

City of Sacramento

Legislation Text

File #: 2018-01648, **Version:** 1

Title:

Approval for Homeless Emergency Aid Program (HEAP) Grant Standard Agreement

File ID: 2018-01648

Location: Citywide

Recommendation:

Adopt a Resolution authorizing the City Manager or City Manager's designee to: 1) execute and submit the Homeless Emergency Aid Program (HEAP) Standard Agreement with the State of California Business, Consumer Services and Housing Agency (BCSH) to receive and administer \$5,645,700 in grant funding; 2) execute and submit supporting documents and various reports for the implementation of HEAP; 3) establish the Homeless Emergency Aid Program (G02000820) Multi-Year Operating program (MYOP); 4) establish revenue and expenditure budget in the amount of \$5,645,700 for G02000820 in Operating Grants (Fund 2702) to support the City's HEAP implementation; and 5) add a limited-term 1.0 FTE Administrative Technician position to support HEAP, fully offset by the HEAP grant.

Contact: Emily Halcon, Homeless Services Coordinator, (916) 808-7896; Angela Marin, Administrative Analyst, (916) 808-7949, Office of the City Manager

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Request for Funds form
- 3-Resolution
- 4-Exhibit A to the Resolution: HEAP Standard Agreement Template

Description/Analysis

Issue Detail: In June of 2018, the Governor signed SB 850, which allocated over \$553 million in one-time State funding for two new programs: the Homeless Emergency Aid Program (HEAP) and the California Emergency Solutions Program (CESH). The following table describes the funding

allocations per jurisdiction, eligible uses, and the grant application timelines.

		HEAP (City)	HEAP (CoC)	CESH
Local Amount		\$5,645,700	\$12,729,412	\$1,619,424
State Agency		Business, Consumer Services, Housing (BCSH)		Housing & Community Development (DHCD)
Administrative Entity		City	CoC (SSF)	CoC (SSF)
Eligible Uses		<ul style="list-style-type: none"> • Services (<i>shelter, prevention, outreach, justice diversion</i>) • Rental assistance/subsidies • Capital improvements (<i>shelter, permanent housing, public sanitation facilities</i>) 		<ul style="list-style-type: none"> • Rental assistance • Capitalized reserves for permanent housing • Flexible housing funds • System support
Timelines	Application Due	December 31, 2018		October 15, 2018
	Estimated Program Start	March 2019		February 2019
	Application Status	Plan to submit December 3, 2018		Submitted November 2018

The City, Sacramento County and Sacramento Steps Forward (SSF) developed an investment strategy for the almost \$20 million coming to Sacramento in collaboration with community stakeholders. In sum, investments are recommended in three primary areas: 1) expansion of emergency shelter services; 2) creation of a flexible re-housing program; and 3) homeless services system improvements. HEAP funding requires a minimum of five percent of funding for youth specific activities which are incorporated into the proposal. HEAP funds also require that any housing or shelter related activities must be aligned with the core components of Housing First.

On October 16, 2018 Council approved a motion to: 1) endorse the HEAP and CESH collaborative investment plan described above; 2) authorize the City Manager or the City Manager's designee to take all necessary actions to prepare to receive and administer program funding; and 3) authorize the City Manager or the City Manager's designee to submit an application to the California Business, Consumer Services and Housing Agency (BCSH) for funding available through HEAP. On November 8th, 2018 City Council adopted Resolution 2018-0434, declaring a Shelter Crisis in the City, a precondition for being eligible to receive and administer HEAP funding.

HEAP Funding Timeline

Staff submitted a completed application for the City allocation of the non-competitive HEAP grant funds to BCSH on December 3, 2018, and BCSH has committed to disburse funds within 60 days of an application being deemed completed. In this timeframe, BCSH plans to follow a 15-30-15 schedule as follows:

- 15 days to prepare and mail a standard contract agreement to the grantee
- 30 days for the grantee to review and sign the agreement, and
- 15 days for BCSH to prepare grant disbursement

The HEAP grant program recognizes there is an urgent and immediate need for homeless services and aims to get funds directly to local jurisdictions quickly. The establishing statute reflects this intent by mandating a tight timeline for obligating and spending funds. The approvals sought in this staff report will allow the City to shorten the 30-day City review period and execute a contract with the State faster, as well as comply with reporting requirements in a timely manner.

The City's HEAP grant and a portion of the CoC's HEAP funding is planned to support adult and youth sheltering activities. HEAP funds may not be obligated or expended until the City receives the grant funding. The authorization for the City Manager or his designee to execute the Standard Agreement before receiving a formal funding award notification will expedite this procedural step to ensure that the funds are implemented as soon as possible, and staff can begin engaging in contracts with service providers. The City is actively pursuing options to secure sites to continue operating Homeless Triage Shelters; expediting the receipt of HEAP funds will allow the City to begin capital work on site(s) quickly. In addition, it is anticipated that, during the course of administering the grant with BCSH, the City will be required to periodically submit reports that may require an authorized City signature. One such form is the Request for Funds form, included at Attachment 2, which will describe the City's proposed activities and funding amounts under each grant eligible use, and is required to be submitted promptly for funds disbursement by the State Controller's Office (SCO). Staff seeks authority to submit this and other additional program administration forms to BCSH to ensure compliance with grant terms.

Policy Considerations: The HEAP investments recommended require active coordination with the homeless CoC and participation in the community's coordinated entry and assessment program as well as the City's Pathways program. These programs align with the federal directive that funding for addressing homelessness follow a "housing first" approach and be part of a larger strategy to lowering barriers to services. Housing first principles ensure that emergency shelter be provided with few to no barriers to access and focus on linking clients with permanent housing as quickly as possible. In housing first programs, supportive services are offered (but not required as a condition of tenancy) in shelters and ongoing to help people keep their housing and avoid returning to homelessness. This evidence-based approach is consistent with the strategies and funding priorities of the other public agencies working to end homelessness in Sacramento and is required for all HEAP funded programs.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: Homelessness continues to be a compelling and pivotal issue for the City, and the City Council has made significant investments over the past years to increase services, shelter capacity and housing supports for people experiencing homelessness. Despite these efforts, homelessness is on the rise across our State, and is affecting communities throughout the City and the County of Sacramento. The HEAP and CESH programs offer a unique opportunity to access significant funding from the State of California to address local needs related to homelessness and to collaborate with Sacramento County, SSF, and other cities in the county to develop a true county-wide response to homelessness. Approving the Standard Agreement ahead of formal receipt of funding award from the State will allow quicker access to these funds and, therefore, quicker implementation of new shelter activities.

Financial Considerations: The State of California Business, Consumer Services and Housing Agency (BCHS) will provide the City with \$5,645,700 in non-competitive grant funding to implement the HEAP program. There is no local match requirement. HEAP funds can be used to fund new or expanded City homeless services such as outreach, rental assistance, and capital improvement projects including shelters. Revenues and expenditure budgets will be established in the HEAP (G02000820) MYOP in the amount of \$5.65 million. The grant allows five percent, or \$282,285, to be expended on program administration, which will be used to fully offset the cost of the limited-term 1.0 FTE Administrative Technician position. This position will be established for approximately the length of the program, January 1, 2019 to January 1, 2020, allowing for time to ramp up and ramp down.

Local Business Enterprise (LBE): Not applicable.