PROGRESS REPORT

July 2018- June 2019

Homeless Coordinating and Financing Council
Progress Report: July 2018 to June 2019

I. Introduction

Senate Bill 1380 (Chapter 847, Statutes of 2016) established the California Homeless Coordinating and Financing Council (Council or HCFC), identified the designated Council members, and mandated HCFC to implement Housing First policy and accomplish a number of additional policy goals to address homelessness in the state.

In July 2018, as part of the 2018 Budget Act (SB 850, Chapter 48, Statutes of 2018), the Council was transferred from the Department of Housing and Community Development (HCD) to the Business, Consumer Services and Housing Agency (BCSH). The Secretary of BCSH became the designated Chair of the Council, two additional Council members were added, funding was provided for staff, and HCFC was given responsibility for developing and implementing a $500 million, one-time flexible grant program to address homelessness, the Homeless Emergency Aid Program (HEAP).

This report summarizes HCFC activities and accomplishments from July 2018 to June 2019.

II. Council Activities

New Council Members

When the Council was established, a total of 17 representatives from state departments and agencies, local government, Continuums of Care, and providers, as well as a person with lived experience, were designated as members. The 2018 Budget Act expanded the Council to include two additional members: a representative from the California Department of Transportation and a person with lived experience as a homeless youth. By January 2019, both new members had been identified, provided an orientation to the Council, and had begun participating in Council meetings. Biographies of the current Council members can be found at Council Member Bios.[1]

HCFC Staff

After its transfer from HCD in July 2018, HCFC was staffed with an Executive Officer and five supporting staff members. These included two permanent staff, a Council Specialist (Associate Governmental Program Analyst) and a Research and Policy Specialist (Research Program Specialist II), and three one-year limited-term staff to support the development of HEAP. The HEAP team consisted of a Grant Manager (Staff Services Manager III), a Local Government Liaison (Staff Services Manager II), and a Project Manager for Data Systems Development (Staff Services Manager II) to explore the possibility of a statewide Homeless Data Integration System (HDIS). Positions for HCFC were deliberately established at classifications that would provide staff that could function independently with a lot of responsibility and

[1] https://www.bcsh.ca.gov/hcfc/council_members.html

authority, so that a small team could succeed in launching the new grant program and achieving the Council goals mandated by SB 1380. Biographies of the current HCFC staff can be found at HCFC Staff Bios.[2]

Since the three HEAP positions expired on June 30, 2018, and the Council has been given additional responsibilities for addressing youth homelessness and launching a new grant program, HCFC is currently developing duty statements and recruiting for additional staff.

Interagency Working Group

An Interagency Working Group (IWG) was established when the Council was housed at HCD. It consisted of staff from the state departments and agencies represented on the Council, and its primary focus was on implementing Housing First policy. Shortly after the Council's transfer to BCSH, the IWG was expanded to include additional staff from state departments and agencies that are not represented on the Council but play an important role addressing homelessness or serving individuals and families that are homeless or at risk of homelessness. These include representatives from the California Department of Education, the California Community Colleges Chancellor's Office, and the California Workforce Development Board. In addition to actively working to implement Housing First policy in their home departments, IWG members provide essential input and support to the Council in identifying and addressing opportunities for streamlining and collaborating on state homelessness initiatives.

One example of the significant work the IWG has done on behalf of the Council is its collective response to the devastating wildfires that occurred in the fall of 2018. These fires pushed thousands of residents into homelessness and exacerbated the significant challenges faced by individuals and families who were homeless or precariously housed prior to the fires. Under the leadership of three IWG members (from HCD, California Department of Social Services, and California Office of Emergency Services), the IWG collaborated to provide direct technical assistance and support to affected Continuums of Care (CoCs), expedite their applications for funding applications, and ensure the needs of residents who were homeless or precariously housed prior to the fires were considered and addressed in the state's Disaster Recovery Housing Task Force response.

Council Governance Charter

When the Council was initially established, a Governance Subcommittee was convened to develop Council policies, procedures and objectives. However, this guidance was not formalized as a charter. After the Council's transfer to BCSH, the Governance Subcommittee was reconvened to develop a formal Governance Charter. This Charter, which identifies the statutory authority, goals, roles and responsibilities of the Council, was presented to the full Council at its January 2019 meeting and was approved. The HCFC Governance Charter can be found at HCFC Governance Charter.[3]

Council Publications

In September 2018, HCFC published two homelessness funding resources in collaboration with HCD and other members of the IWG. "*State Resources to Address California's Homeless Crisis*" (CA Homelessness Funding Resources)[4] identifies state programs by the kinds of activities each can fund, such as permanent supportive housing; rapid rehousing and prevention; street outreach, shelters, and other crisis services; and capacity building. "*California State Homelessness Funding Programs*" (CA Homelessness Programs)[5] provides information by state department or agency on the programs and

[2] https://www.bcsh.ca.gov/hcfc/staff.html
[3] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190117_council_charter.pdf
[4] https://www.bcsh.ca.gov/hcfc/documents/heap_funding_resources.pdf
[5] https://www.bcsh.ca.gov/hcfc/documents/heap_funding_matrix.pdf

funding currently available to address homelessness. A total of 28 programs in nine state departments and agencies are profiled, with eligible uses, applicants and target populations described. These publications will be updated annually and expanded as additional programs and funding opportunities are identified.

In January 2019, the Council published *"The Importance of the Homeless Point-in-Time Count"* report (Homelessness Point in Time Count)[6] timed to coincide with Continuum of Care (CoC) efforts to conduct the 2019 Point-in-Time (PIT) count throughout the state. The report is a primer on what the PIT count is and its significance in measuring homelessness and as the basis for funding allocations for a number of state and federal homelessness programs. The Council also compiled key information regarding the PIT counts for each of the California CoCs, including the date(s) of the count, contact information for the CoC and information about how to volunteer to participate (Point in Time CoC Contacts,).[7]

Council Meetings and Communications

Consistent with its authorizing statute, the Council held four quarterly meetings between July 2018 and June 2019. The October 2018 meeting was held in Los Angeles, and the meetings in July 2018, January 2019 and April 2019 were held in Sacramento. Meeting schedules, agendas and materials can be found on the HCFC website (Council Meeting Agendas and Materials).[8] Council meetings are open to all interested members of the public.

HCFC primarily communicates via its website and a listserv. The website was initially developed in July 2018 and was an important communication tool for providing information about HEAP (as well as about Council activities generally). The website will be updated within the next few months to reflect the growing portfolio of Council activities. The HCFC listserv has grown from under 250 to about 1,000. Anyone interested in joining the listserv can do so here (Join HCFC Listserv).[9]

III. Housing First

Statutory Mandate

Senate Bill 1380[10] (Chapter 847, Statutes of 2016) defined Housing First[11] and identified a set of Housing First core components. SB 1380 specified that Housing First requirements apply to all state departments and agencies that fund, implement, or administer programs "for the purpose of providing housing or housing-based services to people experiencing homelessness or at risk of homelessness, with the exception of federally funded programs with requirements inconsistent with this chapter or programs that fund emergency shelters." (Health and Safety Code Section 8255(e)) SB 1380 mandates that state departments and agencies subject to these requirements must, in collaboration with the Council, adopt or revise guidelines and regulations to incorporate core components of Housing First by July 1, 2019.

[6] https://www.bcsh.ca.gov/hcfc/documents/pit_count.pdf
[7] https://www.bcsh.ca.gov/hcfc/documents/pit_count_coc.pdf
[8] https://www.bcsh.ca.gov/hcfc/meetings/index.html
[9] https://www.bcsh.ca.gov/hcfc/webapps/subscribe.php
[10] https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1380
[11] Housing First is an evidence-based model that uses housing as a tool, rather than a reward, for recovery and that centers on providing or connecting homeless people to permanent housing as quickly as possible. Housing First providers offer services as needed and requested on a voluntary basis and do not make housing contingent on participation in services. (H&S Code Section 8255(d)(1)).

Housing First Checklist for State Programs

As a first step in implementing the Housing First mandates, the Department of Housing and Community Development (HCD) and the Corporation for Supportive Housing (CSH), a sponsor of the legislation, developed a Housing First Checklist (Table 1) for departments to use in assessing whether their programs were in compliance with Housing First and identifying any guideline or regulation changes needed to bring the programs into compliance.

Table 1: Housing First Checklist for Housing and Housing-Related Services

Housing First Checklist for Housing and Housing-Related Services	
Tenant Screening	Does the program require providers who house tenants to accept applicants with the greatest needs or vulnerabilities? ✓ *Providers must accept tenants regardless of sobriety/completion of treatment* ✓ *Providers do not reject applicants for poor credit/financial history, criminal background* ✓ *Providers may not impose a "Housing Readiness" requirement on applicants for housing* ✓ *Providers receive referrals to housing from homeless response system* ✓ *Program offers funding incentives to providers to accept referrals from Coordinated Entry/Assessment Systems*
Housing-Based Services	Are services tailored to tenants' needs, rather than designed to meet set programmatic requirements? ✓ *Service providers are required to offer services emphasizing engagement and problem-solving, rather than meeting set therapeutic goals* ✓ *Service providers use evidence-based practices for engagement* ✓ *Service providers practice harm reduction and/or recognize drug/alcohol use as part of tenant's lives and recovery* ✓ *Providers offer tenants education on avoiding risky behavior and connect them to evidence-based treatment by choice*
Services Are Voluntary	Does the program prohibit conditional housing tenancy on tenant participation in services or program compliance? ✓ *Housing providers must accept most vulnerable Californians eligible for program, regardless of applicant's willingness to participate in services (although program may require service providers to offer services)* ✓ *Program disallows housing/service providers from conditioning tenancy on participation in services or program compliance*
Housing Permanency	Does the program require housing providers to offer housing without limit on length of stay, with a lease? If the housing is time-limited, is the housing provider required to connect tenants to permanent, decent, safe housing upon exit? ✓ *Program requires housing providers to provide tenants with leases and reflects tenants' rights and responsibilities of tenancy under California law (including eviction protections)* ✓ *Program disallows providers from evicting tenants for use of drugs/alcohol without lease violations* ✓ *Program does not fund time-limited housing unless housing/service providers assist tenants in relocating to decent, safe, permanent housing tenant can afford upon exit* ✓ *If funding homeless youth program, any time-limited housing documents efforts to avoid eviction and help tenant find permanent, decent, safe housing upon exit*

The Council endorsed the use of the Housing First checklist developed by HCD and CSH, while recognizing that some elements of the checklist may not apply to all components of some programs. For example, programs providing housing-related services, such as case management or navigation services, are not required to revise their guidelines and regulations to adopt the tenant screening and lease provisions.

Status of Implementation

As of July 1, 2019, state departments and agencies that have programs or funding for housing or housing-based services to address homelessness, with one exception that will be discussed below, have all completed their program assessments using the Housing First checklist and have adopted or revised guideline or regulation changes necessary to bring their programs into compliance. The results of each state department and agency program assessment is provided below. In developing the Homeless Emergency Aid Program (HEAP), HCFC incorporated the requirement that all programs funded with HEAP funds must comply with Housing First into the HEAP program guidance and standard agreements signed by all grantees.

The Council will continue working with the IWG and member departments and agencies in the 2019-20 fiscal year to ensure new state programs are developed in compliance with Housing First requirements and to deepen implementation of Housing First by collaboratively providing support and technical assistance to state and local programs.

Department of Housing and Community Development (HCD)

HCD was the first department to present its program assessments to the Council using the Housing First Checklist. The preliminary HCD assessments[12] can be found as Appendix A to the April 10 2018 Council Meeting Staff Report.[13]

Table 2 lists the programs administered by HCD that have been assessed for compliance with Housing First and for which any guideline or regulation changes have been made to bring the programs into compliance.

Table 2: HCD Programs in Compliance with Housing First

HCD Programs in Compliance with Housing First
California Emergency Solutions & Housing Program
Emergency Solutions Grant Program
Housing for a Healthy California
No Place Like Home Program
Veterans Housing & Homelessness Prevention Program[14]
Supportive Housing Multifamily Housing Program

[12] The preliminary HCD assessments included some programs that do not provide housing or housing-based services to people who are homeless or at-risk of homelessness. It also did not include programs that were under development at the time of the initial assessment. These new programs were developed in compliance with Housing First.

[13] http://www.hcd.ca.gov/policy-research/partnering-other-agencies/docs/April-10-2018-Staff-Report.pdf

[14] This program is administered jointly with the California Department of Veterans Affairs and the California Housing Financing Agency.

HCD entered into contracts with three consultants to provide technical assistance to its grantees to improve the delivery of homelessness programs, including how to implement Housing First effectively. This technical assistance includes the development of a Housing First Toolkit that will be made available to the IWG and the members of the Council. A description of the technical assistance being offered can be found here (HCD Homelessness Technical Assistance).[15]

California Tax Credit Allocation Committee (TCAC)
TCAC (in the Office of the State Treasurer) presented its program assessment to the Council at its July 8, 2018 Council meeting. The TCAC assessment can be found as Appendix A to the July 11 2018 Council Meeting Staff Report.[16]

Table 3 lists the program administered by TCAC that has been assessed for compliance with Housing First and for which any guideline or regulation changes have been made to bring the program into compliance.

Table 3: TCAC Program in Compliance with Housing First

TCAC Program in Compliance with Housing First
Low Income Housing Tax Credit Program

California Housing Finance Agency (CalHFA)
CalHFA presented its program assessment to the Council at its July 8, 2018 Council meeting. The TCAC assessment can be found as Appendix B to the July 11 2018 Council Meeting Staff Report.[17]

Table 4 lists the program administered by CalHFA that has been assessed for compliance with Housing First and for which any guideline or regulation changes have been made to bring the program into compliance.

Table 4: CalHFA Programs in Compliance with Housing First

CalHFA Program in Compliance with Housing First
Special Needs Housing/Mental Health Services Act Program

California Department of Health Care Services (DHCS)
DHCS presented its initial program assessments to the Council at its October 9, 2018 Council meeting. The initial DHCS assessments can be found here (DHCS Housing First Assessments 10.8.2018).[18] DHCS also presented its Criteria for Assessing DHCS Programs for Housing First,[19] developed to determine which DHCS programs subject to Housing First requirements. The Council kept this agenda item until its January 17, 2019 meeting, when DHCS presented additional assessments and recommendations for its programs.

[15] http://www.hcd.ca.gov/grants-funding/already-have-funding/technical-assistance.shtml
[16] https://www.bcsh.ca.gov/hcfc/meetings/materials/20180711_staff_report.pdf
[17] https://www.bcsh.ca.gov/hcfc/meetings/materials/20180711_staff_report.pdf
[18] https://www.bcsh.ca.gov/hcfc/meetings/materials/20181009_housing_first_assessment.pdf
[19] https://www.bcsh.ca.gov/hcfc/meetings/materials/20181009_housing_first_core.pdf

Table 5 lists the programs administered by DHCS that have been assessed for compliance with Housing First and for which any guideline or regulation changes to bring the program into compliance have been determined and are completed or are in progress.

