

City of Sacramento

Legislation Text

File #: 2020-00118, **Version:** 1

Title:

Initial Approvals to Apply for the Homeless Housing, Assistance and Prevention Program (HHAP) Grant

File ID: 2019-00118

Location: Citywide

Recommendation:

Pass a Motion: 1) endorsing the collaborative investment plan detailed in this report; 2) authorizing the City Manager or the City Manager's designee to take all necessary actions to prepare to receive and administer funding from Sacramento Steps Forward (SSF), the lead agency for the United States Department of Housing and Urban Development's Continuum of Care (CoC) program in the County of Sacramento, as administrative entity of the State funding, including negotiating contracts with SSF, recruiting limited-term staff or consultants to aid in implementation, negotiating contracts with existing or new providers and expanding and modifying existing service contracts with shelter and other service providers; and 3) authorizing the City Manager or the City Manager's designee to submit an application to the State of California Business, Consumer Services and Housing Agency by no later than February 15, 2020 for funding available through the Homeless Housing, Assistance, and Prevention Program (HHAP) for programs and services outlined in this report.

Contact: Emily Halcon, Homeless Services Manager, (916) 808-7896, Homeless Services Division, Office of the City Manager

Presenter: None

Attachments:

1-Description/Analysis

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Issue Detail: In July of 2019, the Governor signed Assembly Bill 101 (Chapter 159, Statutes of 2019), which allocated \$650 million to the Homeless Housing, Assistance, and Prevention Program (HHAP), one-time block grant funding for local entities to support regional coordination and address

immediate homeless challenges. Funding is allocated to Counties, Continuum of Care entities (CoC) and the 13 largest cities as apportioned by the Legislature and based on each CoC's share of the State's total homeless population in the latest Point-in-Time Count (PIT).

HHAP is the second major investment in programs to prevent and end homelessness from the State under Governor Newsom's leadership. The first, the Homeless Emergency Aid Program (HEAP) was awarded through the 2018 State budget to provide flexible funding to help communities respond quickly and efficiently with one-time emergency response programs. Through HEAP, the City received \$5.6 million and the CoC (through Sacramento Steps Forward, or SSF), received \$12.7 million. SSF received an additional \$2.5 million through the 2018 and 2019 California Emergency Solutions and Housing Program (CESH) for system investments, re-housing, and development of an action plan. While the County of Sacramento did not receive a direct allocation of HEAP funding, the City, County and SSF worked collaboratively on an investment strategy that aimed to increase and improve sheltering capacity and created a flexible housing program to help quickly re-house people through outreach and shelter programs. In that SSF does not directly administer sheltering and re-housing programs, the City and County served as the administrative partners for the CoC share of HEAP funding.

Through HEAP and CESH, the City, County, and SSF were able to make almost \$21 million of investments in both existing and new programs:

	Project	Administrator	# beds/ households	Funding Amount
Shelters & Crisis Services	Meadowview Nav. Center (capital)	City	100 beds	\$4.3 million
	LGBT STEP Shelter	City	12 beds	\$350,000
	Host Home Program	City	20 beds	\$440,000
	Family Shelter Expansion	County	21 beds	\$560,000
	River District Shelter Collaborative	City/County	184 beds	\$1.4 million
	Scattered Site Shelter Expansion	County	40 beds	\$1.58 million
	Downtown Streets Team	City	n/a	\$600,000
Re-Housing	Flexible Housing Program	County	600 HHs	\$8.5 million
	Legal Expungement Clinic	County	n/a	\$220,000
System Improvements		SSF	n/a	\$2 million
Administration		All	n/a	\$1 million

While HHAP funding is flexible, activities are generally more prescribed than in HEAP and the funds are intended to be invested in evidenced-based solutions that resolve or prevent homelessness. Applications must include measurable goals for each activity, including the number of individuals that

will be served and the number of individuals that will be placed in permanent housing. No more than seven percent may be used for administration and at least eight percent of each allocation must be used for youth-specific activities (unaccompanied youth between 12 and 24 years of age, inclusive, who maybe pregnant or parenting).

Local Process and Collaboration

City staff have worked collaboratively with Sacramento County and SSF staff to coordinate investments and to consult with community stakeholders to identify community needs and priorities. Two open stakeholder meetings were held on December 11, 2019 and January 29, 2020. Staff also met with the Homeless Youth Task Force and representatives of the Youth Action Board to discuss priorities for youth funding. Youth funding, which has previously been sole-sourced in small amounts to various local providers, is recommended to be competitively bid (in collaboration with the County and SSF) to identify those youth serving prevention, shelter, and re-housing programs that best meet the needs of the homeless youth community. The solicitation will allow for proposals from both existing program and potential new programs. With the expansion of youth serving providers and programs in the community, staff recommends a public bid to ensure that all projects are equally considered.

