

## **CDBG Webinar Series**

### **CDBG-CV Best Practices, Interim and Affordable Housing**

Carrie Kronberg: Thank you, John. Before we get started, we are honored to be joined by James Hoemann, the Director of the Entitlement Communities Division in the HUD Office of Block Grant Assistance. He's going to open us up with a few remarks. James?

James Hoemann: Hello everyone. I hope you're having a fantastic day. For those of you who've never been on a webinar, there's always a little time period before you start the webinar and that gives us an opportunity to go through to make sure everything is working right. And I know this is being recorded, but we had an interesting side conversation about black bears.

And apparently, even though they do have a whole food diet, they will venture into what is the standard American diet, with Lucky Charms and Ramen noodles. So in case you were wondering, they will eat the same thing your teenagers will. So having said that, I'd like to thank you for joining us for the fourth in our webinar series on CDBG-CV Best Practices.

And this year, we're focusing on impactful CDBG-CV funded projects that are in response to coronavirus. I want to take this opportunity to express our appreciation to our panelists today who have agreed to share their unique strategies for interim and affordable housing. The goal of our series is to focus on the implementation of these funds regarding preventing, preparing for, responding to coronavirus.

And the effects or risks to the overall economic, public service, infrastructure and housing safety net, that serves low to modern income neighborhoods and communities. The objective here, is to provide a platform for our grantees to learn from each other and to share useful strategies in response to coronavirus that can be adapted to fit different grantee needs.

We hope that this series in the company report that we are developing will assist our grantees in identifying and replicating successful implementation practices. The Office of Block Grant Assistance at HUD headquarters has put this series together at the request of our partners at the hill.

And out of all of these webinars, our four areas our economic development and assistance to business, public services, public facilities, and building improvements in today's topic, interim and affordable housing. I will note that we do draw quite a bit on project profiles that are submitted in the HUD Exchange, and we will drop that link in the chat for you all to take a look at.

And if you're still inclined, submit your project for us, so that we cannot only host that on the website, but share with our hill partners and anyone who's new to the program, or new mayors, or new governors so that they can learn about what they can use CDBG for. Now, in order to do encourage peer to peer learning among our grantees, HUD will have these webinars posted on the HUD Exchange so that they can be viewed and shared.

In addition, the report that HUD is preparing for Congress will also be posted so that you may do the same with that -- with your fellow staff members, public officials, or with your community. So we look forward to this learning opportunity today and the accompanying discussion that will come a long with it. And now I'll turn the time back over to our John Panetti.

Carrie Kronberg: Great. Thank you, James and thanks to HUD for hosting this webinar series. It's a really great opportunity to learn from each other. So, good afternoon everyone, or good morning to those of you out west with me. My name is Carrie Kronberg and I'm the Housing and Community Development Technical Assistant consulting with ICS, and I'll be your John Panetti for the session today.

Before I turn things over to our panelists, I'll quickly review the learning objectives and our agendas. So our learning objectives as we do this with every webinar, figure out what do we want to convey here?

So with this webinar, participants will learn unique approaches from project staff in different regions of the country to identify and solve challenges in the successful implementation of CDBG-CV interim supportive and permanent affordable housing programs specifically in response to the coronavirus pandemic.

Additionally, participants will be exposed to effective, replicable, best practice models to implement in their local CDBG-CV programs. So for our agenda today, first, we'll do some introductions and I'll do that on the next slide and tell you about our wonderful panelists. Then they'll each provide a 10 to 15-minute presentation on their CDBG-CV housing programs and strategies.

And then at the end, we'll have time for panelists to take some live questions from all of you. We'll have about 30 minutes for that, so please be thinking of questions as you listen to the presentations, and type them into the Q&A box. This is a really great opportunity to talk to and hear from representatives from communities who have successfully sheltered and housed vulnerable residents during the pandemic.

And as we all know, I think homelessness is still a crisis in our country so I think this webinar in particular, there's a lot to learn that we can carry forward. Okay. So now let's meet our panelists. We're joined today by Carrie Casey, who's the manager of the New Castle County Division of Community Development and Housing.

As a direct U.S. Department of Housing and Urban Development Entitlement grantee, Carrie is responsible for the management of \$20 million in federal funding annually. We also are joined by Greg Garrett and Christina Mun from the City of Oakland.

Greg is Oakland and San Francisco [inaudible], born and raised, and a proud employee of the City of Oakland for more than 26 years. Greg started as an intern with Oakland and Homeless Services Monitoring Emergency Solutions Grant and Housing Opportunities for Persons with AIDS Programs. He currently manages the city's Community Development and Engagement Division where the CDBG program and the annual plan and performance reporting for CDBG, Home, HOPWA, and ESG are managed.

Christina Mun is the acting deputy director of the City of Oakland's Housing and Community Development Department. There she guides funding strategies and affordable housing

production as well as data analysis. Before Christina joined the City of Oakland, she worked for the City of San Francisco and the City of New York. And there she specialized in strategic planning and policy analysis. And she started as an affordable housing developer, leading development projects across the San Francisco Bay area.

Then from the State of Connecticut, we have Steve DiLella who will be leading the presentation. He's joined by his colleagues Lena Holleran and Miguel Rivera. They'll cover a few of the details and they're also available for questions at the end. Steve is the director of the Individual and Family Support Program Unit at the Connecticut Department of Housing. Steve has been with the state working on ending homelessness and providing housing resources for individuals with disabilities for the past 14 years. In his time, he's managed all state-funded homeless service programs including Homeless Outreach, Homeless Diversion, Emergency Shelter and Rapid Rehousing, Permanent Supportive Housing and he assisted in the creation of Connecticut's coordinated entry system.

And then finally back on the West Coast, our fourth panelist is Jessica Hill with the City of Modesto in California. Jessica is the community development manager for the City of Modesto since 2018, and she oversees housing and homelessness projects and funding. The City of Modesto manages Home, CDBG, and ESG HUD entitlement funds. Before she joined the city, she worked for Habitat for Humanity in Stanislaus County as the Deputy Executive Director, and she served in that role for eight years and she saw -- oversaw projects also funded with CPD funds, Home and CDBG.

So before I turn it over to the other Carrie, we're going to have a quick poll question just to get a sense of the size of the grantees in the room. So what is the size of your overall CDBG-CV allocation across all realms?

John Panetti: The poll will be closing in 10 seconds.

Carrie Kronberg: Okay. Great. So it looks like we have a good mix of folks from very large grantees getting more than \$10 million. But the bulk of folks are between \$1 million and \$3 million. But good representation from all different sizes so thank you. So with that, I will turn it over, on the next slide to Carrie Casey from New Castle County in Delaware.

Carrie Casey: Thank you, Carrie. I'm very glad to be here. I am very honored and just really just excited to talk a little bit about this project that has been so near and dear to us in New Castle County. So just before I begin, a little bit about New Castle County, Delaware. It would be a funny poll question to see how many folks have actually heard of Delaware.

We get jokes sometimes about Delaware being in Maryland or Pennsylvania, but it's actually a state. It's a very small state with three counties. I work for New Castle County which is our most populous county, over 480,000 residents. The project that I'm going to speak about today, specifically, the tie-back to preparing and responding to COVID is motel vouchers and operating funds to -- for non-congregate shelter/interim housing to protect people experiencing homelessness.

In a regular year, we receive about \$2.4 million in CDBG funds but the CDBG Cares Act, CV allocations. And as you can see, we received two of the three rounds over \$4 million. And we are about 23 percent which I'm going to explain a little bit how our shelter project, our hotel purchase project, the fact that we have CDBG-CV funds in the future to use was really a really large part in our government approving the purchase of the hotel that we're going to speak about in just a minute.