Table 5: DHCS Programs in Compliance with Housing First

DHCS Programs in Compliance with Housing First
Affordable Care Act (Medi-Cal) Health Homes Program
Projects for Assistance in Transition from Homelessness (PATH) Grants (Federal Grant, administered by DHCS)
Mental Health Services Act, Community Services and Support Component

California Department of Social Services (CDSS)

CDSS presented its program assessments to the Council at its April 9, 2019 Council meeting. The CDSS assessments can be found here (HDAP Housing First Assessment,[20] Home Safe Housing First Assessment,[21] Bringing Families Home Housing First Assessment,[22] CalWORKs Housing Support Program Housing First Assessment).[23]

Table 6 lists the programs administered by CDSS that have been assessed for compliance with Housing First and for which any guideline or regulation changes have been made to bring the program into compliance.

Table 6: CDSS Programs in Compliance with Housing First

CDSS Programs in Compliance with Housing First
Bringing Families Home Program
CalWORKs Housing Support Program
Home Safe Program
Housing and Disability Income Advocacy Program

In implementing Housing First for its programs, CDSS partnered with the National Alliance to End Homelessness and presented a series of webinars to grantees on how to implement Housing First at the local level. Recordings and webinar materials can be obtained by emailing housing@dss.ca.gov.

California Department of Corrections and Rehabilitation (CDCR)

At its April 9, 2019 meeting, the Council heard a presentation about an issue that surfaced in CDCR's assessment of its programs. CDCR community treatment/re-entry programs typically require sobriety for participation,[24] and this requirement conflicts with several core components of Housing First policy. While best practice for addressing homelessness is Housing First, best practice for addressing substance

[20] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_hdap_checklist.pdf
[21] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_homesafe_checklist.pdf
[22] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_bfh_checklist.pdf
[23] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_hsp_checklist.pdf)
[24] There may be other state programs that fund or administer sober living facilities that the Council has not identified to date. HCFC intends to research this issue in the 2019-20 fiscal year.

use disorders is a continuum of care that includes inpatient treatment, sober living facilities,[25] other residential treatment, and outpatient services. Materials from this presentation can be found here (Housing First and Sober Living Facilities,[26] Summary of HUD Approach to Sober Living Facilities,[27] Improving Access to Housing for Patients in Recovery from Substance Use Disorders in LA County,[28] HUD Recovery Housing Policy Brief).[29] Council members requested that the item be held open to allow for consideration of a proposed exemption for sober living facilities from the conflicting components of Housing First, provided specific criteria were met.

Subsequent to the Council meeting, discussions with HCFC, BCSH, the Governor's Office and the Legislature resulted in agreement to allow a one-year extension (to July 1, 2020) for state departments or agencies that fund recovery housing to comply with Housing First requirements. This agreement was approved as part of the 2019 Budget Act (AB 101, Section 28). Section 28 also requires these departments and agencies to consult with the Legislature, HCFC, BCSH and other stakeholders to identify ways to improve the provision of housing to individuals who receive funding from that agency or department, consistent with the applicable requirements of state law, and submit a report to the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget on its efforts to comply with Housing First and improve the provision of housing to individuals who receive housing assistance by March 1, 2020. Section 28 also defines recovery housing as sober living facilities and programs that provide housing in an abstinence-focused and peer-supported community if participation is voluntary, unless that participation is pursuant to a court order or is a condition of release for individuals under the jurisdiction of a county probation department of the Department of Corrections and Rehabilitation.

California Office of Emergency Services (Cal OES)

After consulting internally, and with the HCFC Executive Officer and HCFC Interagency Working Group, Cal OES determined that 10 of its 11 housing and shelter programs are exempt from the Housing First requirements in SB 1380. As noted above, the Housing First requirements apply to all state departments and agencies that fund, implement, or administer programs "for the purpose of providing housing or housing-based services to people experiencing homelessness or at risk of homelessness, with the exception of federally funded programs with requirements inconsistent with this chapter or programs that fund emergency shelters." (Section 8255(e))

Table 7 lists the 10 programs administered by Cal OES that are exempt from Housing First requirements because they provide funding for emergency shelters.

[25] Also known as Recovery Housing.

[26] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_item6_housingfirst.pdf

[27] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_item6_soberliving.pdf

[28] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_sapc.pdf

[29] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_recovery_housing_policy.pdf

Table 7: Cal OES Programs Exempt from Housing First

Cal OES Programs Exempt from Housing First
Domestic Violence Housing First
Domestic Violence Assistance
Equality in Prevention & Services for Domestic Violence
Homeless Youth & Exploitation
Homeless Youth Emergency Housing
Homeless Youth Innovative Services
Homeless Youth Emergency Housing & Services
Human Trafficking Victim Assistance
Native American Domestic Violence & Sexual Assault
Specialized Emergency Housing

If future statutory changes are made to SB 1380 to future include emergency shelters in Housing First, these programs will be re-assessed.

Cal OES administers one program that is required to comply with Housing First requirements, as shown in Table 8. The Transitional Housing Program, which provides transitional housing, short-term housing assistance, and supportive services that move crime victims into permanent housing. Cal OES has assessed this program using the Housing First assessment tool developed by the HCD and the Corporation for Supportive Housing. This assessment and recommendations for the program is being presented at the July 17, 2019 Council meeting and will then be posted at HCFC Meeting Agendas and Materials.[30]

Table 8: Cal OES Programs in Compliance with Housing First

Cal OES Program in Compliance with Housing First
Special Needs Housing/Mental Health Services Act Program

IV. Homeless Emergency Aid Program

Overview

Authorized as part of the 2018 Budget Act (SB 850, Chapter 48, Statutes of 2018), the Homeless Emergency Aid Program (HEAP) is a one-time $500 million flexible block grant program designed to provide direct assistance to cities, counties and CoCs to address their immediate homelessness challenges. Eligible applicants were the 43 CoCs and the 11 largest cities in the state, defined as cities with a population of 330,000 or more as of January 1, 2018. Funds were allocated using a formula based largely on the jurisdiction's share of the state's total homeless population. An overview of the program, along with the funding allocations for CoCs and the large cities, can be found here (HEAP Program Guidance and Funding Allocations).[31]

[30] https://www.bcsh.ca.gov/hcfc/meetings/index.html
[31] https://www.bcsh.ca.gov/hcfc/documents/heap_overview.pdf

Eligible uses include prevention activities, rapid rehousing, emergency shelter construction or expansion, criminal justice diversion programs for homeless individuals with mental health needs, and services. A minimum of 5 percent of a jurisdiction's HEAP allocation must be used to develop or expand services and programs for homeless youth, and no more than 5 percent of the allocation may be used for administrative functions.

As part of the application process, CoCs were required to demonstrate collaboration with other city, county and nonprofit partners. The 11 large cities, along with cities and counties that wanted a direct allocation of HEAP funds from their CoC, were required to submit a shelter crisis declaration that had been adopted by the City Council or Board of Supervisors.

Program Development

Due to the urgency of disbursing HEAP funds into communities as quickly as possible, HCFC established an ambitious schedule for developing HEAP application materials, processing applications, and awarding allocations. The application process was intentionally designed to be as streamlined as possible, with a 2-page online application form and clear application instructions available ahead of time. The HEAP team provided significant technical assistance throughout the application period, including regional workshops, webinars, weekly office hours, and individual support.

As Table 9 illustrates, within four months of the authorizing statute, the HEAP team had issued program guidance, FAQs, application instructions and the Notice of Funding Availability (NOFA); started receiving applications (including two on the same day the NOFA was issued); sent award notifications to early applicants; and started disbursing the funds. All 43 CoCs and the 11 large cities submitted their HEAP applications before the Round 1 closing date of December 31, 2018, meaning there was no need for a Round 2 of funding. As of April 4, 2019, all $500 million in HEAP funds had been disbursed. The HEAP team accomplished all this by adhering to a rigorous 15-30-15 day schedule: 15 days from receipt of a complete application to issue the award and standard agreement; 30 days for grantees to return the signed standard agreement; and 15 days from receipt of the signed standard agreement to issue the fund disbursement. This performance metric was achieved for 100 percent of the applications, meeting HCFC's stated commitment to disburse HEAP allocations within 60 days of receipt of a completed application.[32]

Table 9: HEAP Application-Award Disbursement Timeline

HEAP Application-Award-Disbursement Timeline	
HEAP Authorized in 2018 State Budget	June 27, 2018
Program Guidance, Application Map and FAQs Issued	August 2018
NOFA Released and On-line Application Portal Opened	September 5, 2018
First Award Notification Sent	September 28, 2018
First Funds Disbursed	October 11, 2018
Last Application Received (100% Participation)	December 27, 2018
Last Award Notification Sent	January 30, 2019
Last Funds Disbursed (100% of Total)	April 4, 2019

[32] The only exceptions to this were for applicants that took longer than 30 days to return their signed standard agreements.

HEAP Spending Categories

The HEAP application asked applicants how much of their HEAP funding they intended to allocate in six general spending categories: Services, Capital Improvements, Rental Assistance or Subsidies, Homeless Youth Set-Aside, Administrative Costs, and Other, which could include projects like mobile hygiene units. Applicants were required to indicate the dollar amount they planned to spend in each category, with the ability to amend their spending plan throughout the HEAP grant period. The current HEAP Funding Allocations for all HEAP funds are summarized in Table 10.

