

October 15, 2021

County of Napa
1195 Third Street
Napa, CA 94559

Re: Wine Valley Lodge Homekey Project – Burbank Housing’s Commitment to Apply for Other Sources of Operating Subsidy

To Whom It May Concern:

This letter serves as Burbank Housing’s pledge to apply for grant funding from California Partnership Health Plan (“PHP”) and St. Joseph Queen of the Valley Medical Center (“QVMC”) to fill the \$2M operating subsidy that the County of Napa plans to guarantee for the Homekey Project at Wine Valley Lodge. Burbank Housing understands that such guarantee is conditioned upon Burbank Housing’s pursuit of the following funding opportunities:

1. CalAIM “**ILOS (aka, Community Supports) Incentive Funds.**” These funds will be available from the State through Partnership Health Plan. PHP will be working through their spending proposals and award process in the near future and will then announce and open their grant award opportunity.
2. CMS “**Home and Community-Based Services (HCBS) Funds.**” At this time, these funds are partially approved by CMS and managed care plans (including PHP) are awaiting more details expected to be available in late November/early December.
3. St. Joseph Health “**Community Partnership Funds**” Each year QVMC allocates 10% of its net income (net unrealized gains and losses) to the St. Joseph Health Community Partnership Fund. 75% of these contributions are used to support local hospital Care for the Poor programs. 17.5% is used to support SJH Community Partnership Fund grant initiatives, and the remainder goes to reserves. The SJH Fund has identified five priority areas for investment of its Community Benefit grant funds, the first of which is Housing, with the specific charge to: “work directly and in coordination with key community partners to develop sustainable, collective efforts to reduce homelessness and improve availability and accessibility of housing that is affordable for low income and other vulnerable population.”

Burbank Housing has previous experience with PHP funding and a strong relationship with QVMC and their SJH Community Partnership Funds. Our Heritage House & Valle Verde project, a 90-unit development in Napa that will provide permanent supportive housing, was awarded a \$1M grant from PHP and a \$1M grant from Queen. In addition, our most recent Homekey project in Napa, Adrian Court, was also awarded a \$1M grant from Queen. We will continue to leverage our experience and relationships with these funding sources to secure similar opportunities for the Homekey Project at Wine Valley Lodge.

Burbank Housing acknowledges that the County's commitment of a \$2M guarantee requires Burbank to first apply for (or jointly apply for) operating subsidy reserve funding from the **ILOS Incentive Fund**, the **HCBS Fund**, and the **SJH Fund**. Burbank Housing pledges to work closely with the County and make every effort to secure these sources (ILOS, HCBS, and SJH) with the intention that these sources would fill the \$2M operating subsidy needed for the Homekey Project and replace the need for the County's guarantee.

Sincerely,



Lawrance Florin
Chief Executive Officer