

**County of Riverside Continuum of Care  
Board of Governance  
Special Workshop: Overview of State Funding for Homelessness  
August 2, 2018**

**Background:**

The Budget package approved by the Legislature and signed by Governor includes more than \$700 million in funding to address homelessness. The centerpiece of the homelessness package, most of which is embodied in SB 850/AB 1816, consists of \$500 million for Homeless Emergency Aid to local governments, but the budget also includes more than \$200 million in additional investments to address and prevent homelessness and provide supportive services for vulnerable populations.

**Homeless Emergency Aid Program (HEAP)**

**Overview/description:**

- Purpose of funding is to provide localities with flexible block grant funds to address their immediate and emergency homelessness challenges.

**Funding amount:**

- Estimated funds for Riverside CoC: **\$9,791,805**
  - *5% for administrative costs* (\$489,590.25)
    - Does not include staff costs related to carrying out eligible activities
    - No program funds used for overhead/planning activities

**Eligible services and components:**

- Funding is one-time and flexible to allow localities to address immediate and emergency homelessness challenges.

**Timeline to release funds:**

- NOFA will be released in mid-September and applications due by the end of the year (Dec. 31)
- Awards made in January, 2019
- Not less than 50 percent of program funds shall be contractually obligated by January 1, 2020.

- 100% of program funds shall be contractually obligated by June 30, 2021. Any funds not expended by that date shall be returned to the agency and revert to the General Fund.

**Application and administration process/Lead agency to apply for funds:**

- State requires that funding be administered by the CoC designated Administrative Entity, which is the County of Riverside Department of Public Social Services (DPSS).

**Declaration of Emergency Shelter Crisis:**

- A county may only declare a shelter crisis in the unincorporated areas of the county.
- Each city within a county must declare a shelter crisis within the geographic boundary of its jurisdiction to be eligible for funds.
- The County acting as an administrative entity may **not** declare a blanket shelter crisis for the entire county and all its jurisdictions.

## California Emergency Solutions and Housing Program (CESH)

**Overview/description:** The California Emergency Solutions and Housing Program (CESH) was established recently by *California Senate Bill 850 Housing* (SB 850), which requires 50% of the funds collected under *Senate Bill 2 Building and Jobs Act* (SB 2) on and after January 1, 2018, and before December 31, 2018, to the California Department of Housing and Community Development (HCD) for the California Emergency Solutions and Housing Program. Year 1 breakdown of funds from SB 2 includes \$57.5 million for the California Emergency Solutions and Housing Program.

**Funding amount:** Estimated funds for Riverside CoC: has not been published at this time

### Eligible services and components:

Requirements include:

1. Applicant needs to be an administrative entity designated by the Continuum of Care;
2. Qualified subrecipients need to carry out eligible activities (project selection process must avoid conflicts of interest);
3. Prioritized assistance to homeless households over households at risk of homelessness is required;
4. Emergency housing interventions are limited to no more than 40 percent of funds;
5. Operational Coordinated Entry System (CES) is required;
6. Operational Homeless Management Information System (HMIS) is required;
7. Commitment to Housing First is required;
8. Numeric goals and performance measures must be described in application to HCD;
9. Action plan not required but encouraged (funds may be used to develop plan);
10. Funds may only be requested for eligible activities (as listed below);
11. Project selection process must be documented;
12. Funding request to HCD must be based on an assigned allocation (as quoted below);
13. Match is not a requirement.

Funds can be used for one or more of the following ***eligible activities***:

(1) Rental assistance and housing relocation and stabilization services to ensure housing affordability to people experiencing homelessness or at risk of homelessness. Rental assistance provided pursuant to this paragraph shall not exceed 48 months for each assisted household, and rent payments shall not exceed two times the current HUD fair market rent for the local area, as determined pursuant to Part 888 of Title 24 of the Code of Federal Regulations.

(2) Operating subsidies in the form of 15-year capitalized operating reserves for new and existing affordable permanent housing units for homeless individuals and families.

(3) Flexible housing subsidy funds for local programs that establish or support the provision of rental subsidies in permanent housing to assist homeless individuals and families. Funds used for purposes of this paragraph may support rental assistance, bridge subsidies to property owners waiting for approval from another permanent rental subsidy source, vacancy payments, or project-based rent or operating reserves.

(4) Operating support for emergency housing interventions, including, but not limited to, the following:

(A) Navigation centers that provide temporary room and board and case managers who work to connect homeless individuals and families to income, public benefits, health services, permanent housing, or other shelter.

(B) Street outreach services to connect unsheltered homeless individuals and families to temporary or permanent housing.

(C) Shelter diversion, including, but not limited to, homelessness prevention activities, and other necessary service integration activities to connect individuals and families to alternate housing arrangements, services, and financial assistance.

(5) Systems support for activities necessary to maintain a comprehensive homeless services and housing delivery system, including CES, data, and HMIS reporting, and homelessness planning activities.

(6) To develop or update a CES system pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 50490.3, or to develop a plan addressing actions to be taken within the Continuum of Care service area to address homelessness pursuant to subdivision (b) of Section 50490.3.

