



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/18/2018

Agenda Placement: 10A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Ben Guerrieri for Mary Butler - Interim Director
Health & Human Services Administration

REPORT BY: Mitch Wippern, CHIEF DEPUTY DIRECTOR OF HHS - 259-8653

SUBJECT: Discusson regarding funding for HEAP and CESH Programs

RECOMMENDATION

Interim Director of Health and Human Services Agency requests Board approval for the submission of an application for Homeless Emergency Assistance Program (HEAP) funds to be used in conjunction with California Emergency Solutions and Housing Program funds to pay rental subsidies for homeless households.

EXECUTIVE SUMMARY

The State of California created a number of new funding opportunities for jurisdictions to use to address homelessness. Two of those opportunities, the California Emergency Solutions and Housing Program (CESH) and the Homeless Emergency Aid Program (HEAP) can be used together or separately to fund additional housing assistance resources for homeless households.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Discussion
4. Possible Motion

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Two new funding streams from the State offer the County the opportunity to fund additional housing assistance resources for homeless households. The two funding streams are California Emergency Solutions and Housing Program (CESH) and the Homeless Emergency Aid Program (HEAP).

CESH

This program is funded from a portion of the first and second quarters of revenue deposited in the Building Homes and Jobs Act Trust Fund (Fund) created by the Building Homes and Jobs Act (Stats. 2017, chapter 364, § 3.) and approximately \$25 million in unallocated California Emergency Solutions Grant (ESG) funds.

Napa, based on the criteria listed below, was allotted up to \$398,013 in one-time funds. The Department of Housing and Community Development (HCD) arrived at this amount through a formula that includes:

- | The 2017 point-in-time count;
- | The number of extremely low-income households in rental housing that pay more than 50 percent of household income on rent; and
- | The percentage of households below the federal poverty line.

Funds can be used for a variety of activities, including rental assistance and stabilization, flexible housing subsidies, emergency assistance, capitalized operating subsidy reserves and improving HMIS and coordinated entry systems.

Napa submitted an application on October 15, 2018, the filing date set by HCD. HCD required that applicants choose from one of seven categories when selecting a project type. Our application states that we will use the funds for "Flexible housing subsidy funds for local programs that establish or support the provision of rental subsidies in permanent housing to assist homeless individuals & families." HCD expects to announce awards in December 2018. Awards to subrecipients must be issued within 12 months of the HCD award.

A second NOFA, including the revenue from the third and fourth quarters, is expected to be released in early 2019. Any funds not distributed after the first round of awards will be reallocated among all CoC service areas with a participating AE in the second NOFA in 2019.

HEAP

This program was created by SB850 and is managed by the newly established California Homeless Coordinating and Financing Council (CHCFC).

Napa can apply for up to \$1.2 million in one-time funds.

CHCFC arrived at that amount through a formula that takes Napa County's 2017 Point in Time Count as a percentage of the State's total homeless count.

Funds can be used for a variety of activities, including prevention, diversion, rental assistance, flexible housing subsidies, services for homeless youth, acquisition and construction and emergency assistance.

5% has to be set-aside for activities related to youth homelessness.

Fifty percent of the funds must be contractually obligated by January 1, 2020 and 100 percent by June 30, 2021, at which point unexpended funds must be returned to the state.

The Round 1 NOFA is currently open and accepting applications on a rolling basis until December 31, 2018.

The application process for HEAP is quite simple. The process requires that we choose one or more of the following categories:

- | Services
- | Rental Subsidies/Rental Assistance
- | Capital Improvement
- | Administrative
- | Other
- | Youth Set-aside

As part of the application process for HEAP, applicants are required to hold a public process to solicit input on potential uses of the funds. Health and Human Services Agency staff met that requirement by holding five meetings to discuss the new funding stream coming from the State including HEAP, CESH, Homeless Mentally Ill Outreach and Treatment and No Place Like Home. HHSA staff invited non-profits providing social, homeless and housing services to these meetings. Also invited were representative from the older adult and youth communities and members of the Mental Health Board. The general consensus that emerged from those meetings was that the funding should be used to increase the number of dedicated homeless beds available in the community.

The County has the final responsibility for making decisions on how to use CESH and HEAP funds.

As discussed above, BHCS is requiring that applicants set aside 5% of their award for activities related to youth homelessness; for Napa, that amount is \$61,729.40.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri