

### **ALTERNATIVES**

Approve the use of HOME funds for rental assistance.

Do not approve the use of HOME funds for rental assistance.

### **RECOMMENDATION**

Receive staff report and direct questions to staff.

Receive public comment.

Conduct Council discussion on proposed Resolution.

Consider Adoption of Resolution Number 20-3983 Approving amendment to the 2018 application to the California State Department of Housing and Community Development for a grant up to \$500,000 under the HOME Investment Partnership Program in response to the COVID-19 pandemic.