Administrative entities cannot “use more than 40 percent of any funds . . . in a fiscal year for operating support for emergency housing interventions as described in paragraph (4) of subdivision (a), as noted in 50490.4 (6f). Paragraph (4) states

“Operating support for emergency housing interventions, including, but not limited to, the following:

(A) Navigation centers that provide temporary room and board and case managers who work to connect homeless individuals and families to income, public benefits, health services, permanent housing, or other shelter.

(B) Street outreach services to connect unsheltered homeless individuals and families to temporary or permanent housing.

(C) Shelter diversion, including, but not limited to, homelessness prevention activities, and other necessary service integration activities to connect individuals and families to alternate housing arrangements, services, and financial assistance.”

**Timeline to release funds:**

- Round 1: non-competitive: NOFA released in August. CoC AE (DPSS applies).
- Round 2: competitive for remaining dollars not awarded in Round 1. NOFA released in early 2019.

**Application and administration process/Lead agency to apply for funds:**

- Administered by Administrative entity which means the CoC collaborative applicant pursuant to CoC Interim Rule Section 578.3 of Title 24 of the Code of Federal Regulations

## No Place Like Home Program

### Overview/description:

- An initial Notice of Funding Availability (NOFA) will be issued by the Department of Housing and Community Development (HCD) prior to November and will make awards by the end of the calendar year depending on voter approval of AB 1827, Committee on Budget. No Place Like Home Act of 2018.
- The initial NOFA will provide \$200 million through a noncompetitive over-the-counter process.

### Funding amount:

- Non-competitive estimated amount for Riverside County: \$3,738,104.

### Eligible services and components:

- Page 1 of AB 1827, as did SB 1206, notes that the No Place Like Home Program will provide “finance capital costs, including, but not limited to, acquisition, design, construction, rehabilitation, or preservation, and to capitalize operating reserves, of permanent supportive housing for persons living with a severe mental illness.”
- As noted on page 53 in the California State Budget 2018-19 budget,

“The Budget places the No Place Like Home program on the November 2018 ballot to accelerate the issuance of \$2 billion in bond funds. The bonds will help provide housing for individuals experiencing mental illness who are homeless or at risk of homelessness and will be repaid from the Mental Health Services Fund.

### Timeline to release funds:

- Awards by the end of the calendar year depending on voter approval of AB 1827, Committee on Budget. No Place Like Home Act of 2018

### Application and administration process/Lead agency to apply for funds:

- Lead agencies applying on behalf of the County:
  - Riverside University Health System-Behavioral Health
  - Housing Authority of Riverside County

## Housing for a Healthy California Program

### Overview/description:

- Assembly Bill 74 (AB 74) Housing required the California Department of Housing and Community Development (HCD) to establish the Housing for a Healthy California Program (HHC Program) on or before January 1, 2019. Funding for the program was made available through California Senate Bill 850 Housing (SB 850).

### Funding amount:

- SB 850 requires 50% of the funds collected under *Senate Bill 2 Building and Jobs Act* (SB 2) on and after January 1, 2018, and before December 31, 2018, to HCD for the HHC Program. Year 1 breakdown of funds from SB 2 includes \$57.5 million for the program.
- Estimated funds for Riverside CoC: has not been published at this time

### Eligible services and components:

- Funds must be used to address the problem of high costs incurred by health system for homeless persons while living on the streets. Funds must be used to implement a solution that ties rental subsidies to health care service funds included in the final 1115 Medicaid Waiver, which includes the Whole Person Care pilot program and the Health Home Program.
- “The department shall establish rating and ranking criteria to promote housing for persons who meet all of the following requirements:
  - (a) Is chronically homeless or is homeless and a high-cost health user upon initial eligibility.
  - (b) Is a Medi-Cal beneficiary.
  - (c) Is eligible for Supplemental Security Income.
  - (d) Is eligible to receive services under a program providing services promoting housing stability, including, but not limited to, the following:
    - (1) The Whole Person Care pilot program, to the extent the Whole Person Care program is available or has been renewed.
    - (2) The Health Home Program.
    - (3) A locally controlled services program funding or providing services in supportive housing.

- (e) Is likely to improve his or her health conditions with supportive housing.”
- Eligible Activities
  - “(a) A county shall use grants awarded pursuant to this part for all of the following:
    - (1) Acquisition funding, new construction, or reconstruction and rehabilitation.
    - (2) Project based operating assistance.
    - (3) A county’s administrative costs, as determined by the department, of at least 5 percent of the total grant awarded.
  - (b) Project based operating assistance may include either or both of the following:
    - (1) Long-term rental assistance for periods of up to five years, subject to renewal grants.
    - (2) A capitalized operating reserve for at least 15 years to pay for operating costs of an apartment or apartments receiving capital funding to provide supportive housing to people experiencing homelessness.
  - (c) A county awarded grant funds pursuant to this part shall comply with federal Housing Trust Fund regulations.”

**Timeline to release funds:**

- The Notice of Funding Availability (NOFA) will be released during the spring, 2019.

**Application and administration process/Lead agency to apply for funds:**

- The Housing Authority of Riverside County will be lead.