So, next slide please. So as many of you, I mean it's just -- it's unbelievable to think it's been almost two years ago when COVID hit Delaware and we were faced with closures on March of 2020. The people experiencing homelessness were extremely challenged because of the fact you really can't shelter in a place if you do not have a place to live.

And I think of myself and many of my colleagues and I'm sure many that are listening, we became what we'd like to call which government is, we really became rogue advocates for people experiencing homelessness. What we noticed when COVID first hit, was that many people were not able to access those libraries, day centers, coffee shops.

Even shelters were at reduced capacity, and people were literally congregating in front of these places because they had nowhere else to go. Quickly, that's the really good thing about Delaware, we can come together because we are small. Quickly we all -- all the jurisdictions and counties got together and put funding towards the state's motel voucher program.

So by April and May, we were basically sending folks to the motel voucher program and they were being placed throughout in motels statewide. And that worked really well until about -- then we started to think about in the summer, late summer fall, what was the winter going to look like? We knew that our shelter -- that the motels were just in New Castle County alone.

We had over 634 households and just to put that in perspective, our point in time count done in January 2020, put us at about 1,000 homeless in our state. So we were already seeing a surge in people experiencing homelessness that needed motel placements in just New Castle County alone.

We knew that there was about a third of our households that were not able to access any type of shelter. They were calling coordinated entry and not able to access a motel room, or a shelter. And winter, which many of you might -- have code purple in your states, where if it's below 20 degrees, we open up a gymnasium in the salvation army for folks to come in.

They notified us that they would no longer be doing that because of safety, because of COVID, obviously, not safe to do it. Plus, all those the libraries, coffee shops etc. weren't open. So were really faced with, what the heck are we going to do in the winter of 2020? We looked at the wonderful HUD guidance which said, the best practice right now is putting people in motel rooms, providing services onsite but we were really unsure.

We formed a working group. We were looking at what was the winter going to hold for us? So next slide? So this is -- and again it's all kind of led up to this beautiful moment that the county was able to be part of.

In July of 2020, New Castle County Executive Matt Meyer, so he's kind of the governor of the county, put together -- we had received about \$300 million in coronavirus relief funds as a government.

And County Executive Meyer put together a committee on how some of this money could be used to serve the most vulnerable. And we were tasked with, come up with the most out of the box idea. And at that time we looked at what other jurisdictions were doing and we really looked at some of the California models.

And I'm really excited that other from Modesto and Oakland, we looked at the project Homekey, and the project Roomkey, and we thought, you know what would be great, if Delaware, New Castle County purchased a hotel, used it through COVID for emergency response and then did work to make it permanent supportive housing?

It was our out of the box idea. I was sending emails to realtors saying, are there any motels available? And everyone just looked at me like, wow, what are you guys thinking? At that time in July, there were no motels on the market. We thought, well, this was a good idea. We'll put it in our pocket and see what happens, and can we continue to work on what was going to happen this winter?

Next slide. So there we go. This beautiful building, and if any of you all are listening from the East Coast, if you're ever driving through Delaware which many people do, it's a hotel that sits literally on 95 between Newark and Wilmington Delaware. So if you're ever in the area, please stop by.

It was the Sheraton Wilmington South. It had been vacant from March of 2020 to September of 2020 due to COVID-19, and in February had gone through a really expensive renovation. We read that on -- in a business magazine, that all of a sudden September 8th, look, this hotel is coming up for auction.

They needed a quick sale and the auction was actually at the end of October. We could not believe it. Now, we needed to really put a case forward to our government to do it and we did that by saying that we knew that we could use our CV funds to help operate the hotel once we purchased it.

So it's just a beautiful hotel. I mean that's a really great picture of it but it's 192 rooms. It is just really beautiful, renovated space that we were going -- we were so excited because it was going to be used to expand the capacity of our homeless system which we had not seen at least in my career in New Castle County, the expansion of that many rooms statewide. Next slide please.

So this is what we did. And I'm really, to me, sometimes I have to pinch myself because I just can't even believe that this -- we were able to do this. As again I stated, we had really been putting people in motels since April 2020. On October 28th, New Castle County became the winning bidder of the Sheraton Wilmington South.

I went to county council the evening of October 27th and made the case, and to the credit of New Castle County government, the county council voted 13-0 for us to do this. So just amazing that we had this kind of support. On December 1st, we went to settlement. We actually purchased the hotel.

And on December 15th, we opened and we renamed the hotel, The Hope Center. And we really just wanted to get open because obviously it was winter. We didn't want to have people out in the cold. We -- so we worked with our service partner to bring in 73 street level homeless folks on our first opening day.

And now that we've become kind of -- we joked that we're in the hotel business, we called that our soft opening. These 73 folks were brought in. Many had been living outside for -- since the beginning of COVID, occasionally staying at shelters, occasionally being able to get a motel room, but largely living outside and we were able to bring them in.

And then on December 29th, we became part of the motel voucher program that I spoke of earlier, and we began to take referrals from that system. Again that hotel voucher system -- so it -- I know it sounds like this really -- it's like a puzzle piece. The hotel voucher system run by the state, all of the jurisdictions had put their Cares Act CDBG money into.

So if the person came to The Hope Center, whose last address was in the City of Wilmington, that's what paid for their motel voucher stay, even some parts in the southern part of our state, so it was sort of this mix mash puzzle that helped us operate. Next slide please. So, I talked briefly about this. So this is like where the puzzle piece comes in.

We used \$19.6 million to purchase the hotel, New Castle County's coronavirus relief funds from the U.S. treasury. Those funds were said to expire at the end of December of 2020, which was another really great timing issue for us. We were able to purchase the hotel and get it open before the expiration.

They ended up extending that for a year which has helped me because I was -- we were able to convince New Castle County to allow us to continue to use the coronavirus relief funds for some of the capital. We had to put a new security system in. We had to just do some things to make it safe and efficient for guests.

So we were continuing to use the coronavirus relief funds, as well as some for operating including security, transportation, food, service etc. So that's been my whole thing, is let us use the money that expires for year one up to December 31st, and then year two and three, we'll be able to stretch out our funding using the CDBG and ESG CV funds that we received.

We do use our ESG CV funding for our rapid refunding program which is operating on -- in The Hope Center which is wonderful and again we're using this revolving pool from all of the jurisdictions that received CDBG-CV funds to help us with the operations. The per diem motel voucher per night is still coming into The Hope Center to help pay for things like utilities, the housekeeping, the staffing cost etc. Okay. Next slide please.

Okay. The referral process. So day one, it was just amazing. People were just dropping people off. Adults trying to drop their adult kids off, and we were just like no, no, no, this is not how it works. People have to meet the definition of literal homelessness. So again, we used this coordinated entry system and our division of state service centers.

At this point, we do not take walk-ins, though we do have a partnership with our local police departments that if they find someone in the middle of the night, we will set our ballroom up and allow people to sleep there. But right now, we have this really streamlined guest referral process because we did -- so many people like just wanting to get in there.

And we were -- and some they weren't experiencing homelessness so we really had to tighten up our referral system when we first opened. Next slide, please. Outreach. This was the most -- I think if I said one thing that was super important with us doing this, is in the month of November, we held five focus groups with people experiencing homelessness.

We went to them. We went to a day center, an art day center that was open in Wilmington and we talked to them about what they would like to see at The Hope Center. And The Hope Center is kind of isolated so their big thing, they were worried about transportation. So we made sure that on day one we had transportation.

We had a lot of police, oh my gosh, this is going to be a drain on our systems, and what are we going to do? So we had a lot of planning meetings with our police and fire department. And in the beginning they were sending weekly emails to the county executive letting them know how many police calls etc.

And as of March they said, you know what, we just don't see the police there. So we're as supportive of this as anyone and there's no need to continue to do that. We really had a lot of partnerships. We really -- that was the main thing. Delaware was so lucky. A lot of people wanted to be involved in this project including our main hospital in the state which is located about three miles away from The Hope Center.

They actually outfitted our presidential suite to be a doctor's office. I looked at -- we looked at project Homekey and project Roomkey and all of the medical and healthcare services that were offered on site and we tried to replicate that, and luckily our hospital provider that. And the other big piece was educating, talking to our elected leaders, just to let them know what was happening.

Back when COVID first hit, our county government had streamlined and waived a lot of procurement and purchasing rules. So it really allowed us to get things up and running as quickly as possible, as well as we upgraded our safety and did a lot of security planning which we continue to still do. Next slide, please.

So this is a list of our program partners. You can give someone a beautiful hotel room. I know we all know that but you really have to provide services. Friendship House, I'd like to just point out, they worked for 30 plus years with people experiencing homelessness. We call them the concierge of the hotel.



They are present doing everything with the guests. We also have a mental health clinic there that's the state has sponsored, and they were with us day one. We allow pets, but we brought in our animal sanctuary that's down the street, Faithful Friends. They're there three days a week. So just to highlight, we really try to provide as many services as we could to the guests living there.

But we also provided transportation so they can get to jobs, doctor's appointments, etc. Next slide, please. So lessons learned. We really try to be really flexible. We've really changed a lot of things since we started. We had built this crazy -- this wall to separate people we thought would have COVID from people who didn't.

We actually, as many of you probably know, a lot of folks living outside weren't around anyone so they're probably very safe. We didn't see a lot of COVID to begin with. So we didn't really need all of these walls and different things but we still do wellness checks every day. But just in terms of what we thought we would see compared to what we saw, we looked at other states' models again.

I reference California. I really look to California for what you all are doing, just so innovative and wonderful. We did the focus groups with end user and then government efficiency was super important. You had to have that. If we didn't -- weren't able to waive some of the procurement guidelines, we would never have been able to open in two weeks.

We lived by the motto of, do not let perfection be the enemy of the good. We had a snowfall the day after we opened and we thought, you know what? This is meant to be. To bring folks out of the cold, I almost get emotional about it because it was really, really tough and we were really worried about what we were doing but we knew we were doing the right thing.

And then focus on exits. This is a picture of Ms. Summers. She was our first exit in March, and it's very hard because people get comfortable in hotel rooms. They finally have their own space and I can't fault folks but we're really trying to focus on getting people to their next destination.

And that I know it's so hard because there's such a lack of that resource, but it's always, how do we keep talking about that? And that's something that we're constantly striving to do when we've had 65 households move into permanent housing. Next slide, please.

As of today, we are about 90 percent occupied. We have 416 residents, 209 are adults and 207 are children. This is Scruff the dog. We have 14 pets. We've had bearded dragons and Guinea pigs, and all kinds of interesting pets. But this is Scruff, whose -- was actually from New Orleans if you can believe it, but his father's from up in Wilmington area, and he was our first animal to be placed at The Hope Center and his dad is really stabilized and he's working to find permanent housing.

Since December 15th, we've had over 857 people live -- have lived at The Hope Center and that is -- considering that we look at our homeless system at about 1000 to 1200, I mean that's a large number of people that we've been able to serve. Next slide, please. This is a personal story. A very close friend that actually I became very close with, just a really awesome story.

This is some of her artwork. She experienced homelessness for over 20 years. She entered the Hope Center, she stabilized. Her name -- because she had an address, her name came up on Wilmington Housing Authority Efficiency waiting list, staff tracked her down, literally brought the mobile phone up to them -- up to her, and she moved on September 12th.

I visited her a few weeks ago and she's really doing well and it just really makes me know that this is the right thing to do. Next slide, please. Community support. We have so much -- I think sometimes people in the community needed The Hope Center as much as the folks living in The Hope Center.

We actually have a staff person whose job is really just to man the door because so many people are dropping things off, from diapers, to school supplies. The gentleman in the red there, he hosts -- he actually cooked pancakes for everyone living at The Hope Center in to-go boxes. And that's one thing I think is a really good lesson, is to really talk up what you're doing, and get the community involved.

Because I feel like it really, really has helped with some needed supplies but also just the general energy to have the community wrap their arms around you when you're doing something for the first time has really helped us a lot. And I think that is it. And I'm going to turn it over to Greg. Thank you very much.

Carrie Kronberg: Thank you, Carrie. And I couldn't help but look at the calendar when you were talking about your timeline so happy anniversary of your county council approval project.

Carrie Casey: Yeah. Thank you.

Carrie Kronberg: Yes. And now, next we have Greg Garrett and Christina Mun from Oakland -- Mun from Oakland.

Greg Garrett: Thanks so much, Carrie and Carrie. Very impressive presentation. Good afternoon. As I stated, I'm Greg Garrett. I am the Community Development and Engagement Manager with the City of Oakland. It is an honor to present today with the Oakland's Clifton Hall project, alongside my colleague and acting Deputy Director Christina Mun.

At the beginning of COVID, as with most jurisdictions, there were multiple competing needs to be addressed to prepare for, prevent, and respond to COVID impacts. The City of Oakland was awarded \$8.2 million under round one and round three tranches of the CDBG-CV allocations.

The city has committed CDBG-CV funds for housing stability, housing related legal services, acquisition and conversion of facility or buildings to affordable housing, impacting the most vulnerable to COVID-19, that being the homeless and residents that are extremely low to low moderate incomes.

[Inaudible] tieback to PPR through HUD issued Cares Act waivers and flexibilities, the City of Oakland took advantage of the opportunity to utilize 2019 and 2020 CDBG fund balances to

support COVID related projects including a couple of non-housing projects, Oakland Wi-Fi project that decreased the digital divide of Wi-Fi access to lower moderate income areas.

We funded a violence convention project. And then for housing, we funded three projects. One is a homeless shelter, the rehab for the [inaudible] multi-service center, acquisition and conversion of a hotel providing housing for veterans, and then the subject matter of today which is Clifton Hall. City leaders work diligently, efficiently, and in collaboration like no other time and provide -- to provide housing for homeless families and seniors by way of the Clifton Hall project.

I'm always excited to hear about this project, and I want you to hear from those who are on the ground to make sure that it happened. And I would like to turn it over to Christina Mun to tell you more. Next slide.

Christina Mun: Thanks Greg. Yeah, it's been really great working with Greg on this project and all our other urgent projects. I'm Christina Mun with the City of Oakland. And I think everyone on this call is probably facing the urgent homelessness emergency that we're facing here at the City of Oakland as well.

We have so many people that were unhoused, especially as the pandemic happened, and they're extremely vulnerable to COVID-19. And so, this was an urgent need that the city already had and we were so grateful, and lucky to have the State of California take a leadership role in creating programs to house people with the urgency that was needed.

And so, thank you Carrie for sharing your learnings. It sounds like great minds are kind of working and thinking alike here. So California in 2020, in the summer of 2020, created the Homekey program. So this is an outgrowth of their Roomkey program which is really housing people in motels and hotels as quickly as possible, so that folks could shelter in place rather than be outside or in shelters.

And the Homekey program was designed to prioritize people coming out of the Roomkey hotels, but also to just identify rapid housing solutions at a pace that was unprecedented. To do so, the state used its coronavirus relief fund allocation. So they put \$515 million of their relief funds towards creating this program as capital for acquisitions and rehab.

And then they put in some of their local state general funds to support some operations so a couple of years of operations. Out of that first round, Homekey created over 6,000 units across the state in six months which is crazy, right? I mean we're notoriously bad at producing rapid housing so this is -- it was incredible, and the City of Oakland which has very limited local capital, jumped in to take advantage of leveraging these funds for as much as we could.

So we supported -- we submitted four applications; all four were funded by Homekey. One of them fell through. No fault of anyone, it's just [inaudible] didn't work out. So three moved forward. One of them is Clifton Hall which I'll talk about next and just to mention a range of project types. The other was a small motel, a 22-unit motel in a really great central neighborhood called Temescal.

And that one is serving former veterans, homeless veterans. And the third is a really interesting model that just snapped up, single family homes across Oakland, and created a scattered site model, and split up the rooms to be sort of a modern rooming house approach for homeless units.

But next I want to talk about Clifton Hall. A little preview of how fast the pace was, and this is similar to what Carrie mentioned in Delaware. The state issued their notice of funding availability in July of 2020. We sort of knew it was coming, and we knew that Clifton Hall which is this former dormitory that's part of a campus closure, we knew that was going to be on the open market and there was no time to really find a non-profit to do it for us.

So we ended up just putting in an offer letter knowing that Homekey was coming and placing contingencies based on getting a Homekey award. And so we were selected to be a buyer. We applied to Homekey to the state in August.

By late September, late October, we knew we had the award and so we could move and we closed within a month. So we closed in November. It was really fast. The city is not good at real estate and yet we figured out how to do it. And by December, by the end of the year, the family shelter which is one of the two uses of the building had moved in and was fully occupied.

We took some time to do some more rehab at the other floors, and we have permanent senior units that are now fully leased. And we have some remaining exterior construction to complete by the end of the year. Next slide, please. So this is a picture of the dorm. It's around 20 years old so it's in remarkably good shape compared to most of our SRO style buildings.

It was -- you may not be able to tell but this neighborhood, it's in Rockridge, the Rockridge neighborhood of Oakland which has a BART station. It has several major bus lines. A block away is a full service grocery store and pharmacy, and it's also the highest opportunity, highest cost neighborhood in our city.

We would never have affordable housing here but for this type of project. I mean if you can see the houses behind there, each is going to go for \$2 million. So it's just an unprecedented access to a neighborhood that we were really motivated to secure housing in. The council member here was critical to sort of playing a match making role or opening up the conversations with the college.

This was a dormitory that was part of a college of the arts. The campus is consolidating moving to our sister city in San Francisco, so there's a lot more to come on this site but this building was sort of parceled off and it gives us 63 total dorm rooms. So most of them are sharing a bathroom.

There's large shared kitchens on every floor, there's some garage parking. And once the city went through the transaction and really positioned the property for occupancy, we have our two partners running the property.

First is the Family Matter Shelter run by East Oakland Community Project. They take up two floors, so they have a whole floor of offices and services. And then the second floor is 20 units for homeless families. Most folks in the shelter move on to permanent units, find permanent

placements within about six months, but there's really no hard end to their stay. That's around how long it takes.

And then the top two floors and the overall property management is provided by Satellite Affordable Housing Associates. This is a local non-profit that specializes in supportive housing and senior housing and they run 41 extremely low income units for formerly homeless seniors on the top two floors. And they provide some light touch services as well.

Next slide. There's a peek inside the units. So if you can imagine this was a dorm, and this was filled with bunk beds, sometimes two to four students each, so actually when you have one person it's -- it feels quite spacious. Most of the cost of the project went towards the acquisition.

We were sort of competing against market rate property developer owners that were interested in doing like shared co-housing, tech-housing type. So it ended up being a higher cost, I think, than most of our other projects, but well worth for the opportunity location. Most of the building was in good shape; we just did a little bit of upgrade to the bathroom.

We did some overall improvements to make sure the building was working for our target population. So students in the dorm used to walk their trash downstairs and across the street to the dumpster. It's not an option for our seniors, so we're going to add a trash chute to the side of the building. We're also building out a really barren courtyard to be a play area for the family shelter as well and the CDBG-CV funds really supported that use.

We really had to couple together a lot of funding, and something that came out of this project and others was, having a really coherent, intentional strategy across all of our partner agencies I think maybe a lot of other agencies experienced this, but we were quite siloed in some ways. I do prime housing. You do transitional housing.

Real estate does their own city-owned sites so we really had to net everything together to say, lay out all the money we all have. What can we use for what? And so the capital sources, a lot of the local funds came from us, some of it came from our human services department that typically does transitional. Because of the two uses, we were able to mix them.

And then something that's maybe unique here is we didn't have any section eight available and so we had to figure out how to capitalize on operating reserve for -- to make sure the building could be sustained long term. So we used some local bond funds, as well as our state allocation of HHAP, Homeless Housing Assistance and Prevention grant.

So this property is positioned for a 15-year term through that capitalized reserve. And as mentioned, the Homekey program uses the state's allocation of coronavirus relief funds. Next slide. So some lessons learned, as I mentioned, the city's not great at purchasing or owning property and it was unique to this property, but we would not intend to do that again.

So we're really working on a solicitation process early this time and we're actually issuing our -- we issued our RFP a couple weeks ago for the next round of Homekey. We're really explicit that we want our experience partners to be the lead and make sure that they're putting together

projects that make sense, and we're going to be more of a traditional role of being a funder and long term steward of the property.

What was really beautiful about Homekey was they built in some expedited processes, so there is CEQA [ph] streamlining available for projects, so you are categorically exempt if you get Homekey funding. There's also land use streamlining which was so critical to sort of bypass some of the hurdles that planning approvals may present.

So for land use streamlining, there is no discretionary approvals required for planning. So all of the sort of planning commission questions or kind of potential local opposition, we did not have to be concerned about that and that was not part of our schedule. I will say despite having that option, we did not really get the neighborhood opposition that we expected.

And when we did outreach, we had incredible support from the local businesses and the local -- the neighborhoods immediately surrounding property. We got welcome baskets from neighboring businesses, neighbors, condo associations pulling together food donations so it's been a really amazing community welcoming.

And I think people are so happy to be part of a solution when the problems that we're facing citywide has been so great. So that's been really incredible. We had to do some kind of legal work to make sure our agreements made sense and we worked really closely with the Continuum of Care at the county level to make sure the coordinated entry. Referrals really made sense for the property so that people were set up for success.

I mean, part of this, the projects that we put together for Homekey ended up being a little lighter touch on services than the traditional supportive housing models. And we -- that was intentional. I mean I think there's sort of a cost benefit and we wanted to create the spectrum of housing and not just one type.

And so this funding source and working with our city -- different city departments, we really wanted to fill in that spectrum with lighter touch services. And as I mentioned, yeah, we were really building up the muscle of how do we strategically work together and knit together all of our resources with the other city departments?

And part of that is also, how do we -- what does it mean when a project is a priority, right? Everything is an emergency to every department, and so we are coherently and cohesively saying as a city, City of Oakland is prioritizing homeless projects. What does that look like for our planning approvals, building permit approvals, inspections?

We are not compromising safety, life safety, but we are making sure that everything happens in a timely way and we understand that that is a priority. And I'll just end by saying, we had a lot of support, political, community and staff. I just learned that someone who recently moved in to one of the senior units actually used to be a student at that college decades ago and they were living in shelters in that very neighborhood.

And so, I've learned that he's so excited to be able to stay in Rockridge. I mean it's a place that one would -- it's really hard to find rental housing anyways, but especially at this deeply, deeply affordable level. So it's really wonderful to know that we are housing people that were unhoused in Oakland, and really appreciate all the partnership, and resources that the state and federal government have made available. Thank you.

Carrie Kronberg: Thank you Christina and Greg. I got chills with that personal story there, Christina. Thank you. Okay. Poll question number two, so does your community currently, or do you plan to use CDBG-CV funding for affordable or interim housing to prevent, prepare for, or respond to coronavirus? Yes, we do. Yes, we plan to. No, we don't. We don't plan to, or we're not sure yet.

John Panetti: The poll will be closing in 10 seconds.

Carrie Kronberg: Great. Okay. So it looks like the majority of folks aren't sure yet. Otherwise, a pretty good spread between yes, we are currently, or plan to, or we don't plan to. Thanks guys. Okay. So next up, I'm going to turn it over to Steve, Miguel, and Lena from the State of Connecticut.

Steve DiLella: Thank you, Carrie. Thank you for our colleagues out in Oakland and Delaware. Here in Connecticut we are certainly excited to be a part of this presentation, and we do want to thank HUD for the opportunity to share our experience of how we've been able to manage the COVID pandemic with our homeless service system over the past 18 months.

So as you can see here on our profile, we are a state of about three and a half, a little bit more than three and a half million individuals that live here. And as a state we are walking off the all three rounds of the CDBG-CV allocation, so we're able to do a little bit more with our funding because we work very collaboratively as a state in the homeless service world.

We work with our municipalities as well as our private non-profit providers, really to be able to provide a coordinated system, to be able to assess homelessness throughout the State of Connecticut to ensure that everybody has access to permanent housing when they experience a housing crisis.

So we can move on to the next slide. We are going to talk about community in particular. It is called Danbury, that's located on the western end of Connecticut, right along the border West New York. And that area was the first area to experience COVID in the state. They had the first case.

It also is an area in the state where our homeless service system may not have been as strong as in some of our urban areas like our Hartford, New Haven, or Bridgeport. And what we noticed there is that the homeless service system ultimately collapsed within days of that first case. The pandemic really scared folks because they understood that in the homeless service population, how COVID could spread quite easily in congregate living facilities.

And as well as the folks who are homeless, they do have many comorbid conditions which can lead to poor outcomes if they did contract COVID. So with that, we had some shelters that did not receive any state or local funding. So they were all based on volunteers and many folks just decided that COVID was too much of a risk for them to take so they actually closed up their shops.

And what that led to was just one little small city shelter which also had staff that were elderly who actually managed it. So the city was quite scared too of the outcomes and the effects if their staff were actually able to contract COVID. So we identified really earlier on that this was going to be a huge issue for that city.

At the same time, COVID did start to spread across the entire state, so what we really wanted to try to do is come up with a coordinated response that would be able to manage the risks associated with COVID amongst the homeless population. We tried to really look at a bunch of different opportunities that were available to us in those early days.

We looked at looking at college dorms, we looked at looking at closed nursing facilities, only to identify spots that we believe would be useful for those individuals experiencing homelessness so that we could deconcentrate our shelters and really provide for safety for those experiencing homelessness as well as staff.

What, ultimately, we came to decide was hotels did really seem to be the best issue. It really had a wide variety of positives. Everybody would have their own space. Obviously, everybody would also be able to access their own bathrooms which we thought was key during a COVID pandemic.

The ability to have access to other amenities such as televisions and Wi-Fi was also a positive for us. At the same time, we also realized that hotels were also in dire need because there was no more travel and there was no more guests checking in to those hotels.

So we thought this was a perfect opportunity to marry the public sector with the private sector to be able to keep those hotels in operation while also being able to ride a safe space for our homeless population.

And over the course of time, we realized in Danbury that, a bigger solution would be necessary as opposed to just deconcentrating our shelters. We understood that we needed to be able to provide a permanent solution for this.

So we actually look at this COVID pandemic as an opportunity to really solidify the shelter system in the town of Danbury. So what we really needed to try to do was, we needed to try to locate a facility within that community that would be able to provide the necessary support, to be able to give non-congregate sheltering an opportunity to flourish.

So with that, we also had to identify a non-profit provider to come from a community outside of the Danbury community, since it was apparent that there was not enough private non-profits that



would be able to provide this ability to do so. So with that, we looked to one of our partners called Pacific House which we can go to the next slide to see what their strategies are.

And this Pacific House was an organization in the nearby community, Stanford which is probably about 20 minutes away or so, who had great experience in providing congregate sheltering for individuals in that community. So they were ready, willing and able to help the state out, and move their experience up to Danbury, and serve as the organization that would operate the facility that we were looking at purchasing.

After working diligent hours to try to find a location, we were able to identify Days Inn, I'm sorry, super eight hotel. Days Inn is another one we're looking at in the state. But we were able to look at a super eight motel that was up for sale and we decided that that would be the perfect opportunity to move folks in.

So we started in the early days as just the traditional, the state will pay using some CRF funds as well as some CDBG funds to really pay for the operations of it. But as we were into a few months of doing that, we realized that the purchase of the hotel would be the best suited for going forward.

So we really decided to move on that and we really begun to build relationships with the city, with their mayor, as well as the public health department in order to determine how best to move this forward.

In addition, we were able to look at hiring additional staff from that community and to bring that expertise up to Danbury to solidify the -- our ability to ensure that folks were housed permanently. We were also able to build on the community and partner with our local non-profits to work with meals because that was one of the thing that really became quite difficult in that community.

The hotel did not have the facilities in place to be able to provide meals so we really had to come up with an innovative opportunity to add to that. So luckily by working with local providers, we were able to work with either Meals on Wheels folks or other community providers to bring in the food necessary to be able to keep that operation going. And it really has been able to continue to this day.

Even still, as we move forward with this opportunity, we're not going to be able to have food production facilities within the building so we'll have to rely on those relationships that we have built during this time to be able to continue to provide for the bare essentials for those folks.

One of the key pieces to this was -- and selling it to the local folks was that, before COVID hit, many folks who were in shelter, they did not have a place to stay during the day. So they would be about in the streets and that caused significant problems for the downtown business district. What we are able to do now with this new shelter is really look at other opportunities.

By bringing in an experienced provider, we were able to also provide opportunities for case management to be located within the shelter. We're also able to bring in meetings and mental

health and substance abuse treatments which really has been a positive to the individuals that we serve.

And as a result, we've been able to decrease some of those activities that were seen in public spaces before. So this was a great opportunity for us to work on that and the city really understood that, and they really were interested in moving forward with that so we really have that opportunity to provide more of just an overnight shelter. But really more of a programmatic approach to be able to provide for the needs of these folks that are experiencing homelessness in that community.

What we're really excited about this is, also a new opportunity to create a different type of program model which we can see on the next slide which is not just shelter. What we really want to do is try to combine shelter and permanent housing in one location.

One thing that we've realized in the State of Connecticut is that, even though we provide a great number of permanent supportive housing units in the community, often times that is not what some of our most vulnerable folks need. Sometimes having their own apartment in the community can be quite scary, and it can quite be isolating especially for somebody who has been homeless for a long time.

So we see this as an opportunity not to increase the shelter capacity within that city, but really to replace that shelter capacity with high functioning shelter, with high functioning services while at the same time actually adding affordable housing on the top two floors of this property to really provide that level of housing, a little bit more than the SRL because everybody in those units will have access to their own bathroom and a small cooking facility.

It will not be a full kitchen but maybe a hot plate and a microwave, so that they can live independently there with the opportunity to access services that our provider at Pacific House will be able to provide.

So it's really an interesting experiment that we're going to try and we think that for some of our most vulnerable, some of our most chronically homeless individuals, this would be a great opportunity to be able to provide that level of housing really to expand upon the continuum of housing that we do have here in the State of Connecticut.

We have been able to provide a wide range from -- all the way from homeless outreach to permanent supportive housing. But one thing that we really have in this, is this type of housing that maybe a little bit smaller than an individual's own apartment that we'll be able to provide the type of housing with support services that would be appropriate for them, with the type of social interaction that they may choose. So it's a great opportunity to do that.

Having the support services located onsite is also a great bonus to both the individuals experiencing homelessness in that building, as well as to the community. It really is able to create that community ties that not only are we providing basic care in terms of food and shelter, but we are connecting to healthcare and mental healthcare and substance abuse care.

And we're also able to work toward more permanent solutions such as getting folks engaged in education and employment. So with the ultimate goal of income producing jobs that will be able to support these individuals as they move out into the community and sustain themselves individually.

And we also know that this creates just a path way to serve the most vulnerable citizens as well as those who just need a short time in shelter. We, in Connecticut, we're able to use this model of hoteling to open up nearly 14 hotels across the State of Connecticut with over about 12,000 folks at the height of the pandemic.

And we've been lucky enough to use all of our additional resources to house approximately 3,500 folks out of homelessness just in the past 18 months. So we've been really motivated to keep working on these opportunities and we really think that purchasing hotels and converting them into shelter and permanent housing is certainly an option that can help our system and reduce homelessness across the State of Connecticut.

Now, I'm going to turn over to my colleague Miguel Rivera, who can talk about the funding that we use for us which is CDBG-CV and some of the opportunities that he had which have been successful. Thank you.

Miguel Rivera: Good afternoon everyone. My name is Miguel Rivera. I'm with the State of Connecticut and I have the pleasure of working with Steve and Lena. Quite honestly, I think the approach that we took on the CDBG small cities component was, we weren't looking to lead.

We were looking to follow and build off of the relationships and the momentum and the collaboration that had occurred both at the local level and at the statewide level with Steve and the CANs, and the Coordinated Access Networks.

The CDBG COVID funds, I think started with a little bit of a hiccup. I'm a conservative kind of guy. I remember living through NSP, the Neighborhood Stabilization Program in the Obama administration.

So with that said, we tried to make sure that we were providing support to our local municipal partners, who have limited staffing capacity, that were able to give us the boots on the ground. As of backend, we were able to work with a special project manager who took lead to handle some of the awkward situations as to the political discussions that occurred.

So I greatly thank Lena and give my hat -- take my hat off to her and the work that she has done. But lastly, quite honestly, I think it was the response by HUD to allow us some flexibility to administer the funds, not necessarily going through a local municipality, but in partnership and at working directly with the beneficiary of the non-profit.

That was the key piece in being able to really move the program in tandem developing the services and implementing some best practices as Steve has just reflected on. And I think at this point, I turn it over to lessons learned with regards to Ms. Lena Holleran, who was our special project manager.

Lena Holleran: Thank you, Miguel.

Miguel Rivera: Thank you.

Lena Holleran: So these are lessons learned that we have from multiple projects. The State of Connecticut is working on the Danbury project. We're also looking at replicating this in multiple cities. So when I talk about the lessons here, they're not all related to Danbury. We do have three or four projects in the works.

So the first one is location matters. And that is when we were looking for hotels and we went out looking as an agency for hotels to purchase, but making sure they were near transportation, and jobs, and services. Having them inside a business park that is empty at 5:00 p.m. and has no bus line wasn't something that our non-profits were going to be able to work with when it came to convincing people to commit to shelter there.

The other part was site matters. We started looking at hotels with some of our non-profit partners, and one of the things we quickly came to realize was that they did not want the old style motels that you drive up to when you come in from the outside. They wanted interior quarters for security reasons.

We wanted a smaller size hotel. We had a lot of very large hotels, 4 and 500 rooms that were going up for auction. It wasn't a project that we could handle. We couldn't do four or five -- 500 room hotels. It was beyond our capacity. So a smaller size hotel with interior quarters were two of our main focuses and avoiding pools and large ballrooms.

Pools was a no-go for the agency, and large ballrooms gave us massive space that didn't have an immediate use so those were things that we definitely avoided. Managing seller's expectations was a big problem for us. We had a lot of hotel owners who were going to sell but they wanted to be compensated for their COVID losses.

And while the state does have programs for compensating for businesses that lost money during COVID, it wasn't through the Department of Housing, it was through the Department of Economic and Community Development. So we couldn't pay significantly above the appraised value because they lost money during COVID.

It wasn't a possibility that we could have and that was something we had to manage with them. There was a real expectation that the government is the money behind this, therefore they will make up for all my losses. I'm going to sell my hotel and off I go. And with that was balancing government transparency and the confidentiality of commercial real estate.

We learned that commercial real estate and especially hotels is sort of this secret world. And they never want anyone to know that their hotel is for sale because it decreases the appraised value. It decreases their bookings. It decreases how much it's worth if somebody else is coming to buy it. So this secret world that has the selling and buying of hotels was something we had to break into.

We started using a broker which I would not recommend. It was -- it made the process a little more difficult than it needed to be. But balancing that and -- the hotel owners were very concerned that anyone would find out that the state was looking to support a non-profit in purchasing it. So we couldn't tell anybody that we were looking at it which made it difficult in talking with our municipal partners as to identifying the hotel and making sure they kept it quiet.

We did have a couple of instances where elected officials just publicly stated what hotel we were looking at, it scared off other hotel sellers who were unwilling to talk to us because there was a subsequent news article about a hotel that we were considering. So that was a problem.

Next slide. So expertise of state agencies. We learned very early that we had to reach out to our sister state agencies. When we were looking, Steve mentioned the 14 hotels across the state. Our Department of Administrative Services did the contracting for all 14 hotels, and they were able to negotiate the rates.

They were able to handle the contracting and even down to the little details of, how much housekeeping is there going to be? And is there going to be food services and who's responsible for the security?

DAS negotiated that across the board with all 14 hotels. It took the burden off of the Department of Housing, and especially Steve and his team so they could focus on how do we get PPE and how do we get food, and how do we get medical checks into these units, into these hotels on a daily basis, instead of focusing on the contracting part of it. The other thing DAS has is a real estate unit.

And they gave us tremendous technical support on the commercial real estate side. They have commercial real estate brokers inside their agency. And they gave us a lot of support when it came to breaking into, finding out how hotels were sold, how to talk to the brokers, how to talk to the sellers, what was acceptable, and not acceptable within that world which is not something that we deal in.

They helped us with appraisals, what appraisals looked like for hotels, how to send them out for RFPs, the information we needed that all came from our sister agency in support from DAS. When we were looking for hotels, we went to DECD which has our tourism division. They gave us a list of all of the hotels in the state with all the contact information, and the number of rooms, and whether they had a commercial kitchen.

Then we went to the Department of Public Health, and got the list of the hospitals. We had to coordinate with our hospitals as to who was going to get the hotels for overflow, for either hospital personnel, or recovery space for COVID, and who was going to get the hotels for shelter. So we did, in two days, we got the information from tourism.

We got the information from public health on the hospitals. We went to our data officer who's in our -- another agency and he was able to put together a map that we were all able to access to see exactly which hotels we were saving for hospitals, and which hotels we were going to put in for shelter. So we weren't competing for the same hotels.

We weren't taking a hotel to be used for shelter that was three blocks away from a hospital. All of that was coordinated with our sister agencies. We used our Department of Transportation to transport some of our folks from shelter to the new hotels. So we really leaned on a lot of our other agencies to help with those [inaudible].

Planning for operating cost, Steve had to come up with the money to pay for these shelters to go long term, and for the one in Danbury to continue because there are additional expenses once you are owning and running a shelter. Two of our projects are going from city-owned and maintained, to non-profit owned and maintained.

So now you're thinking about ploughing snow, trash removal, maintenance costs. We learned through this that most hotels do not own sheets and towels. They actually lease them. So they are brought in every week, and the dirty ones taken out so when you purchase a hotel with everything in it, it doesn't come with sheets and towels.

So those sort of expenses had to be accounted for. So Steve had to come up with all of the money. But that was done at the beginning. We had an estimate from the hotels as to how much they spend on electricity, and water, and snow ploughing, and maintenance, and then Steve had to find the money in his budget. Zoning, Connecticut is still under a public health emergency.

Zoning is not an issue for any of the facilities that we currently have and will not be an issue until the expiration of a public health emergency. Some of the cities that we're working in allow shelters in any part of the city, others do not. So take a look at that before you go to purchase a hotel, and what will the obstacles be if you end up purchasing it or your non-profit purchases it, and you do have to change zoning down the line.

Because of the secrecy with buying hotels, the owners were definitely resistant to doing any sort of zoning change before the purchase was complete. So it wasn't a matter of, we could change zoning before we purchased it. The owners just would not have gone on it. Post purchase renovations, there are costs and I think some of the other speakers have mentioned this.

When you're converting from a hotel to a shelter, security cameras in the stairwells, the smoke detectors have to be tied into a central panel, all of those conversion expenses which you need to be clear with your non-profit partner early as to whether or not the government is funding the renovation cost, and how much, and what the process will be, and who's going to be responsible for that.

There's a big difference in owning a facility, versus running a shelter that is maintained, and owned by a municipality. So those are our high level lessons learned that we have from this, so thank you for giving us an opportunity. I'll pass it back.

Carrie Kronberg: Great. Thank you so much. And finally, we have Jessica Hill from the City of Modesto in California.

Jessica Hill: Great. Thanks, Carrie. I want to echo the other speakers of having it be such an honor to speak today. We are a much smaller jurisdiction. We have a much smaller project we're talking about today, but I think some of the best practices we've gone through this project and how it's assisted the City of Modesto to help address COVID in the non-congregate would be important to many agencies.

So I'm Jessica Hill. I'm a community development manager of the City of Modesto. The City of Modesto population is a little over 200,000. We're the largest city in Stanislaus County and the 18th largest in the State of California. We're located in the Central Valley and about an hour and a half away from everywhere.

So an hour and a half south of Sacramento, an hour and a half east of San Francisco, and an hour and a half north of Fresno. So Modesto does have the advantage of being considered one of the more affordable places to live in California. However, due to the increased demand in the housing market, even in our community, housing are selling before they're built and significantly over base value.

For a little bit of a snapshot, 40 percent of our population are renters and over 50 percent of our renters pay more than 30 percent of their income on rent. So our goal with this project was the creation of additional affordable housing to rapidly re-house homeless individuals, to protect them from the COVID-19 transmission.

There's a huge need for more affordable housing stock for the most vulnerable in our community. So our combined CDBG-CV allocation was about \$2.3 million. We've spent about 60 percent of that to date and traditionally we receive about \$1.8 million in CDBG funds annually. So I did want to touch on this to offer hope to jurisdictions who struggle traditionally with allocations and spending funding in a timely manner.

So in 2018, the City of Modesto was struggling with our third year of missing timeliness and simultaneously working through an OIG audit with risk of returning \$1.8 million. So during that time, I reached out to a lot of other jurisdictions to learn what best practices were, as well as our head representatives to see how we can mitigate concerns moving forward.

We were up -- able to update processes, train staff, developed a pipeline of projects in case items that didn't anticipate during the traditional schedule and then became very comfortable with the annual action plan amendment process in case those things did come up. As I said before, affordable housing is a huge need in our community, but we were severely lacking units and the housing market was continuing to build.

In order to take advantage of the properties which came for sale, we consistently added acquisition as an activity in our annual action plan and pro-actively developed an acquisition policy to align with the growing housing demand and the HUD regulations. And many successful projects, many of the other jurisdictions talked about this.

It takes more than one funding source to make a project come to fruition and trying to determine what funding sources can be leveraged in the project is always a challenge. Next slide, please. So

here's a snapshot of our homeless population over the last six years. It's continued to grow about 15 percent each year, with our last count in 2020.

We had about 2100 of the homeless individuals in Stanislaus County, and 1500 of those within Modesto. Of the homeless population that was identified, that over 60 percent had self-reported either a mental illness, or 60 percent had self-reported alcohol abuse. So with those demographics, the city continues to work hard, and planners with the county agency called Behavioral Health and Recovery Services to help service population, connect them to services, and then connect them to permanent housing.

What we discovered is if we're able to get an individual into permanent housing, we have a 98 percent retention rate to stay in that housing with intensive case management. So with our CDBG-CV allocation, we were able to purchase an existing single family three bedroom, two-bathroom house as a transitional housing facility.

This property required minor rehabilitation and was able to be occupied quickly by a homeless family vulnerable to the pandemic by providing immediate housing opportunities for homeless with underlying mental health conditions with the support of BHRS or Behavioral Health and Recovery Services.

The exciting part of this opportunity to acquire this property is that, it was located next door to our existing 18-bed transitional housing project, that we partnered with BHRS and another local non-profit called the Stanislaus County Affordable Housing Corporation. This project is called Courtney Manor.

Therefore, with this new project and this new opportunity, we're able to leverage the support of services with the property immediately next door. Currently, we have experienced staff residing in the office of Courtney Manor that will allow clients to -- allow to serve clients in this proposed project.

Additionally, the maintenance is actually taken care of with the maintenance have at Courtney Manor, and so we'll be able to quickly house and provide services, and create long term operational savings.

We've been able to mash the supportive services already offered at Courtney Manor which is \$7,000 per client per year. What also made this project very appealing is the three-bedroomed, two bath house was sitting a third of an acre lot which was zoned R2, which will allow enough room to support more units on the property.

Right now we have a future design to add six additional permanent supportive housing units on the property to serve this same population. So this project was really made possible through partnerships that we had. Once the project was identified, Behavioral Health and Recovery Services was immediately consulted with to see if this is somewhere that they could expand their services.



They came in, and were immediately with the same understanding as the City of Modesto as they wanted to do what they could to help make this project happen. On an annual basis, Behavioral Health and Recovery Services serve 55 individuals in our program each year, and they currently have 160 individuals on the waitlist for both transitional and permanent housing opportunities.

Additionally, funding was a huge part to make this happen. We were able to quickly acquire the property with CDBG-CV funds, but then had a gap to build those six additional units of about \$2.6 million.

So one of the funding sources we looked at was a state funding source called No Place Like Home which is specifically set aside for those individuals who have -- who need assistance with mental health or alcohol abuse. And those funds that we've received were at risk of expiring. So, and this is directly related to, we're having issues in our community to acquire new additional housing stock in order to build more affordable housing units.

We were able to immediately reach out to the state and allocate \$2.3 million that was at risk, as well as we worked closely with our local continuum of care which allocated homeless housing assistance and prevention funding from the State of California.

STAMCO [ph] was able to complete the application to the local COC for these funds to help support the gap and we anticipate the construction of the six additional units to begin in the first quarter of 2022.

