

The costs associated with preparing this agenda item are nominal and absorbed by the department's FY2020/21 Budget. The costs associated with the contract is included in the Board's \$2 million Community Investment Fund for FY2020/21-FY2022/23.

DISCUSSION:

In September 2018, the County Administrator's Office recommended, and the Board of Supervisors endorsed, the development of a formal process to utilize qualitative and quantitative data to identify the highest needs in the county. The goal of the 3-step process was to create a durable framework of desired outcomes with clearly defined indicators and use the findings to:

1. Guide decision-making during the budget process toward priority outcomes
2. Leverage other county resources.

The Human Services Needs Assessment (HSNA) process was conducted by Applied Survey Research, a Bay Area research and evaluation firm, and was guided by a planning team that consisted of two Board of Supervisor members, Department Heads that engage in service delivery as part of their role and the County Administrator. The planning team reviewed extensive community data, conducted key informant interviews and considered data results from a community survey before recommending that the Board of Supervisors establish a Community Investment Fund to address the top human services needs in Solano County.

The top community needs that were identified in this process were:

Priority Need 1: Mental Health - Increase access to Solano County's mental health system of care with dual strategies of increasing community understanding of how to access mental health services and increasing provider understanding of how to respond to residents with mental health needs.

Priority Need 2: Affordable Housing - Work with cities to increase the supply of affordable housing under the community goal of "reducing homelessness."

Priority Need 3: Homelessness - Reduce homelessness with a strategy of strengthening capacity to address homelessness

Priority Needs 4-6: Early Education, Youth Development, Safe and Stable Environments for Children - While mental health, housing, and homelessness rose to the top priorities, early education, youth development, and safe and stable environments for children were also highly ranked in the prioritization.

Community Investment Fund:

In June 2019, the Board of Supervisors approved the recommendation from the planning team to create a Community Investment Fund (CIF). The CIF is a 3-pronged approach which includes:

1. Legacy Programs-3-year commitment to sustain programs funded by the Board to serve a specific population.
2. Deep Programming-3-year commitment to address the top 3 priority needs by implementing strategies that were selected as part of an outcomes framework to evaluate progress toward the selected needs over time.
3. One-Time Investments-Smaller annual grants to address the top 6 priority needs.

For the deep investments category, your Board allocated \$1,300,000 annually divided as follows: \$600,000 for the top priority of Mental Health, \$200,000 for the second priority of Housing Affordability and \$500,000 for the third priority of Homelessness.

Within the housing affordability category, the County Administrator hired a housing and homelessness expert to help guide work in these areas. With his expertise and regular scan for opportunities to contribute toward a measurable change, staff identifies a project with Habitat for Humanity. Habitat for Humanity has been in discussion with the City of Fairfield on obtaining a piece of property which is large enough to build 3 single family homes for low income families in Fairfield. The City of Fairfield has committed to selling the property to Habitat for Humanity at a discounted price, as the land requires flood mitigation work.

An investment of \$200,000 from Solano County would support Habitat for Humanity's purchase and/or pre-development of the land. Once the land is secured, Habitat for Humanity anticipates being able to secure other foundation grants for approximately \$250,000 for the construction. The investment from Solano County would provide the assurance that the project will be executed and completed, thereby highly increasing the ability to leverage these additional foundation dollars. Should additional funding be needed to complete the project, Habitat for Humanity has committed to fundraise for the remainder of the required funds.

Should the Board approve the recommendation, Habitat for Humanity will follow their typical process which includes:

- A. Acquire a piece of land.
- B. Begin the entitlement process - the process of surveying and mapping the site to create parcels.
- C. Select local low-income families in need of affordable housing (Partner Family) whose:
 - a. Current housing conditions are sub-standard
 - b. Earning less than 80% Area Median Income (AMI)
 - c. Willing to provide 500 hours of sweat equity to help build their house
 - d. Able to make affordable monthly housing payments.
- D. Conduct site development work on the acquired property.
- E. Construct the house with the help of the Partner Family and several hundred local volunteers.
- F. Sell the house to the Partner Family with a mortgage structured so that they pay no more than 30% of their monthly household income on housing (i.e. the sum of their monthly Homeowners Insurance premium, Property Taxes, and the monthly first mortgage installment). Most often originates a 30-year, 0% interest, first mortgage.
- G. Record deed restrictions on title ensuring that the Partner Family uses the house as their primary residence. If they decide to sell, they must provide Habitat for Humanity with the first right to purchase.

Based on where Habitat is in the current process, if the Board moves forward, it is expected to take approximately 2 years to complete the process with 3 low-income families obtaining single family homes.

Years 2 & 3 Funding:

While the vast majority of Deep Investments has been appropriate for 3-year funding commitments, the Housing Affordability category has not shown that it fits with a long-term commitment. Staff are recommending that we utilize the housing expert in the County Administrator's Office to identify available opportunities that best fit a small investment of funds to catalyze a larger project on a yearly or as needed basis. Therefore, staff will bring forward recommendations for funding in years 2 & 3 as opportunities are identified.

ALTERNATIVES:

The Board could choose not to approve the recommendation to allocate up to \$200,000 from the Community Investment Fund to Habitat for Humanity; however, this is not recommended as the CIF was approved by the Board of Supervisors after being developed through a nine-month process with cross sector input to guide the board in decision making and the Board requested staff implement this CIF on its behalf.

OTHER AGENCY INVOLVEMENT:

First 5 Solano is administering the CIF on behalf of the County Administrator's Office.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION