

**MEMORANDUM 1**

**To:** Birgitta Corsello  
County Administrator, Solano County

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Director of Resource Management, Solano County

**From:** Petrea Marchand – President, Consero Solutions  
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**Date:** August 28, 2019

**RE:** Summary of Solano County’s current affordable housing efforts

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The following memo summarizes major findings regarding Solano County’s (“County”) current work to establish partnerships, seek funding, and implement projects related to increasing the affordable housing supply in the County. The County’s interest in existing affordable housing efforts is consistent with the state’s increasing focus on issues of affordable housing and homelessness. Governor Newsom’s 2019-20 state budget includes an unprecedented \$2.4 billion in funding to fight California’s homelessness and affordable housing crisis across multiple departments and programs, plus expanded tax credits. The Governor and the Legislature are also proposing new laws designed to incentivize local jurisdictions to increase the affordable housing stock. In May, the Governor further announced the formation of a homeless task force led by Sacramento Mayor Darrell Steinberg. With this shift at the state level comes an unprecedented opportunity for Solano County to increase its capacity to serve residents in need.

In preparing this summary, Consero Solutions (“Consero”) conducted a series of telephone interviews with individuals the County identified as key to this work. Please see table provided on the following page for a full list of interviewees.

Table 1: List of Individuals Interviewed

Name	Title
Tonya Nowakowski	Former Assistant Director of Health and Social Services
Carolyn Wylie	HomeBase Deputy Director
Sandra Sinz and Emery Cowan	Deputy Director of Behavioral Health and Behavioral Health Services Administrator
Matt Walsh	Principal Planner
Deborah Vaughn	Principal Management Analyst
Robert Guerrero	Solano Transportation Authority Director of Planning
Aaron Crutison and Margaret Friel	Deputy Director of Child Welfare Services and Child Welfare Supervisor

Consero will use the information from the interviews to inform the development of options available to Solano County to further increase the supply of affordable housing.

**FINDINGS**

1. **There is universal agreement the County needs more housing for vulnerable unhoused populations, and those at risk of losing housing.** These populations include people who are suffering from mental illness and substance abuse, people who are physically disabled, aging out foster youth, veterans, and low-income working families. The table below provides the average interview responses for Question #1 (*On a scale of 1 to 10 with 1 being totally inadequate supply and 10 being supply meets demand, how would you score the supply of affordable housing for the following populations in Solano County?*)

Table 2: Average Responses Regarding Housing Adequacy (scale of 1 to 10)

Unhoused people suffering from mental illness	Unhoused people suffering from substance abuse	Unhoused people who are physically disabled	Aging out foster youth	Veterans	Low-income working families
2.25	2.25	2.83	2.88	4.88	3.38

Although interviewees agreed affordable housing (and in particular, permanent supportive housing) was a need across all populations, average responses suggest certain groups are in greater need than others:

- The rating for veterans was highest. Tonya Nowakowski, formerly of Health and Social Services, speculated there is less of a societal stigma associated with housing veterans. Director of Veteran Services Ted Puntillo, who responded to this question on behalf of Principal Management Analyst Deborah Vaughn, shared, “Veterans have more options than non-veterans as there are more benefits for this population including veteran specific housing, grant, and per diem programs including VASH certificates.” This finding is not unique to Solano County as it is a direct result of a federal government policy decision to increase resources to veterans who are homeless.

- All agreed those suffering from mental illness, substance abuse, and/or physical disability were most in need of additional housing and the most challenging to house, which many attributed to a culture of NIMBYism as well as the complex nature of mental illness, substance abuse, and disability.
- Falling somewhere in the middle was the aging out foster youth population. Carolyn Wylie of HomeBase described this group as growing in number and “easily victimized.” Aaron Crutison and Margaret Friel of Child Welfare said it is “definitely a struggle” for aging out foster youth to find affordable housing within Solano County, particularly for those over age 21, as they have even fewer options and resources available to them. The numbers of foster youth leaving the system at age 21 after participating in extended foster care services from age 18 years to 21 ranges between six and ten. These youth face the same tight affordable housing market as other residents of Solano County and often choose to leave the County if they are unable to secure subsidized housing.
- Rating slightly above aging out foster youth but below veterans was low-income working families. Manager of Health and Social Services Housing Programs Belinda Jackson-Thomas, responding to the question on behalf of Ms. Vaughn, graded the County a “2” in this area due to a lack of available housing stock, and writes: “The majority of the families we serve have barriers to securing permanent housing. Most have evictions or poor credit on their record, both of which present risks to prospective landlords.”

2. **The Community Action Partnership Solano Joint Powers Agency (CAP Solano JPA) is facilitating the construction of more affordable housing projects than they have in the past and working with cities to apply for grant opportunities.** CAP Solano JPA has directed funds from Partnership HealthPlan to construct three affordable housing projects, fulfilling a need to construct permanent supportive housing, which is widely considered by those interviewed as a top priority in Solano County. Projects include two Eden Housing projects in Vallejo and Vacaville and a MidPen Housing project in Fairfield.

Table 3 below provides details about these three projects, which will result in an estimated 220 units of affordable housing. The Eden Housing project in Vallejo will provide 100% permanent supportive housing, while the MidPen project in Fairfield consists of over 48% permanent supportive housing through NPLH and Partnership funding. The Eden Housing project in Vacaville will provide at minimum 8 units of permanent supportive housing; the status of the remaining 65 units is unknown. CAP Solano JPA managed the Request for Proposal (RFP) process for the Partnership HealthPlan funds listed below; the Department of Health and Social Services, in collaboration with MidPen Housing, applied for the No Place Like Home (NPLH) funds, as required by the State Department of Housing and Community Development. The funding sources of Partnership HealthPlan, NPLH, Federal Home Loan Bank, and city contributions comprise part of the dollars needed to build these three developments. Developers are seeking additional funds to complete the projects through tax credits and additional sources. The following three construction projects are not entitled yet, although Eden Vallejo has begun the entitlement process and MidPen Fairfield anticipates submitting the entitlement package in early fall.

*Table 3: Summary of Planned Housing Projects Facilitated by CAP Solano JPA*

Developer	City	Funds Awarded to Date	Funding Source(s)	Total Units	Estimated Completion
Eden Housing	Vallejo	\$1.5 million	Partnership HealthPlan (8 units)	75	May 2022
		Up to \$2 million	City of Vallejo		
Eden Housing	Vacaville	\$1.1	Partnership HealthPlan (8 units)	73	April 2022*
MidPen Housing	Fairfield	\$851,598	Partnership HealthPlan (10 units)	72	Mid-2022
		\$4.7 million	No Place Like Home (34 units)		
		\$710,000	Federal Home Loan Bank (71 units)		
		\$2 million	City of Fairfield		
<b>TOTALS:</b>		\$12.9 million		220	

\* PROJECT SITE AND NUMBER OF UNITS HAS RECENTLY CHANGED; INFORMATION WILL BE UPDATED ONCE AVAILABLE

CAP Solano JPA also is successfully responding to available statewide and federal housing and supportive services grant opportunities, including the State sponsored California Emergency Services and Housing (CESH) and Homeless Emergency Aid Program (HEAP) grant opportunities, as well as the historically federally funded Emergency Solutions Grant (ESG) and Continuum of Care funding. This past spring it announced the local recipients of \$4.9 million in HEAP funding and \$689,901 in CESH funding.

- CAP Solano JPA appears to be a well-run organization endeavoring to fulfill its mission to provide oversight and resources to organizations that creatively deliver successful services to low-income people.** CAP Solano JPA has developed the administrative infrastructure necessary to pursue opportunities as they become known. Its membership consists of staff representatives from each of the cities (with the exception of Dixon) and the County who need to receive direction from their respective entities as to larger macro and systemic goals. In March 2017, CAP Solano JPA released a five-year strategic plan, Neighbors Helping Neighbors: Forward Together, the 5-Year Regional Strategic Plan to Respond to Homelessness in Solano County, followed by an addendum in 2019. CAP Solano JPA currently lacks the staff and funds to engage in more comprehensive strategic planning and the breadth and depth of outreach necessary to fully develop an effective collaborative approach to address the complex problems of homelessness and affordable housing. CAP Solano JPA’s impact is further limited by the lack of high-level decisionmakers, such as elected officials, on the CAP Solano JPA Board.

4. **While construction of affordable housing is widely seen as a need, it is not included in the current mission of Solano County.** Solano County has historically not focused on the construction of affordable housing because the County’s voter-approved city-centered growth initiative has directed most development to the cities, which have better access to basic infrastructure such as transit, water, and sewer than the unincorporated area. At the same time, the County is responsible for assisting vulnerable populations in need of affordable housing.

Given the demonstrated need for additional housing, the County is reevaluating its role in increasing the affordable housing supply. While staff across departments are tracking funding opportunities and/or participating in affordable housing discussions, Solano County currently has no dedicated staff person or department to manage an affordable housing program or to comprehensively track existing efforts or programs. Deputy Director of Behavioral Health Sandra Sinz stated, “People can’t recover their mental health until they have housing,” but acknowledged her team has neither the time nor the specialized expertise to address this problem, leading to considerable waiting lists for all programs and a lack of staff capacity to pursue funding opportunities.

The decision regarding Solano County’s appropriate affordable housing role is further complicated because Solano County is the most affordable Bay Area county, therefore attracting people who work outside the County. Principal Planner Matt Walsh reported the County is constructing affordable housing for Bay Area workers unable to afford market rate housing elsewhere. Robert Guerrero of the Solano Transportation Authority affirmed Solano is the most affordable Bay Area county, a point further underscored by a *Vallejo Times Herald* [article](#) citing a California Housing Partnership Housing Needs Assessment. The assessment revealed an individual must still earn a wage of at least \$36.06/hour (\$75,000 annually) to afford the Solano County’s median monthly rent of \$1,875. Given the widespread demand for affordable housing, the County will need to identify the gaps the County may be best suited to fill.

5. **Affordable housing is needed in all geographic areas of the County, but especially in cities with close proximity to transportation, infrastructure, and services.** As previously mentioned, Solano County’s city-centered growth approach directs development to the cities, which are better equipped with basic infrastructure needs and services. Mr. Guerrero described housing and transportation as “integrally linked,” as demonstrated by state policy proposals, such as creating priority development areas in transit zones and the Newsom Administration’s proposal to link Regional Housing Needs Assessment (RHNA) targets with transportation funding. Moreover, interviewees noted the majority of the County’s homeless population is in the cities.
6. **Additional statistical information about the extent and scope of the affordable housing gap in Solano County is needed.** The people interviewed agreed multiple data sources exist to help define the housing gap, including RHNA numbers, the U.S. Census, and the Point-in-Time (PIT) Count, but no interviewee possessed information about the extent of the gap. Resource Management Director Bill Emlen confirmed the County does not yet have a comprehensive assessment of its housing gap.

Neither RHNA numbers nor PIT Count data adequately reflect information about the specific amount of housing needed by the subpopulations the County expressed an interest in serving. In the words of Mr. Guerrero, “A lot of good data is being collected” but there remains a need to compile and utilize this information to create measurable goals. CAP Solano JPA also confirmed the JPA has not completed a full housing gap analysis as part of its work, although its strategic plan represents the most comprehensive effort to develop affording housing goals of any organization interviewed.

A preliminary report on the 2019 PIT Count indicates a six percent reduction in the County's total homeless population, from 1232 individuals in 2017 to 1151 individuals in 2019, including a five percent reduction in homeless veterans, and a 48 percent reduction in homeless families. However, the number of people living homeless increased in certain categories as follows:

- those who are chronically homeless increased by four percent
- those who are unsheltered increased by eight percent
- those who are unhoused transitional age youth increased by six percent

7. **Solano County has successfully applied for grants for affordable housing construction but has passed up on other valuable funding opportunities due to a lack of staff time needed to pursue funding opportunities.** Solano County, in collaboration with affordable housing developer MidPen Housing, applied for and received a noncompetitive NPLH allocation of \$1,711,136 and a competitive NPLH allocation of \$3,026,167. In total, the project will add 72 units (including one manager's unit); 34 of the units are funded with NPLH dollars and designated for those with mental illness, and the 38 remaining units will be funded with outside dollars. Construction is expected to start in late 2020 and be completed by mid-2022. The City of Fairfield Housing Authority proposes to support the 34 NPLH units with Section 8 housing vouchers. It will augment existing funding provided to CAP Solano JPA through Partnership HealthPlan. Solano County has also set aside \$1.6 million in housing match funds.

Solano County has also missed out on funding opportunities, however, such as the Community Services Infrastructure Grant Program (a one-time funding opportunity administered by the California Health Facilities Financing Authority, which provided counties with capital funds to create and expand alternatives to incarceration), Housing Opportunities for People with AIDS (HOPWA), and the Adult Reentry Grant Warm Hand-Off Program. The Adult Reentry grant was another one-time opportunity administered by the Board of State and Community Corrections, which provided funds for rental assistance and reentry of people transitioning out of jail and into communities (known as a "warm hand-off" service model).

Ms. Sinz stated Behavioral Health has regrettably passed up promising funding opportunities due to sheer volume of opportunities coupled with limited staffing capacity to secure housing funds, while Ms. Nowakowski explained having no grant writer on the Health and Social Services staff made applying for external funding all but impossible.

8. **Homelessness and affordable housing are complex problems facing the entire state, necessitating a collaborative approach with cities, counties, nonprofit agencies, and community entities working in close partnership.** The CAP Solano JPA and the Solano Transportation Authority, which are agencies comprised of membership from multiple jurisdictions and organizations, provide forums for city and County leaders to discuss opportunities for collaboration. The County is not currently fully utilizing these forums, however, to advance regional efforts in the areas of affordable housing and homelessness. The Board of the CAP Solano JPA, for example, does not currently consist of elected officials or other top decisionmakers.
9. **The Solano Transportation Authority may provide an opportunity to increase countywide collaboration.** Mr. Guerrero of the Solano Transportation Authority expressed interest in collaborating on affordable housing projects with Solano County and the cities, including funding research. As a JPA, he stated the Authority Board includes mayors from every City and a member of

the County Board of Supervisors, as well as provides a direct conduit to the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) two regional entities assisting local governments with achieving land use and transportation goals. ABAG is receiving \$25.5 million in one-time funding through the 2019-20 state budget for support in implementing the sixth cycle of RHNA.