



SUMMARY REPORT

Agenda Date: 11/1/2022

To: Sonoma County Board of Supervisors and Board of Commissioners of the Community Development Commission

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Dave Kiff, (707) 565-7504

Vote Requirement: 4/5th

Supervisory District(s): Fifth

Title:

Funding Request for Horizon Shine RV Parking Program in Sebastopol

Recommended Action:

- A) Adopt a Budget Resolution (Attachment A) using up to \$330,000 in Board of Supervisors' General Fund Contingencies for the Horizon Shine program in Sebastopol (4/5th Vote Required)
- B) Authorize the Interim Director of the Community Development Commission to enter into an amended agreement (Attachment B) with Sonoma Applied Village Services of up to \$330,000 to continue the operation of the Horizon Shine RV parking program in Sebastopol through June 30, 2023.
- C) Direct staff to report back on the Agreement's requested metrics from the Horizon Shine program at the completion of the Project's term. ☐

(4/5th Vote Required) (Fifth District)

Executive Summary:

The Horizon Shine Village (HSV) Safe RV Parking program, operated by Sonoma Applied Village Services (SAVS), began providing safe parking with supportive services to 25 persons who were living in either tents, cars, or recreational vehicles along Morris Street in Sebastopol in early February 2022, with most clients moving in between February 14-15.

Previously, on December 7, 2021, SAVS received \$270,000 funding support from the Board of Supervisors from General Fund and PG&E Settlement fund. Additionally, the City of Sebastopol received \$80,000 from the Board in part to offset a portion of the City's costs for the site (for a total Board award for this effort of \$350,000). The Board's funds, which are not the entirety of SAVS' funding support for Horizon Shine, were intended to enable the program to last through the end of December 2022.

SAVS has asked to continue the program for at least another 12 months (through December 31, 2023) but does not have the resources to do so. SAVS reached out to the Community Development Commission (CDC) and to the Board for funding.

This item requests the Board's consideration of using \$330,000 of County discretionary funding (Contingencies) to help extend the operations of Horizon Shine for six months more through June 30, 2023. This amount proposed is \$55,000 per month. This is higher than operational costs today, as SAVS' new proposed budget through June 30, 2023, includes added housing readiness staffing and accommodates area cost increases. The County's proposed contribution does not cover SAVS' full monthly "burn rate," so SAVS will

continue to fundraise for a portion of Horizon Shine's support. SAVS also has at least two opportunities to apply for CoC and Measure O funding to support Horizon Shine in the coming months.

Discussion:

Sonoma Applied Village Services ([SAVS <https://sonomavillages.org/about/>](https://sonomavillages.org/about/)) is a Sonoma County-based organization that established the [Horizon Shine Village <https://sonomavillages.org/horizon-shine/>](https://sonomavillages.org/horizon-shine/) (HSV) in February 2022, with Board support.

HSV is a 25-space Safe Parking site for persons living in RVs, cars, or tents who formerly resided on Morris Street in Sebastopol. HSV today sits on 1 acre of land at 845 Gravenstein Highway North. Twenty-one of the HSV residents are from the initial Morris Street relocation of RVs. One more person at HSV today came from a Morris Street waiting list. Two other persons at HSV are from other Sebastopol locations.

Following Board direction on December 7, 2021, HSV received \$350,000 in County funding via a \$2 million winter 2021-22 NOFA ("NOFA Funds") for safe parking and non-congregate shelter (NCS) programs, which is financed with \$1 million from the Board of Supervisors' General Fund and \$1 million from PG&E Settlement Funds as directed during the June 2021 Budget Hearings. Other programs that received NOFA Funds included a Santa Rosa safe parking program (\$500,000); a Petaluma non-congregate shelter program (\$750,000); and Homeless Action Sonoma's planned non-congregate shelter (\$400,000).

Attachment C is the SAVS RV Village proposal from October 2021. At the time of the proposal, SAVS had not located a site for its RV Village. We note that this proposal initially went to the Continuum of Care (CoC) Board and was preliminarily awarded funding via the CoC's Emergency Solutions Grant - Coronavirus (ESG-CV) funds, pending an eligibility verification. Later, after consultation with State officials, staff determined that Horizon Shine was ineligible for ESG-CV funds (as Horizon Shine is safe parking and not emergency shelter). At the December 7, 2021, Board meeting, staff recommended using the County's NOFA Funds to replace the ineligible ESG-CV funds for Horizon Shine.

SAVS today provides case management and recovery services to residents at HSV, as well as food, security, and all operational costs. SAVS describes the HSV clients as "long-term homeless who mostly prefer living in their RVs rather than other group home or temporary housing alternatives."

The \$350,000 in Board awarded funding, when combined with other SAVS funding sources was intended to allow the program to continue through December 31, 2022. Before the end of 2022, our expectation was that many residents there would find permanent housing during the time period. Generally, HSV's costs have been consistent with being able to continue through the intended time period. However, SAVS management concludes that many residents are not able to move to permanent housing, in part due to the lack of supply of permanent housing in the region.

CDC staff discussed HSV's operations with the SAVS team in late October 2022. We discussed SAVS' financial position, how to improve housing placements, as well as what other sources of funding the Project relies upon. Here is a summary of those issues:

- **Financials.** We reviewed SAVS' cash flow and balance sheet, as well as the proposed budget for Horizon Shine going forward. HSV has a "burn rate" of about \$50,000 per month (an amount that includes lease costs, security, meals, support staff, and related operational costs). For 25 people, this is about \$65/person/day - a reasonable if not low cost for providing care to persons coming out of homelessness (provided that services are effective). However, inflation, utility costs, and additional staffing relating to housing navigation brings SAVS' new monthly budget to about \$65,000 a month (not all of which will be covered by the County's expected assistance of \$55,000 per month, as SAVS has other funding sources such as fundraising and other grants. Note: Separate from this project, SAVS has received a 2022 [County ARPA grant <https://sonoma-county.legistar.com/LegislationDetail.aspx?>](https://sonoma-county.legistar.com/LegislationDetail.aspx?)

[ID=5653998&GUID=9FB5C12C-F225-4A2D-839A-F3B8201E2585>](#) of \$1.96 million for Tiny Home villages (see Page 31 of Attachment B at the Board Item link), funds for outreach activities from the Continuum of Care, and has other resources such as philanthropy and grants. Financial information for SAVS is in **Attachment D**. SAVS' overall financial position is not out of line with what we'd expect to see at a grass roots, grant- and philanthropy-dependent CBO. Where staff had questions about the financials, SAVS was forthcoming in answering them.

- **Housing Placements.** SAVS states that their primary work at HSV has focused on supportive services to stabilize clients. SAVS will now integrate more housing-focused services, such as housing navigation (where persons are counseled and prepared for housing once it arises), benefit eligibility assistance (such as SSI, which provides persons who cannot work and who have a disability with roughly \$1,000 per month for living expenses), and related services while addressing behavioral health or substance use issues. Additional staffing for and emphasis on these tasks is provided in their proposed workplan for 2023. NOTE: SAVS current operational model (client stabilization and support) is not uncommon. Moving to a housing-focused model is a different approach, but one that the CoC's draft Strategic Plan and homelessness experts think is important if safe parking programs such as HSV are to be short-term programs versus permanent solutions.
- **Planning for Next Steps.** SAVS has the lease for the property through February 1, 2023, but has the right to renew for another year. SAVS says, "Our realistic estimate is that 4 of our clients will take a permanent housing placement in the next 3-9 months. We'd like that number to increase to 8 in the following months. In addition, when we have turn over for any reason, our plan is to replace the first 4 -5 spaces with people who have a well-developed plan to move into permanent housing. This is to support the County's goal of placing more people in permanent housing and, perhaps more importantly, to have role models for others that demonstrate how to do it and the benefits that come with it. We expect to rotate those slots every 6 months. When clients move on, we will back-fill the spaces with other homeless persons. We always expect Horizon Shine to always be full. Sometime in 2024, depending on the permitting of St. Vincent's affordable housing project at this location - and their timeline - we will leave our current site." CDC staff notes that HSV's continuation into the latter part of 2023 and into 2024 is also contingent on this funding as well as success in securing other competitive funds.
- **What's Needed for Successful Outcomes.** SAVS tells us that additional assistance from the County's Interdepartmental Multidisciplinary Team's (IMDT) high-skill staff members, Mainstream (or other) housing vouchers (Mainstream vouchers are for non-elderly persons with one or more disabilities), and more contacts and leads for apartments, mobile homes, and other units are all needed in addition to the \$330,000 being requested here. Not all of these are possible, but nor are they unreasonable requests of any service provider in Sonoma County today.
- **Other Funding Sources.** Besides this request and the possibility of additional funding via a competitive NOFAs (such as the NOFAs listed later in the staff report), SAVS does not believe that other major government contributions will be made to this program, including from the City of Sebastopol. SAVS received \$25,000 from Community Foundation of Sonoma County for food support; \$5,000 from their donors for a vehicle repair program; \$13,000 from donors to purchase a portable bathroom; and general uses support of \$40,000 from SAVS' donor base in 2022.

CDC Staff discussed with SAVS the importance of housing placements for all Horizon Shine clients, and noted that the Continuum of Care Strategic Plan has prioritized the below metrics to evaluate whether to fund programs:

1. Returns to Homelessness (what percentage of clients who were housed but then fell out of housing and returned to homelessness - a low percentage is better).
2. Placements to Permanent Housing (what percentage of clients secured permanent housing after staying at the program - a higher percentage is better).
3. Length of time Homeless (how long - in days - did clients stay homeless. This is usually measured from the date a person fell into homelessness until the person secures permanent housing). This metric is most useful systemwide and may not be as useful for individual programs like Horizon Shine.
4. Increased Income. Did a client increase their personal resources (through securing benefits, a part-time job, or similar) from the time they arrived until the time they left, and at what amount?
5. Cost per person served.

Should the Board approve this emergency funding request, staff will, among other things, require SAVS to:

- Provide HSV's data for performance metrics 1, 2, 4, and 5 above; and
- Actively prepare for HSV's end date. Notwithstanding limited funding, HSV's site is leased through 02/01/2023 with a right to a one-year extension. While SAVS notes above that they expect HSV to always be full, at the end of the project's term each client remaining there must have a defined housing plan for a permanent placement.

Other Programs Funded with the \$2 million from December 7, 2021. The other programs in addition to Horizon Shine's project included:

City of Santa Rosa. The County awarded \$500,000 to assist in the operational support of the 50-space 24/7 Safe Parking location at the Utilities Field Office off of Stony Point Road. The City contributed over \$2.3 million of its own or American Rescue Plan Act of 2021 (ARPA) resources to the project, with the intention of supporting the program for up to two (2) years.

City of Petaluma. The County awarded \$750,000 to the City of Petaluma and COTS for Petaluma Peoples' Village, a 25-unit NCS site at COTS' location at 900 Hopper Street. The City of Petaluma assisted the project with about \$1.3 million in ARPA funds, with the intent of supporting the program for up to three years. □

Homeless Action Sonoma's 20-unit Interim Housing Site in the Sonoma Valley. This project received \$400,000 that has gone towards purchasing NCS shelters as well as preparing (site design, grading, construction management and permitting) the site for shelter placement. HAS hopes to have shelter units and/or their offices at the site in November 2022. HAS will seek whatever County and other funds (Homekey-3 and Encampment Resolution Funds, among other sources) are available to continue standing up the site.

Early recommendations from the CoC's regionwide 5-year Homeless Strategic Plan (which is expected to come to your Board for consideration of adoption in December 2022) suggests the need for additional Interim Shelter and Safe Parking interventions. In anticipation of this, staff from the Department of Health Services

(DHS) and the CDC are considering issuing a one-time, competitive NOFA for Measure O one-time fund balance, possibly combined with additional Mental Health Services Act (MHSA) funds. The amount of this NOFA is yet to be determined.

The SAVS project at Horizon Shine could compete with other projects for these funds, which arguably could be awarded within the March-April 2023 time frame. While the NOFA will be competitive, there is discussion at the CoC Board level to consider recommendations that prioritize existing programming versus starting new efforts. DHS/CDC staff will bring a separate item to the Board regarding awards for the NOFA under development once details and recommendations are solidified.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 1: Expand integrated system of care to address gaps in services to the County's most vulnerable.

Objective: Objective 3: Increase investment in programs that treat underlying causes of homelessness, including substance abuse, mental illness, poverty, and lack of affordable housing.

Prior Board Actions:

December 7, 2021: 24/7 Safe Parking Programs and Indoor-Outdoor NCS Opportunities

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY 23-24 Projected	FY 24-25 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$330,000		
Total Expenditures	\$330,000		
Funding Sources			
General Fund/WA GF			
State/Federal (HHASP, HHIP, NOFA)			
Fees/Other (Measure O Fund Balance NOFA)			
Use of Fund Balance			
Contingencies	\$330,000		
Total Sources	\$330,000		

Narrative Explanation of Fiscal Impacts:

Expenditure and Revenue appropriation adjustment is being requested for the FY 2022/23 budget in the amount of \$330,000 (\$55,000 x 6 months). Funding for this request is derived from County Contingencies.

Narrative Explanation of Staffing Impacts (If Required):

None

Agenda Date: 11/1/2022

Attachments:

Attachment A - Budget Resolution

Attachment B - Proposed Contract Amendment #1 for Horizon Shine

Attachment C - SAVS initial proposal for Horizon Shine

Attachment D - Financial Information for SAVS

Related Items “On File” with the Clerk of the Board:

None