So part of our lessons learned. The waivers of the corresponding allowed, especially in the area of the public comment period, allowed us to move quickly to get the funding in the community. The property was identified. We were able to commit CDBG-CV3 funds to it through the five-day public comment period which made us competitive when an offer was made to acquire the home.

Partnerships is also essential. We worked very closely with other government agencies, Behavioral Health and Recovery Services, our local non-profit housing developers, as well as our local continuum of care.

The great part of this is everyone knew the importance of this project and worked together quickly to make this happen. Additionally, our Modesto staff has closely relationships with the full development department within the City of Modesto.

So we worked closely with both planning, and building, to ensure that any potential zoning changes, building reviews are mitigated up front, and streamlined for efficiency to make these projects happen in a timely manner.

It's an exciting time with so many new different funding sources that are coming out especially with the State of California. So as new funding sources come out, staff has a general understanding of these funding sources and are always looking for ways to leverage funding to make a project feasible. And so, just the research on these funding sources to ensure we can utilize them at the right time is very important.

And then lastly, it was essential to have acquisition identified in our amendments. And we have agencies constantly looking to acquire properties which are in close proximity to existing resources. With this property, and immediately next door to behavioral health facilities, we're able to leverage essential case management support.

Carrie Kronberg: Great. Thank you so much, Jessica. So quickly, as we've learned about the different housing types or building types that these communities acquired, what might be most feasible in your community to provide interim housing or non-congregate shelter? A hotel or motel, a dormitory, a single family home, others like a former hospital or nursing home, or maybe a vacant commercial space, maybe something we didn't list?

John Panetti: The poll will be closing in 10 seconds.

Carrie Kronberg: Great. Okay. So it looks like for most folks, the hotel or motel or a vacant commercial space, interesting, would be most feasible. Thank you. Okay. So now, we'll review some resources. So these are just things we like to point you towards. One in particular specific to this topic, is this first one, video tutorial on how to use CDBG funds for housing activities.

And then there's some general resources around CDBG-CV guidance, the HUD Exchange page, the federal register notice and the toolkit, and then there are of course trainings, webinars, and then the explore CDBG page has a lot more information. So with that, I'll ask the panelists to come back on camera.

And we're a little bit short on time, but it's interesting as we were watching the questions come in, a lot of you answered them I think during your presentation. So hopefully, we got at a lot of what folks were wondering about. But one question that came up in a few different presentations is looking long term.

So we've -- it's a challenge, we have this one-time money, CDBG-CV and a lot of other sources to address the pandemic specifically. But as we look to the future, we now have these new capital assets in a lot of cases. What are the plans for the future of these buildings, and how do you -- have you identified long term operating services sources? So I'll go in order of the panelists. So Carrie, do you want to take that first?

Carrie Casey: Yes. Thanks, Carrie. That's a good question. No. I'm just kidding. It is really something that we definitely are thinking about. That the long term plan of The Hope Center really needs to begin now. I think that having it as an asset, we purchased it, right? So it's an asset. It's something the county now owns.

And I think our county executive Joe [inaudible], worse comes to worse and this whole thing fails, you still have that asset that you could potentially dispose of. So that didn't end up happening. We ended up really being able to house a lot of folks through COVID. So I think the plan for us is to at least operate it as an emergency shelter for the next two winters.

Again, we don't know what's going to happen with COVID, but we really going to begin this transparent public process of what happens next. And as, a lot of the other presenters said, New Castle County is not really great at owning hotels or buildings.

So I don't think necessarily we want to ultimately be the owner of this property, but we would in my vision, and in what many people think is the need for more permanent, supportive housing would be morphing that into more of a permanent location for folks to live. So that's what our goal is.

We feel like we can operate it sufficiently with funding for two to three years, but long term, we really need to start planning that now. But it is an asset, so it is worth money. It can be sold if worse comes to worse which hopefully won't happen, but if it -- we need to start planning now and we're beginning those discussions. We'll have to see what happens, I guess long story short so thank you.

Carrie Kronberg: Thanks. Greg and Christina?

Christina Mun: Yeah. I'll jump in for that one. So this is a super critical question because I think there's a ton of -- as you say, there's a ton of money, there's a lot of capital flowing right now and not a lot of operating. And what we did intentionally for our Homekey projects is only put in what we knew we could operate for the long term.

And so I'm treating Clifton as a year 15 type deal, where we know we can operate it for 15 years, the intention that it's permanent, right? And so the units are -- there's an affordability covenant on the property for 55 years as part of the program and as City of Oakland priority. So we will figure out a way to unwind and reposition in advance of year 15.

And similarly for our other Homekey properties, even though Homekey only required showing five-year feasibility, we established projects that could operate longer than that, and the hope is that we're continuing to work with the housing authority to carve out future [inaudible] availability, so that there's no later plan that doesn't really have a capitalized reserve which is not a very efficient way to do things.

Carrie Kronberg: Thanks. Go for it, Steve.

Steve DiLella: All right. Thank you. So that is something that we certainly were planning for even when we were buying the hotel. We really did want to see what would this look like over the long term. So before we even made a purchase, we wanted to make sure that our sustainability was feasible and that we did have funding in place to actually make this work over the long haul.

So one of the things I certainly heard from our counterparts is, we are not good at owning these things and so we certainly did not want to get into that from the beginning. That's why we found a private non-profit provider that would actually be the owner of this project. So we were able to use our funds to purchase it and the private non-profit will actually operate it.

Now, although the community I referenced did not have -- most of the shelters there were not funded by government. There was one that was. There was a city shelter that we put in some money through our regular ESG resources as well as some state funding, as well as they also put in some money.

So what we decided to do here is actually move the shelter, so close down all shelters in that community, take that funding that we have for operating, and move it into this building. Clearly this building was a lot larger than what was operating previously, so we needed to find additional resources for that so that's where we looked at our state budget.

We did find some surplus dollars from unused funds in terms of rental assistance that we have the ability to do so we converted that over to really fill that gap. But in addition, our model is calling for not just shelter but for permanent housing. So we're working with the local public housing authority to put some section eights in there, and if they are able to do -- I think we're looking at about somewhere between 30 and 40 units.

They may not be able to come up with the entire total, but we do have a state rental assistance program here in Connecticut, where we can fill the backs of that. We'll also create the operating dollars, well, that'll generate income for Pacific House will be able to operate as both as a shelter and permanent supportive housing.

And with our other properties that we're looking at purchasing same type of mechanism, basically closing down a shelter that is in extreme disrepair to be able to move it to a much better facility, and move the dollars that we have already committed to operating shelter, and move it over and just adding a little bit of additional width, additional rental subsidies to really create that fully operational budget so that we're able to maintain it for -- as long as we possibly can. We're really looking at the life span of the actual hotel to keep it going as a shelter.

Carrie Kronberg: Great. Thanks. How about Modesto, Jessica?

Jessica Hill: Well, this is where our partnerships came into play. And so we were able to speak to Behavioral Health and Recovery Services and they were able to assist with the transitional housing component immediately. And then I think we're looking at our local continuum of care vouchers to assist with the permanent housing component once those are built.

Carrie Kronberg: Fantastic. I'm sorry, we have to cut off our panel discussion there, but many thanks to all of you. And now we do want to put up contact information for folks. We'll leave this up as people are signing off of the webinar, so you can have time to take a screenshot or write down contact information. But thank you everyone for joining us.

Deep sincere thanks to our panelists for your hard work on -- not only on the presentation but on developing these solutions for the most vulnerable people in your communities and of course thanks again to HUD for hosting. All right. And thank you everyone for joining us. Have a wonderful afternoon.

(END)