Table 10: HEAP Funding Allocations by Spending Category

HEAP Funding Allocations by Spending Category		
Spending Category	**Dollar Amount**	**Percentage**
Services	$192,681,780.05	39%
Capital Improvements	$179,914,396.36	36%
Rental Assistance/Subsidies	$63,582,531.45	13%
Homeless Youth Set-Aside	$33,128,176.72	7%
Administrative Costs	$20,837,529.78	4%
Other	$8,855,585.64	1%
TOTAL[33]	$499,000,000.00	100%

More detail about how CoCs and the 11 large cities are spending their HEAP funds will be available once the first HEAP progress reports are received. They are due by January 1, 2020.

Technical Assistance

As noted above, the HEAP team provided intense technical assistance throughout the application period, and this is one of the main reasons HEAP funding was awarded and disbursed so quickly. Beginning in August 2018, technical assistance was provided using multiple platforms. HCFC partnered with HCD to provide a series of workshops and roundtable discussions around the state focused on available homelessness funding, including HEAP, and evidence-based best practices. HCFC also participated in webinars sponsored by the California State Association of Counties (CSAC), League of California Cities LCC), and John Burton Advocates for Youth (JBAY), among others. In November 2018, the HEAP team began hosting weekly Office Hour calls which allowed applicants the opportunity to ask questions and receive updates from HEAP staff. These calls have since evolved and are now a platform for the CoCs and large cities to network, share knowledge and best practices, and engage in peer-to-peer support. One call each month is set aside to focus on model programs and best practices for addressing youth homelessness.

Partnerships

One of the best decisions made in staffing HCFC was the decision to dedicate one HEAP position as the Local Government Liaison. Throughout the HEAP application period and continuing into program implementation, this has enabled HCFC to establish and maintain positive and supportive relationships with the CoCs, large cities and many other local partners engaged in addressing homelessness. This emphasis on partnerships also evolved quickly to include a strong connection with federal agencies such as the US Department of Housing and Urban Development (HUD) and the US Interagency Council on

[33] The total is $499 million because $1 million was designated for state operations to implement the program.

Homelessness (USICH), as well as with state departments represented on the Council and a multitude of advocates and providers throughout the state.

These partnerships resulted in HCFC staff participating in more than 30 statewide webinars, workshops, summits, and conferences focused on evidenced-based best practices and state funding sources available for homelessness. These include presentations to the Council on Criminal Justice and Behavioral Health, the Water Resources Board, the California Partnership for the San Joaquin Valley, and the Forensic Mental Health Association of California. To connect with CoCs and local providers, HCFC participates in the Quarterly meetings for the Northern California CoCs hosted by Homebase and the Southern California Alliance of CoC Leaders meeting hosted by Urban Initiatives. HEAP staff were also selected to present at the National Alliance to End Homelessness Conference in February 2019 to highlight HEAP and focus on innovative funding sources. The 2019 Housing California Conference selected HCFC to host a workshop on the preliminary impacts of HEAP and panelists included the City and CoC of Long Beach, the Los Angeles Homeless Services Authority, the City of Oakland, and the City of Santa Ana.

Reporting Requirements

Now that HEAP funds have been disbursed, HCFC has shifted its focus to providing technical assistance to grantees and developing the framework for grantees to collect and submit data on the impact of HEAP funds in their communities. As noted above, the first HEAP progress report is due by January 1, 2020, and HCFC wants to provide sufficient lead time to grantees to ensure they can successfully comply with the reporting requirements. The HEAP Reporting Requirement template was released to all grantees on July 5, 2019 after several months of discussion with CoCs and the large cities. Most of the information required can be obtained from the Homeless Management Information System (HMIS) administered by CoCs. Analysis of the data submitted in these first progress reports will provide HCFC with the first statewide assessment of how HEAP funds have been used and the impact these funds are having on homeless populations in California.

Early Lessons Learned

Although it is early days, there are some program design decisions that have contributed to HCFC's success in establishing HEAP and disbursing the funds so quickly:

- The authorizing statute was clear but not too directive in the major program structure, eligible applicants and uses, and allocation formula provisions. This allowed HCFC to move ahead quickly and at the same time gave HCFC enough discretion to make the specific decisions that inevitably arise in developing and implementing a new program.
- HCFC deliberately set out to make the program as simple, transparent, and streamlined as possible, with an eye always on how HCFC could make things as easy as possible for HEAP applicants and, now, grantees. HCFC took program flexibility to heart while also working hard to ensure sufficient guidance and accountability. This is why HCFC received the first applications, from Oakland and San Diego, on the day the NOFA was released.
- HCFC took partnership seriously. As described above, of the three positions authorized to develop and implement HEAP, one is a Local Government Liaison, whose primary role is to develop and maintain relationships with the cities, counties and CoCs. In addition to the presentations and webinars across the state and holding weekly office hours, the HEAP team also provided one-on-one support and direct engagement with local jurisdictions, which was possible because HEAP was not a competitive program.
- In designing the program, HCFC kept the end in mind. To ensure the real success of the program, meaning the funds are used efficiently and effectively and make real progress in addressing

homelessness, HCFC has shifted quickly into providing support and TA on evidence-based best practices and working with grantees to establish good reporting processes. Consistent with HCFC's overall approach, the HEAP team will engage in these activities with a continued commitment to partnership—focusing on how HCFC can assist grantees in accomplishing their goals.

These lessons will inform HCFC's development and implementation of the new $650 million Homeless Housing, Assistance and Prevention (HHAP) program authorized as part of the 2019 Budget Act (AB 101).

V. Homeless Data Integration System

Overview

Shortly after the Council was transferred from HCD to BCSH in July 2018, Council Chair Secretary Podesta directed HCFC staff to explore options for developing a California Homeless Data Integration System (CDIS), including a state-level Homeless Management Information System (HMIS). Phase I would include developing a state-level data warehouse that could import and integrate client-level data from all of California's existing local HMIS and provide an option for CoCs to participate in a state HMIS if they choose to do so. The state HMIS would comply with HUD standards to facilitate federal reporting. Additionally, the proposed system would feature data analytics reporting tools, which would be available to both the state and CoCs. This would give the CoCs additional information to assist in policy setting and prioritizing services provided to homeless and at-risk individuals and families. In addition, it would allow the state to better understand the scope and characteristics of homelessness throughout California. Phase II would include the development of an integrated platform that could import and link other client-level data from various state and local homeless programs, which would serve as a powerful, data driven tool used to inform policy and resourcing decisions. The Council would be in a position to provide data-driven advice on formulating sound policy and make recommendations on the most effective and efficient use of funds. An overview of the HDIS Project can be found here (Overview of HDIS Project).[34]

Market Analysis

Proposed IT projects in California must complete the Project Approval Lifecyle (PAL) process under the oversight of the California Department of Technology (CDT). The PAL process requires a thorough market analysis as a preliminary step to developing a specific IT solution. Throughout HCFC's exploration of a potential HDIS, a consultant from HUD has provided expert advice and support, including information about how other states have implemented a statewide HDIS and what features of an IT solution are required by HUD for CoCs to be eligible for federal homelessness funding.

Since July 2018, HCFC staff, in collaboration with CDT and the HUD consultant, have:

- Held vendor demonstrations with vendors currently providing HMIS solutions to CoCs in California to gain a better understanding of the functions and capabilities of current HMIS operating in the state. HCFC also held demonstrations with other IT vendors that were interested in discussing capabilities of their IT solutions and how they might support the goals of a potential HDIS.
- Surveyed CoCs to learn more about how local jurisdictions administer their HMIS and how best practices and lessons learned at the local level could inform the state in developing a state HDIS. Extended interviews and site visits were conducted with current HMIS users in seven CoCs around the state to determine necessary requirements to build into a potential system and to consider options for improving on current HMIS software options.

[34] https://www.bcsh.ca.gov/hcfc/documents/hmis_exploring.pdf

- Formed an HMIS working group, with participation from two Council members, more than 15 CoCs and local HMIS administrators, community providers, and state experts developing and implementing data integration projects elsewhere in state government. The working group met twice a month between December 2018 and June 2019 to provide ongoing input and discuss challenges and opportunities of a state HDIS. The group presented their preliminary recommendations at the April 2019 Council meeting (HMIS Working Group Recommendations).[35]
- Published a Request for Information (RFI) that invited vendors to provide their proposed solutions to meet the goals of a state HDIS, as well as a cost estimate for their solution. Fourteen responses to the RFI were received, from both HMIS vendors and larger IT vendors. These RFI responses provided a robust assessment of potential approaches to developing the IT solution and essential features to ensure project goals for both Phase I and Phase II could be met.
- Hired a privacy and data security consultant who, in collaboration with state privacy and security experts, provided early and ongoing input to ensure that privacy and security features were considered and included in essential functionality requirements for a potential HDIS. This is a critical part of exploring an IT solution that could include collecting individual client-level data to allow more comprehensive analysis of homeless populations, gaps in services, and migration between CoCs over time (among other things). A discussion of the purpose and benefits of collecting client level data can be found here (Collecting Client Level Data in HDIS).[36]

As a result of these activities, HCFC successfully submitted Stage I and Stage II Business Analysis documents required by CDT as part of the PAL process. A consultant working closely with HCFC, the HUD consultant, and CDT also developed a draft solicitation package that synthesized and refined the results of the market research and provides a comprehensive scope of work for Phase I of the potential HDIS. Completion of these milestones has led to the successful conclusion of the exploratory phase of this project. Leadership at BCSH will now use the results of this process to determine the direction for the next stage(s) of the project.

VI. Strategic Action Plan to Address Homelessness

The 2019 HCFC Action Plan (HCFC 2019 Action Plan),[37] presented at the January 17, 2019 Council meeting, describes a new HCFC initiative to develop a data-driven, evidence-based, high-level state strategic action plan to address homelessness. This action plan will identify state strategies to stop the growth in homelessness, shelter the unsheltered, and significantly reduce the overall numbers of homeless individuals and families in California. Modeled on the US Interagency Council on Homelessness (USICH) federal strategic plan to prevent and end homelessness (Home, Together Federal Homelessness Plan),[38] the state strategic plan is intended to provide a roadmap for state departments and agencies in prioritizing the use of their resources and collaborating across departmental lines to provide an integrated, coordinated approach to preventing and ending homelessness in California.

