



**California
Interagency Council
on Homelessness**

Homeless Emergency Aid Program
(HEAP)
Final Report

March 2022

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Executive Summary

Program Overview

In 2018 the state of California began implementing a new approach to address the intensifying homelessness crisis. Senate Bill (SB) 850 (Chapter 48, Statutes of 2018) authorized the Homeless Emergency Aid Program or HEAP, a \$500 million three-year, flexible block grant designed to provide direct, one-time funding and assistance to cities and Continuums of Care (CoCs) to address the homelessness crisis throughout California.

Statute underpinned two main foci for HEAP funding: crisis response and flexibility. In terms of crisis response, statute required grantees to declare a *shelter crisis* and directed them to use funds “on one-time uses that address homelessness, including, but not limited to, prevention, criminal justice diversion programs to homeless individuals with mental health needs, and emergency aid”¹. This resulted in substantial investments in crisis interventions and emergency sheltering.

Within this emergency mandate, HEAP's flexible framing also provided new space and resources for local homelessness services systems to assess and address gaps, pilot new programs that meet the needs of their community, make strategic investments, form new partnerships, build on existing community resources, and respond with speed and agility to emerging challenges and opportunities. This flexible approach ultimately helped local jurisdictions adapt, iterate, and center client needs while addressing the immediate crisis of homelessness.

This final summary serves as a valuable resource for understanding the statewide impact of HEAP funds.

Expenditures

As of October 29, 2021, California Interagency Council on Homelessness (Cal ICH) received final reports from all of HEAP's 54 grantees confirming that 100% of HEAP funds were spent. The ability for local jurisdictions to integrate, disperse, and spend down half a billion dollars in a little over two years reflects the urgent need for this infusion of funds across the state. Cal ICH provided immense flexibility for local jurisdictions and prioritized local decision making on the best use of HEAP funds to address homelessness in their communities. Local jurisdictions determined how to divide funds between the six broad eligible use categories – capital improvements, services, rental assistance and subsidies, youth set-aside, administrative costs, and other – granted they met key statutory requirements. These requirements included spending *at least 5%* of their total

¹ See HSC § 50214(a).



allocation on youth and *no more than* 5% of their total allocation on administrative costs. All 54 grantees met these statutory requirements. What's more, grantees exceeded the youth set-aside minimum on aggregate by \$8.7 million.

Budget Categories	City	CoC	Total
Capital Improvements	\$64,139,296.52	\$108,082,212.99	\$172,221,509.51
Services	\$55,169,032.88	\$166,172,058.63	\$221,341,091.51
Rental Assistance or Subsidies	\$17,648,593.68	\$35,498,198.76	\$53,146,792.44
Homeless Youth Set-Aside	\$8,599,833.54	\$25,115,940.28	\$33,715,773.82
Administrative Costs	\$4,443,243.37	\$12,050,746.89	\$16,493,990.26
Other	\$0.00	\$2,080,842.46	\$2,080,842.46
Grand Total	\$149,999,999.99	\$349,000,000.01	\$499,000,000.00

Program Outcomes

Broadly speaking, in alignment with the legislative intent for the program, grantees used HEAP funding to expand local shelter capacity and provide services to people experiencing homelessness. In terms of adding shelter capacity, grantees used \$178 million² from HEAP on 208 unique capital projects. These projects **added 6,346 beds³ and 586 units⁴ statewide**. This skewed heavily towards emergency shelter capacity.

Type of housing capacity added	Beds	Units	Total
Emergency Shelter	5,703	-	5,703
Transitional Housing	278	92	370
Permanent Housing	365	494	859
Grand Total	6,346	586	6,932

² \$172.2 million in capital funds and 5.8 million in youth set-aside funds. Grantees also leveraged \$456 million from other funding sources to complete these projects.

³ Beds represent a wide range of shelter across the emergency, transitional, or permanent housing spectrum. This spectrum includes conventional congregate shelter, non-congregate shelter with a private sleeping space but shared restroom and dining spaces, and fully private rooms that share a restroom and/or kitchen and/or living spaces.

⁴ Units are more narrowly defined as either transitional or permanent housing that includes both private sleeping spaces and facilities like a bathroom and/or kitchen(ette).



A small subset of capital projects addressed capital needs outside of adding shelter capacity. These projects:

- Maintained, repaired, or improved existing facilities
- Purchased vehicles for client outreach and transportation
- Added critical infrastructure (storage, toilets, and showers) to existing facilities
- Supported predevelopment or acquisition costs
- Created spaces for staff and service providers to meet and serve clients.

In terms of providing services, grantees used HEAP funding to support more than 900 programs⁵ that served 87,372 persons experiencing homelessness across California.

Key Takeaways, Learnings, and Implications

- HEAP's flexibility addressed gaps, supported strategic investments, helped local systems respond to emerging challenges and opportunities, and centered clients by facilitating a person-centered approach. For example, HEAP's flexibility created opportunities to braid and leverage other programs and funding streams that may not have otherwise been possible. **In total, HEAP funded projects leveraged an additional \$700 million dollars, resulting in a combined \$1.2 billion for emergency homelessness response.** These clear and valuable outcomes support the need to maintain flexibility in future funding streams.
- HEAP's youth mandate elevated and focused attention on the unique needs of youth experiencing homelessness. This foundation will help pave the way for continued development of youth-specific programs, partners, and services as communities implement subsequent waves of Cal ICH funding with larger youth set-aside mandates.
- HEAP's emergency framing and one-time status influenced local priorities. These priorities helped local jurisdictions address an immediate crisis and dramatically expand emergency shelter capacity. It also highlighted unmet needs around strategic planning and accountability as the state seeks to not just address but reduce and end people's experience of homelessness. This finding informed subsequent funding. For example, subsequent rounds of HHAP funding are building towards system-level improvements through strategic plans and accountable programs that emphasize goal setting and measuring progress towards making homelessness brief, rare and non-recurring.

⁵ These programs span the services, rental assistance or subsidies, and youth set-aside eligible use categories.



Purpose Of This Report

This document is the third and final HEAP Report. The first and second Annual Funding Reports can be found at https://bcsh.ca.gov/calich/aid_program.html. This final summary is a valuable resource for understanding the statewide impact of HEAP funds and lessons learned. Data and learnings from prior quarterly fiscal reports and annual performance and narrative reports helped inform this report. However, the primary basis for this final report stems from a final data submission from grantees in October 2021. It is important to note that grantees self-reported all data as generated by their Homeless Management Information System (HMIS) and local financial systems. This report is intended to inform leadership, the legislature, and the public of key program outcomes. It includes detail and analysis of fiscal data, outcomes and performance metric data for capacity built and clients served, and key takeaways from HEAP program activities.

Program Overview

Statute

In 2018 the state of California began implementing a new approach to address the intensifying homelessness crisis. As authorized by SB 850 (Chapter 48, Statutes of 2018), HEAP was a \$500 million three-year, flexible block grant designed to provide direct assistance to cities and Continuums of Care (CoCs) to address the homelessness crisis throughout California.

The statute accomplished three key objectives:

1. It elevated the Homeless Coordinating and Financing Council (HCFC), now the California Interagency Council on Homelessness (Cal ICH), to the California Business, Consumer Services and Housing Agency (BCSH).
2. It authorized Cal ICH to administer its first ever grant – the Homeless Emergency Aid Program (HEAP).
3. It provided a foundation for this inaugural grant by directing the \$500 million flexible block grant to address the immediate needs of people experiencing homelessness across the state.

Eligible Uses and Activities

HEAP provided a new tranche of flexible, emergency funding to help local governments across the state address an acute crisis. This emergency framing recurs throughout statute. For example, HEAP was “established for the purpose of providing



localities with one-time flexible block grant funds to address their immediate homelessness challenges.”⁶ Furthermore, each jurisdiction seeking funds was required to declare a *shelter crisis* and provide proof of local collaboration.

This emergency framing ultimately informed and bolstered HEAP’s flexibility. Statute directed grantees to use funds “on one-time uses that address homelessness, including, but not limited to, prevention, criminal justice diversion programs to homeless individuals with mental health needs, and emergency aid.”⁷ The Notice of Funding Availability (NOFA) further stressed “the parameters of the program are intentionally broad [and grantees] are encouraged to be creative and craft programs that meet specific needs that have been identified in their communities.”⁸ The NOFA also clarified that all uses must be “aligned with California’s Housing First Policy.”⁹

Finally, statute created specific carve-outs for youth and local administrative costs. Per statute grantees had to spend at least 5% of their allocation on homeless youth or youth at risk of homelessness¹⁰ and were prohibited from spending more than 5% on administrative costs¹¹.

Eligible uses were broadly categorized and tracked in six budget categories:

1. Capital improvements
2. Services
3. Rental assistance and subsidies
4. Homeless youth set-aside
5. Administrative Costs
6. Other

The first three categories encompassed most eligible activities and represent the majority of dollars spent. The fourth and fifth ensured discrete tracking of statutory requirements. The sixth ensured flexibility in case jurisdictions developed a novel project that otherwise fit the program criteria but did not fit into the first three budget categories.

⁶ See HSC § 50211(a).

⁷ See HSC § 50214(a).

⁸ See [NOFA](#) pg 4

⁹ See [NOFA](#) pg 4

¹⁰ See HSC § 50214(c).

¹¹ See HSC § 50222(b).



Cal ICH provided immense flexibility for local jurisdictions and prioritized local decision making on the best use HEAP funds to address homelessness locally. Local jurisdictions determined how to divide funds between eligible activities and submitted their budget with the application. If plans or priorities changed during the course of the grant, local jurisdictions could adjust their HEAP budget through a change request process.

In sum, HEAP was not intended to be a prescriptive program or one that operated in isolation from other programs or funding sources. Instead, HEAP was a flexible, emergency, one-time funding source that could help address an array of locally identified needs pertaining to the immediate crisis of people experiencing homelessness. The program structure prioritized:

- Distributing funds to eligible local jurisdictions quickly
- Providing jurisdictions with maximum flexibility
- Providing immediate assistance to local jurisdictions until a permanent source of funding could be established
- Addressing immediate needs and challenges around addressing and ending people's experience of homelessness.

Timeline

In total, \$499 million was allocated to 54 grantees comprised of 43 CoCs¹² and the state's 11 largest cities. \$1 million was set aside for state administrative costs. Cal ICH distributed all HEAP funding to eligible grantees by April 2019. The grantee period for expending HEAP funds officially ended on June 30, 2021. Thus, the expenditure period lasted just over two years from approximately April of 2019 through June 30, 2021. Grantees submitted final expenditure and performance data to Cal ICH in October 2021. These final data submissions form the basis of this report.

A final note on HEAP's timeline: COVID-19 emerged as a major global pandemic midway through HEAP's roughly two-year expenditure period. As a first-of-its-kind flexible state funding source, many grantees took time in the first year to set up partnerships, plans, and program infrastructure. Just as many were ramping up HEAP funded projects in early 2020, COVID-19 dramatically influenced the service delivery landscape. Many communities found both the need and opportunity to adjust course where they could in response to the additional, compounding crisis.

¹² At the time HEAP was established (2018), California had a total of 43 CoCs. Subsequent to HEAP, one of the multi-County CoCs split into two resulting in 44 total CoCs today.



Expenditures

As of October 29, 2021, Cal ICH received final reports from all of HEAP's 54 grantees confirming that 100% of HEAP funds were spent. The ability for local jurisdictions to integrate, disperse, and spend down \$499 million in a little over two years reflects the urgent need for this infusion of funds across the state. The analysis that follows examines spending by budget category and what these spending patterns reveal about local needs and priorities when addressing homelessness.

Expenditure Trends

As an emergency flexible block grant, communities could spend HEAP dollars "on one-time uses that address homelessness." Statute also required that jurisdictions use at least 5 percent of their total allocation "to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness" and that "no more than 5 percent of programs funds [...] be used for administrative costs related to the execution of eligible activities." Finally, program funds could not be used for overhead or planning activities. The table below captures total spending by grantee type and budget category.

Budget Categories	City	CoC	Total
Capital Improvements	\$64,139,296.52	\$108,082,212.99	\$172,221,509.51
Services	\$55,169,032.88	\$166,172,058.63	\$221,341,091.51
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Administration	\$4,443,243.37	\$12,050,746.89	\$16,493,990.26
Other	\$0.00	\$2,080,842.46	\$2,080,842.46
Grand Total	\$149,999,999.99	\$349,000,000.01	\$499,000,000.00

A few trends emerge when examining the aggregate expenditure data:

- Communities prioritized services and capital expenditures.
- All grantees met or exceeded the 5% youth set-aside minimum. On aggregate, grantees exceeded the youth set-aside minimum by \$8.7 million.



- Many grantees chose to reduce their administrative budget in order to prioritize more direct service, support, and capacity building activities. On aggregate, grantees shifted \$8.4 million in eligible administrative dollars to other eligible use categories.

HEAP funds were awarded to two distinct groups of grantees: California's 43 CoCs and California's 11 largest cities. By examining the spending patterns of these two groups, we see different strategies and priorities emerge:

- CoCs prioritized spending on Services and went above and beyond the youth set aside minimum.
- Cities prioritized capital expenditures and to a certain extent, rental assistance.
- Both groups spent comparable percentages on administrative costs.

The sections below surface trends and provide analysis for each eligible use budget category.

Capital Improvements

In all, grantees used \$178 million¹³ from HEAP on 208 capital projects. In some cases, HEAP dollars funded a discrete project. In other cases, grantees used HEAP as part of a braided funding strategy to fill gaps or serve as leverage in support of larger projects. In these cases, grantees used HEAP to leverage an additional \$456 million from other funding sources to support capital projects that serve people experiencing homelessness. In all, **projects utilizing HEAP funds added 6,346 beds and 586 units statewide.**

A portion of this capacity was delivered through the state's Homekey initiative. Homekey projects were awarded between September and October of 2020. Despite this initiative coming online late in the HEAP grant lifecycle – approximately 9 months before HEAP's expenditure deadline – several communities successfully leveraged HEAP's flexible funds to support Homekey acquisitions and/or conversions. In all, eight communities reported using HEAP funds as part of Homekey projects, adding 526 beds and 317 units statewide.

Beyond direct sheltering and housing capacity, a smaller subset of capital projects supported homelessness response system's capacity by:

- Maintaining, repairing, or improving existing facilities.

¹³ \$172.2 million in capital funds and 5.8 million in youth set-aside funds for capital projects specifically intended to serve youth.



- 18 projects funded necessary repairs to maintain the functionality of existing facilities or improvements to livability and accessibility (i.e. ADA accessibility, privacy, spaces to secure personal belongings, spaces for partnered households, and accommodations for pets).
- Purchasing vehicles for client outreach and transportation.
 - Six projects funded the purchase of 13 vehicles.
- Adding critical infrastructure (storage, water, toilets, and showers).
 - Five projects added storage (i.e., for food and personal lockers).
 - 12 projects added water access, toilets, and/or showers. These included general additions and expansions, as well as some geared towards specific populations (ADA accessible and/or gender-neutral facilities).
- Supporting predevelopment or acquisition costs.
 - Three projects funded predevelopment costs.
 - One project supported the purchase of an existing building.
- Creating spaces for staff and service providers to meet and serve clients.
 - Three projects added spaces for staff to meet with and serve clients.

Key Takeaways

- Many communities – rural CoCs and several cities in particular – prioritized capital improvements in their HEAP spending plans. As a flexible, one-time funding source, HEAP provided communities a unique opportunity to improve and expand the capacity of local homelessness services systems.
- Several leveraged HEAP to explore new models including tiny homes, prefabricated or modular buildings, and Homekey acquisitions and/or conversions.
- Capital projects also targeted equity and service gaps in critical ways including:
 - Expanding a jurisdiction's service footprint by funding new capacity and projects in underserved geographies
 - Creating recuperative care facilities and capacity
 - Developing youth-specific infrastructure.

