

Investment Plan for New State Homeless Funding: HEAP and CESH

September 12, 2018

In June of 2018, the Governor signed SB 850, which allocated over \$553 million in new State funding, creating two new programs: the Homeless Emergency Aid Program (HEAP) and the California Emergency Solutions Program (CESH). Both programs operate as block grants, intended to get funding to localities quickly and efficiently for one-time emergency programs. Sacramento funding is as follows:

Program	Local Amount	Administrative Entity
HEAP (CoC)	\$12.7 M	CoC: Sacramento Steps Forward (SSF)
HEAP (City)	\$5.6 M	City of Sacramento:
CESH	\$1.6 M	CoC: SSF

While similar in many ways, HEAP and CESH are administered by two different state entities and differ in several ways, including formulas used to allocate funding, funding timelines and eligible uses.

Program	State Agency	Eligible Uses	Funding Timeline
HEAP	Business, Consumer Services, Housing Agency	Services: includes Outreach, criminal justice diversion, shelter, diversion Rental Subsidies Capital Improvements	Applications Open: 9/1 Applications Due: 12/ 31 (Earlier preferred) Program Start Up: March 2019 Expenditures by 6/30/2021
CESH	Dept. of Housing and CD	Homeless: System Improvements, plus same as HEAP	Applications Open: 8/15 Apps Due: 9/27 Start Up: February 2019

Shelter Crisis Declaration Required in HEAP

To receive HEAP funding, the statute requires that the jurisdiction(s) “that the administrative entity represents” must declare a shelter crisis pursuant to State law (commencing with Government Code 8698) by the time, funding is awarded (preferred with the application). State HEAP guidance requires a declaration for jurisdictions:

- Receiving or administering funding
- Making capital expenditures
- Using Rental Subsidies for housing placement

Local Collaboration and Goals

The City of Sacramento, Sacramento County and SSF have been collaboratively working on the HEAP and CESH investment proposal, vetting ideas through community stakeholders. Given the broad range of activities that can be funded, the short timeframe for expenditure, and the limited administrative funding available, the collaborative identified five investment objectives:

- Address the immediate needs of unsheltered populations;
- Can be implemented quickly and flex down;
- Can be folded into an existing administrative infrastructure;
- Drive broader system change; and
- Can be measured and evaluated.

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Recommended Programs

1. **Expand Emergency Shelters** especially for highly vulnerable populations, including:
 - Stand up and operate at least one additional triage shelter, for 200+ people in City of Sacramento;
 - Increase capacity in existing individual shelters through either case management services and/or funding operations for new capacity;
 - Increase youth respite capacity at the new drop-in center and implement a host home program;
 - Increase family shelter capacity through existing contracted providers; and
 - Stand up additional scattered site shelter beds in leased homes using County model.

2. **Create a Flexible Re-Housing Program**

Using an existing programmatic framework (Flexible Supportive Re-Housing Program) FHP creates new housing opportunities for unsheltered clients working with navigation and outreach programs and in shelters who agree to reduce barriers and open access. FHP funding coordinates limited-term case management and limited-term housing assistance, including:

- Flexible rent subsidies up to 24 months
- “Whatever it takes” case management
- Landlord and housing support services
- Legal services through an expungement clinic for HEAP participants and others experiencing homelessness
- Crisis intervention for housed HEAP participants (homeless diversion)

In a phased implementation shelter and navigation programs that meet operational standards would be able to refer into the FHP for rental assistance and case management services. Potential referral programs include the following:

Program/Service	Housing Assistance	Case Management
Shelters meeting	Yes	Already provided
Adult Protective Services	Yes	Yes
Youth Shelter/Navigation	Yes	Yes
Jail Diversion	Yes	Yes
Pathways	Yes	Already provided
DHA Outreach Workers	Yes	Yes
Navigation Programs	Yes	Already provided

HEAP funding will create a jail diversion pilot for approximately 50 low-level misdemeanants who are experiencing homelessness offering housing and services in lieu of jail.

3. **System Development.**

Fund homeless systems development and improvements through a combination of consultant and staff resources. The following areas of work have been initially identified; additional input will be sought from CoC committees and stakeholders.

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Improve coordinated entry system (CES)	<ul style="list-style-type: none"> ● Evaluate and modify current system functioning, including access (incorporate progressive engagement), assessment, prioritization (incorporate dynamic prioritization) and matching/referral. ● Integrate CES system to other parts of homeless system to ensure client flow ● Expand CES to emergency shelter, e.g., bed reservation system ● Integrate diverse entry systems: general pop, veterans, youth, families, behavioral health ● Fully develop transparent written policies and procedures ● Increase housing and program resources connected to CES ● Standardize CES reporting, accountability, and evaluation. Align with HMIS.
Develop Community Standards for sheltering, navigation, and re-housing	<ul style="list-style-type: none"> ● Develop operating and reporting standards for <ul style="list-style-type: none"> ○ Outreach/navigation programs ○ Shelters ● Develop and update community standards for Re-housing programs (RRH standards, Flexible Fund Manual) ● Facilitate learning communities and ongoing training
Staff Funder’s Collaborative	<ul style="list-style-type: none"> ● Coordinate HEAP/CESH implementation and oversight ● Coordinate and improve outcomes of homeless investments (e.g., through performance based contracting) ● Improve outcome evaluation, using common metrics
Continue Strategic Planning	<ul style="list-style-type: none"> ● Facilitate “deeper dives” into select issues identified in the County No Place Like Home Homeless Plan ● Develop process for ongoing strategic planning

Collaborative Roles

In addition to the CoC Advisory Board, HEAP investment strategies will be presented to the Sacramento City Council and the County Board of Supervisors in late September or October. The proposal has also been shared with other cities, who may present to their governing bodies.

SSF is anticipated to be the administrative entity for CESH and the CoC portion of HEAP and the City of Sacramento will be the administrative entity for its HEAP allocation. Administration will be shared among SSF, the City of Sacramento and the County as follows:

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|--------------------------------|--|
| 1. Emergency Shelter Expansion | City (most activities) and County (scattered site) |
| 2. Flexible Housing Pool | County |
| 3. System Development | SSF |

SSF, the County and the City envision an ongoing collaborative role with each other and the CoC as programs are more fully developed and implemented. Learning communities will deepen partnerships and improve implementation in key areas. In addition, the administrators will jointly oversee all implementation activities through a structured Funder’s Collaborative.