Three of the current City investments in youth sheltering programs (LGBT Center's STEP Shelter, Wind's Common Ground Shelter and LGBT Center's Transitional Living Program) all receive funding from the State Department of Emergency Services (OES). This was one-time funding that required a local match and may not be available after 2020. The fourth City supported youth program, the Host Home Program, was funded as a pilot, and has built into the contract an evaluation to inform continuation or change to the program based on outcomes. All four programs have funding in place through at least October 2020. Given this, staff recommends using the HHAP funds - both the City and CoC portions (pending CoC Board approval on February 12, 2020 for the CoC portion) - to competitively bid for programs that can best serve the needs of the unsheltered youth community. The combined \$1.5 million in City and CoC youth HHAP funds should be sufficient to fund multiple projects over multiple contract years.

City Goals and Recommended Investments

As the City, County, and SSF began planning for program investments under HHAP, consideration was made for continuation of funding for many of these programs that were launched under HEAP as a priority. On August 27, 2019, the City Council (Council) approved a Homeless Services Funding Plan that both authorized spending detailed above through HEAP and prioritized future funding for homeless services to specific projects. In that plan, the City approved the following projects with available HEAP and Measure U funding:

- Meadowview Navigation Center capital funding
- Broadway/Alhambra Navigation Center capital funding

- STEP Youth Shelter
- LGBT Center Transitional Living Program
- Wind Youth Shelter (“Common Ground”)
- River District Hot Shot Program

In addition, as part of the homeless services funding plan, the City prioritized four projects, in priority order, when additional funding (including HHAP) became available:

1. Meadowview Navigation Center operational funding
2. Broadway/Alhambra Navigation Center operational funding
3. Ethan Way Navigation Center
4. Expansion of existing Scattered Site Sheltering Program

Given this direction, the one-time nature of the HHAP funding, and the limited administrative funding available, City staff recommends the following investments of the \$13.7 million in City HHAP that align with prior Council direction:

Project	# Beds	Funding	Remaining Gap	Component
Meadowview Operations	100	\$6.4 million	\$0	General
Broadway Operations	100	\$5.2 million	\$1 million	General
Youth Sheltering	TBD	\$1 million	n/a	Youth
Administration	n/a	\$950,000	n/a	Administration

With these recommendations, the following HEAP/Measure U funded activities will need to be funded through another source when contracts end and/or ended:

- Downtown Streets Team
- River District Collaborative Shelter Plan
- Scattered Site Shelters
- Women/Family Shelters

In addition, the four current youth serving programs will be eligible for funding under the HHAP bid process, but all of them may not be recommended for funding.

Staff will include recommendations for sustaining or transitioning these programs in a shelter update planned for Council in early April.

Collective Investments

Collectively, Sacramento County will be receiving a total of just over \$26 million in HHAP. The funding allocation to the City of Sacramento, Sacramento County, and the Continuum of Care (via SSF) is listed as follows:

Entity	Local Allocation
City of Sacramento	\$13.7 million
Sacramento Continuum of Care	\$6.5 million
Sacramento County	\$6.1 million
TOTAL	\$26.3 million

Sacramento County (County) anticipates that HHAP funds will be used to continue existing HEAP investments and the Flexible Housing Pool. The County will also recommend the addition of a prevention program aimed at serving vulnerable seniors and additional prevention and rehousing activities for youth with the HHAP youth allocation designated for their jurisdiction.

The CoC funding is being considered primarily in expanding the flexible housing pool for existing clients on the community queue, increasing landlord engagement through property related tenant services and intensive case management, addressing access and navigation points that will assist individuals with referrals, and incorporating problem solving with prevention and diversion.

All three entities recommend a collaborative approach to using the youth funding that allows for continuation of currently successful sheltering and re-housing programs and for expansion of new services. Given the truncated State application timeline, the City, County, and SSF anticipate that funding levels or timing of program investments may be modified based on implementation experience, data analysis, or other factors. Additionally, some of the funding may require modified programmatic infrastructure with may modify projections or timeframes.

Staff from the three entities also envision an ongoing collaborative role with each other as programs are more fully developed and implemented.

Policy Considerations: All of the 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 HHAP funded programs.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: Not applicable.

Commission/Committee Action: It is anticipated that on February 12, 2020, the CoC Board will approve the HHAP investment strategies detailed above. It is anticipated that at their February 11, 2020 meeting, the County Board of Supervisors will also approve the collaborative funding approach.

Rationale for Recommendation: Homelessness is one of the biggest issues facing the City, and the 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, and is affecting communities throughout the City and the County of Sacramento. In 2019, using HEAP funds, the City committed to a homeless financing funding plan to invest in a number of one-time sheltering programs and to fund the capital improvements necessary to construct two new low-barrier navigation centers. In this same funding plan, the City committed future funds, including those through HHAP, to support the operations of these two navigation centers. The HHAP funds contemplated in this report will allow the City to follow through on operational funding as identified in the homeless services funding plan and continue to support programs to serve youth experiencing homelessness.

Financial Considerations: There is no immediate fiscal impact related to this recommendation. Staff will return to Council at a later date for budgetary authority for selected projects to be funded under this program.

Local Business Enterprise (LBE): Not applicable.