



COUNTY OF YOLO

COMMUNITY CORRECTIONS PARTNERSHIP

Dan Fruchtenicht, Chief Probation Officer
Chair, Community Corrections Partnership Chair

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To: Community Corrections Partnership (CCP)

Fr: Dan Fruchtenicht, Chief Probation Officer

Re: Consider contributing funds to implement Diversionary Housing Project as planned, reducing the scope of the project or not proceeding with the project

Background

The Diversionary Housing Project (DHP) was developed by the CCP in to meet its Strategic Plan goal to create additional housing and expand access to treatment services for individuals on probation with mental health and/or substance use conditions who are at risk for homelessness. The DHP was designed to purchase a house in both Woodland and West Sacramento, based on a prior gaps analysis/needs assessment. In 2019, a \$1 million Community Services Infrastructure Grant from the California Health Facilities Financing Authority was awarded for property acquisition, renovation and related start-up costs to ultimately serve 20 clients a year (5 clients in each house with an average stay of 6 months each). Note: the CCP has annually budgeted funds in anticipation of ongoing property management costs related to the project.

When the grant was awarded, and during prior efforts to implement the project, \$1 million was sufficient to support the acquisition and renovation of two properties. The current housing market, however, makes the purchase and renovation of two properties prohibitive with a \$1 million budget. A recent search for properties in just the community of Woodland found only three houses under \$500,000, each likely requiring renovation and each around 1,000 square feet which would not be large enough to house 5 clients. Given the current housing market and increasing costs to renovate, it is estimated \$1.5 million would be needed to implement the DHP as planned.

Options for Next Steps

There are three options for the CPP to consider concerning the future of the DHP.

- A. There are one-time Realignment funds available which the CCP could consider dedicating a portion of to the DHP. Currently, the projected year-end available CCP fund balance is \$1.3 million. This balance has been generated over multiple fiscal years and does not include any projected departmental fund balances from additional revenues received or savings departments may experience the current fiscal year. It is anticipated an allocation of \$500,000 toward the DHP would be sufficient to implement the project as planned.

- B. While the California Health Facilities Financing Authority is not in a position to increase the grant amount, they may be willing to reduce the project size. An option is to request the DHP be reduced to just one property.
- C. Given past challenges related to finding suitable properties and community outreach, and current challenges related to increasing costs and the limited real estate inventory, the CCP may want to consider forfeiting the grant.

Recommended Action

The grant requires properties be purchased and any necessary renovation well underway by November 30, 2022. Ultimately, the program must be operational with clients living in the properties by June 30, 2023. Given this timeframe, staff recommends a decision be made now on the CCP's desired path forward.