Services

In all, grantees used \$221 million from HEAP on 634 service projects. In some cases, HEAP dollars funded a discrete project. In other cases, grantees used HEAP as part of a braided funding strategy to fill gaps or serve as leverage in support of larger projects. In these cases, grantees used HEAP to leverage an additional \$200 million from other funding sources to support service projects.

Key Takeaways

- HEAP's flexibility supported program implementation and outcomes.
 - The infusion of HEAP dollars supported pilot programs and proof of concepts. For many communities, the HEAP allocation was substantial enough to absorb program start-up costs. As programs ramped up, HEAP's flexibility enabled iterative program improvements as communities learned and developed best practices.
 - HEAPs flexibility enabled jurisdictions to fill small dollar gaps in programs. Filling small gaps improved the overall service and client outcomes. More prescriptive funding restricts service options, limiting how providers can support clients in becoming and remaining housed. HEAP's flexibility gave providers the latitude to assess and respond to a client's needs, thereby promoting a person-centered approach to ending people's experience of homelessness.
- HEAP supported important COVID-19 response initiatives in many communities.
 - During HEAP's first year (April '19-'20), communities developed partnerships and plans. While COVID-19 disrupted many of those plans, communities leveraged these partnerships to quickly stand-up new COVID-19 response programs and quickly direct new COVID-19 resources.
 - COVID-19 disrupted the delivery of many services. As a flexible funding source, HEAP enabled programs to pivot and helped jurisdictions quickly re-direct resources to high priority needs such as:
 - Deploying hygiene services
 - Decompressing congregate shelter
 - Providing motel vouchers and Project Roomkey stays
 - Covering the cost of case management and wraparound services, as well as extended motel stays.



- HEAP funded and helped generate specific system improvements.
 - HEAP's flexibility, mandate, and youth-set aside fostered new partnerships with public health, housing authorities, after-care programs, victim's services providers, and justice departments (e.g. expungement clinics and re-entry coordination).
 - Local jurisdictions funded new positions and synergistic program components such as "Moving On" coordinators, housing navigators, landlord engagement specialists, landlord incentive funds, and flexible housing funds. These positions and funds support permanent housing placements by complimenting traditional case management and navigation services to improving resource utilization.
 - HEAP dollars helped fund specific expansions of service programs such as:
 - Expanding hours of operation
 - Extending seasonal operations year-round
 - Increasing the number of people a program can serve
 - Developing service infrastructure in underserved local geographies.

Rental Assistance or Subsidies

In all, grantees used \$53 million from HEAP on 175 rental assistance or subsidies projects. In some cases, HEAP dollars funded a discrete project. In other cases, grantees used HEAP as part of a braided funding strategy to fill gaps or serve as leverage in support of larger projects. In these cases, grantees used HEAP to leverage an additional \$23 million from other funding sources to support rental assistance projects.

Key Takeaways

- HEAP's flexibility allowed grantees to leverage existing community resources as part of their rental assistance and subsidy programs.
 - This enabled grantees to quickly set up programs and partner with smaller, underserved cities and communities.
 - Many activated a large pool of sub-grantees through a centrally administered ("pooled") fund. This approach established multiple points of entry ("no wrong door") and helped clients quickly connect to appropriate resources and become housed/stabilized.



- Jurisdictions frequently used HEAP to augment existing rental assistance programs. This allowed jurisdictions to:
 - Maintain service levels when other funding sources were pulled back.
 - Shift HEAP dollars to other priorities when additional rental assistance dollars became available during the COVID-19 pandemic response.
 - Fill gaps, frequently small dollar gaps, that allowed programs to evaluate and match client needs with appropriate resources. This encouraged a person-centered approach where service providers looked holistically at a client's needs and provided appropriate resources to help clients secure and maintain housing.
- Some funding supported landlord engagement and incentives which helped expand the pool of available rentals.
- Grantees leveraged landlord engagement, incentives, and navigation programs when new housing stock came online and during surge housing initiatives to quickly house and stabilize clients.
- HEAP's flexibility enabled programs to fund innovative wraparound services like skills building, coaching, and move-in supports. These services helped clients stabilize, maintain their newly acquired housing, and link to other mainstream resources for ongoing support.

Youth Set-Aside

HEAP's statute states, "[a]n administrative entity shall use no less than 5 percent of its total allocation to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness."¹⁴ This set-aside – the only population specific carve-out in HEAP – was intended to support the unique needs and address the unique challenges of unaccompanied homeless youth up to age 24 including pregnant and parenting youth.

Because youth needs can differ drastically from adult needs, youth may not seek help from formal adult housing services. This gap in developmentally appropriate services can have long-lasting repercussions – prolonged instability and homelessness during this developmental stage is a precursor to chronic housing instability later in life. Thus, disrupting impacts of homelessness and housing insecurity earlier in a person's life can have significant, positive upstream impacts.

¹⁴ See HSC § 50214(c).

In light of this, HEAP, as well as HHAP and other state funding streams have increasingly focused on creating programs and services that specifically target transition age youth, with a particular focus on young people from marginalized backgrounds (e.g., former foster youth, LGBTQ+ youth, etc.). HEAP funding sought to increase awareness of this subpopulation's needs and insert a floor from which all communities could create or develop developmentally appropriate youth interventions.

In all, grantees used \$33.7 million from HEAP on 131 youth projects. In some cases, HEAP dollars funded a discrete project. In other cases, grantees used HEAP as part of a braided funding strategy to fill gaps or serve as leverage in support of larger projects. In these cases, grantees used HEAP to leverage an additional \$21 million from other funding sources to support youth projects. This section explores the kinds of projects funded and broad systems impacts. As noted in the section on Capital Improvements above, some youth funding (approximately \$5.8 million) was used towards youth-specific capital projects.

Key Takeaways

- Tracking the youth set-aside as a discrete budget category helped Cal ICH staff ensure every jurisdiction met or exceeded the youth set-aside mandate. However, it also means that this category encompasses a wide array of projects that would otherwise fall under capital, services, rental assistance, and other.
- HEAP incorporated the first youth set-aside mandate for state homelessness services funding. This mandate spurred local jurisdictions to identify and foster new partnerships with education, foster care, community resources centers, and more.
 - These relationships proved crucial for developing referral networks. Partnerships helped ensure referrals into HEAP funded programs and from HEAP funded programs to other mainstream services.
 - When COVID-19 disrupted education (the primary connection between youth and mainstream services), these new partnerships helped programs maintain connections to the youth they serve.
- Existing youth service infrastructure influenced how grantees approached the HEAP youth set-aside.
 - In smaller, more rural jurisdictions, HEAP's youth set-aside frequently spurred the local homeless response systems to establish their first ever youth focused program. These programs typically funded a single entity who provided a "one-stop-shop" for youth. For example, many offered a wide array of support types and levels including host-homes, rapid rehousing, and a flexible stabilization fund.



- In jurisdictions that already had a foundation of youth programming, HEAP funds tended to support more narrowly focused youth services expansions. For example, grantees funded a youth-focused outreach team, a youth-focused rapid rehousing program, or a youth capital project.

Administrative Costs

In all, grantees used \$16.5 million from HEAP on 58 administrative costs. These costs broadly paid for the tracking, management, coordination, monitoring, and reporting at the local level. Some grantees shared this funding with their sub-recipients to support “on the ground” administration and reporting. A few used the funding to support partnership development, provide training to staff, or to garner technical assistance.

Other

In all, grantees used \$2 million from HEAP on 23 other projects. These projects included establishing a problem-solving program, purchasing supplies and kits for clients, supporting collaboration initiatives, compensating people for providing lived expertise, and funding local engagement projects.

The problem-solving program¹⁵ represents just over half of \$2 million spent under “other”. This program integrated the principles of problem solving into Coordinated Entry and parallel systems of care (i.e., juvenile and criminal justice, health care, public social services, mental health, and child welfare). It did so by training ground level staff on how to integrate problem-solving into their day-to-day work and providing access to the Problem-Solving Assistance Fund (PSAF). PSAF provided limited and one-time financial assistance to individuals and families presenting through Coordinated Entry or one of these parallel public systems of care to ensure a connection to an alternative temporary or permanent housing option.