As a first step, in February 2019, HCFC issued an invitation to the homelessness research, policy and program experts throughout the state to provide us with brief white papers on their evidence-based recommendations for specific priority actions the state should take in the next one to three years to

[35] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_item5_hmis.pdf
[36] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190409_item5.pdf
[37] https://www.bcsh.ca.gov/hcfc/meetings/materials/20190117_action_plan.pdf
[38] https://www.usich.gov/resources/uploads/asset_library/Home-Together-Federal-Strategic-Plan-to-Prevent-and-End-Homelessness.pdf

support a downturn in the number of homeless individuals and families in California. By May 2019, HCFC had received more than 40 responses with recommended best practices from a wide variety of stakeholders. HCFC has contracted with a specialist to review the responses and synthesize the rich array of best practices and recommendations into a draft strategic action plan for the Council to discuss. Once the plan is drafted, HCFC plans to implement a robust stakeholder engagement process to solicit feedback from state partners, local governments, community partners and providers, advocates, experts and people with lived experience. The white papers and updates to the development of the plan will be posted on the Council's website (HCFC Website)[39] in the coming weeks and months.

VII. The Homeless Youth Act of 2018

The Homeless Youth Act of 2018 (SB 918, Chapter 841, Statutes of 2018) directed the Council to set specific, measurable goals aimed at preventing and ending homelessness among California youth; define outcome measures; and gather data related to those goals. The Council is also required to coordinate with stakeholders and provide technical assistance and program support to ensure evidence-based best practices are implemented at the local level.

As a first step in addressing these mandates, HCFC staff met with funders and advocates in August 2018 to inform them about HEAP and discuss strategies for homeless youth providers to directly connect with CoCs and the large cities to ensure that HEAP youth homelessness set-aside funds would be used to support evidence-based best practices. HCFC staff participated in a webinar targeted at homeless youth providers that provided an overview of HEAP and made specific recommendations for participating in the local collaborative process and providing input into local decisions about the use of HEAP funds for addressing youth homelessness. Since HEAP represents the first time state General Fund dollars have been dedicated to address youth homelessness, it is critical that experts and providers who understand the unique needs of youth engage with the CoCs and large cities, many of which have little experience in specifically addressing youth homelessness.

The October 2018 Council meeting included a series of presentations on youth homelessness, including a discussion of authentic youth engagement. The meeting agenda and materials for these presentations can be found here (Council Meeting Agendas and Materials)[40] under October 9, 2018 Council Meeting. These presentations provided Council members with an overview of the demographics and characteristics of homeless youth in California, the trajectories into homelessness for youth, and best practices that state departments and agencies can prioritize for program and funding support.

Since then, HCFC staff have met periodically with youth homelessness experts, funders and advocates to identify effective strategies and develop a shared approach to providing technical assistance to HEAP grantees and other state and local entities. One focus has been to use the HEAP Office Hours to provide technical assistance and peer-to-peer learning opportunities. Recently, the HEAP team supported the John Burton Advocates for Youth (JBAY) in doing a survey of HEAP grantees to learn how the homeless youth set-aside funds are being allocated. The report, entitled "Youth Homelessness in California: What Impact has the Five Percent Set-Aside in the Homeless Emergency Aid Program had so Far?" can be found here (Impact of HEAP 5% Youth Set-Aside).[41] HCFC staff participated in a follow-up webinar in which the findings of this preliminary report were presented.

[39] https://www.bcsh.ca.gov/hcfc/
[40] https://www.bcsh.ca.gov/hcfc/meetings/index.html
[41] https://www.jbaforyouth.org/wp-content/uploads/2019/05/HEAP-Brief_May-2019_final.pdf

HCFC will continue to work closely with youth homelessness partners to identify collaborative strategies and ensure best practices are implemented. The 2019 Budget Act also authorized two new positions for the Council dedicated to implementing the Homeless Youth Act mandates. One of these positions will be focused on implementing the data, research and policy requirements while the second position will be working with the HEAP and HHAP teams to provide technical assistance to local grantees so that the youth set-aside funds are used effectively. Recruitment for these staff will begin in August 2019.

VIII. Conclusion

This progress report highlights the Council's activities and achievements during the July 2018 through June 2019 period. During the coming year, the HCFC team will build on this success and all the lessons learned to launch the new one-time, $650 million HHAP program approved as part of the 2019 Budget Act (AB 101). Work will also continue on implementing Housing First policy; providing technical assistance to HEAP grantees and evaluating the impact of HEAP funds; refining the scope of a potential Homeless Data Integration System; developing the state Strategic Action Plan to Address Homelessness; and implementing the Youth Homeless Act of 2018, among other things.

The Council's activities and materials developed to support this work can be found on the Council's website. Updates on HHAP, HEAP and the Council's other initiatives in 2019-20 will be posted here (HCFC Website).[42]

[42] https://www.bcsh.ca.gov/hcfc/