Client Service Metrics

Grantees used HEAP funding to support more than 900 programs that served 87,372 persons experiencing homelessness across California. The table¹⁶ below highlights specific sub-populations served within the 87,372 persons experiencing homelessness who were served by HEAP funded programs.

¹⁵ This program was implemented by one grantee: the Los Angeles City and County CoC.

¹⁶ These categories are not mutually exclusive, so a person may be counted in one or more of the categories.



Total Veterans Served	3,657 persons
Total Chronically Homeless People Served	16,596 persons
Total Youth Served	27,385 persons
Total Adult Heads Of Household (HOH) Served	64,066 HOH
Total Child and Unknown Heads Of Household (HOH) Served	1,141 HOH

Key Takeaways and Learnings

Flexibility addresses gaps, supports strategic investments, and centers clients

HEAP funding provided immense flexibility for local jurisdictions to determine local priorities, needs, and approaches to how to address homelessness. Local jurisdictions frequently allocated HEAP dollars to projects that were traditionally challenging to fund, were new efforts (or new to that community), required substantial upfront or capital investments, or expanded services in underserved geographies.

As a new flexible funding source, HEAP provided the space and resources for local homelessness services systems to assess and address gaps, pilot new programs, make strategic investments, form new partnerships, build on existing community resources, and respond to emerging challenges and opportunities. This flexible approach ultimately helped local jurisdictions adapt, iterate, and center client needs in the process of securing and maintaining housing.

Finally, HEAP’s flexibility created opportunities to braid and leverage other programs and funding streams that may not have otherwise been possible. **In total, HEAP funded projects leveraged an additional \$700 million dollars, resulting in a combined \$1.2 billion for emergency homelessness response.** These clear and valuable outcomes support the need to maintain flexibility in future funding streams.

HEAP’s youth mandate elevated and focused attention on the unique needs of youth

As described in the “eligible uses and activities” section, HEAP statute required grantees to use a minimum of 5% of their total allocation “to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness.”¹⁷ This mandate pushed jurisdictions to pilot innovative programs, identify new partners, make

¹⁷ See HSC § 50214(c).



dedicated capital investments, and expand youth services. In some jurisdictions, the youth set-aside built on existing local initiatives. However, for many, the HEAP mandate compelled jurisdictions to proactively investigate, identify, and address youth homelessness for the first time. This foundation will help pave the way for continued development of youth-specific programs, partners, and services as communities implement subsequent waves of Cal ICH funding with larger youth set-aside mandates.

HEAP's emergency framing and one-time status influenced local priorities

HEAP's structure influenced the kinds of projects local jurisdictions prioritized for HEAP investment within broader homelessness services systems. For example, in order to achieve eligibility for HEAP funds, local jurisdictions had to declare a shelter crisis. The combination of emergency framing, one-time funding, and the express requirement to declare a shelter crisis led many local jurisdictions to prioritize expanding emergency shelter capacity and operations. This bares out in the data on the types of capital projects communities pursued with HEAP funding. Furthermore, statute prohibited local jurisdiction from using these funds for planning activities.

Ultimately, HEAP helped local jurisdictions address an immediate crisis and dramatically expand emergency shelter capacity. But fully addressing homelessness in California will take more than two years and the finite resources HEAP provided. The state recognized the need to retain flexibility while building towards system-level improvements through strategic plans and accountability. To this end, the state has made a wider array of funding available to local jurisdictions through Cal ICH – namely nearly three billion dollars in Homeless Housing, Assistance and Prevention (HHAP) funds and the forthcoming challenge grants – that incorporate these three core elements (flexibility, strategic planning, and accountability). Built into these new initiatives are robust data collection, performance goal setting, and accountability measures that will allow the state to quantify and evaluate the progress made by these funding streams towards ending the homelessness crisis in California. These funding streams build on HEAP's legacy of flexibility and incorporate priorities around planning and accountability through goal setting and measuring progress.