



CALIFORNIA HOMELESS COORDINATING AND FINANCING COUNCIL

Business, Consumer Services and Housing Agency
Gavin Newsom, Governor | Alexis Podesta, Chair

DATE: December 6, 2019

MEMORANDUM FOR: ALL POTENTIAL APPLICANTS

FROM: Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency

SUBJECT: NOTICE OF FUNDING AVAILABILITY
HOMELESS HOUSING, ASSISTANCE AND PREVENTION PROGRAM

The Homeless Coordinating and Financing Council (HCFC) is pleased to announce the availability of Homeless Housing, Assistance and Prevention Program (HHAP) grant funding. HHAP is a \$650 million block grant program designed to support regional coordination and expand or develop local capacity to address immediate homelessness challenges throughout the state. Spending must be informed by a best practices framework focused on moving homeless individuals and families into permanent housing and ensuring those individuals and families to maintain their permanent housing. HHAP is authorized by AB 101 (Committee on Budget, Chapter 159, Statutes of 2019), which was signed into law by Governor Gavin Newsom on July 31, 2019.

Available Funding

HHAP funding is divided into three categories for distribution.

| Category for Distribution | Funded Amount | Eligible Applicants |
|---------------------------------|------------------|--|
| Continuum of Care (CoC) | \$190,000,000.00 | CoCs |
| City/City that is also a County | \$275,000,000.00 | Large Cities (population over 300,000) |
| County | \$175,000,000.00 | Counties |

Estimated funding amounts for each jurisdiction can be found on the HCFC website: https://www.bcsb.ca.gov/hcfc/hhap_program.html. PLEASE NOTE: final eligible funding amounts will be posted on the HCFC website within 5 business days of the U.S. Department of Housing and Urban Development's official 2019 Point-in-Time count publication.

Application Timeline

915 Capitol Mall, Suite 350-A | Sacramento, CA 95814 | (916) 653-4090
www.bcsb.ca.gov/hcfc

HHAP applications will be accepted immediately following this NOFA and will be accepted until February 15, 2020. Applications will be reviewed on a rolling basis. The following time frames apply to the application/award process:

| | |
|----------------------------|---|
| NOFA Release | TBA |
| Applications Review Starts | Upon receipt of application |
| Application Cut-off Date | February 15, 2020 |
| Applications Awarded | Anticipated 60 days from the date the application is deemed complete |
| Awards Disbursed | Anticipated 90 days from the date the application is deemed complete |

Application Submission Process

The HHAP application is available through an online portal. The application does not have a “save” feature and must be completed and submitted in one sitting. A link to the portal can be found here: https://www.bcsb.ca.gov/hcfc/webapps/hhap_application.php

All applications will be completed and submitted online. Once the application is successfully submitted, the applicant will receive a confirmation email that includes a copy of the application, a tracking number, and a checklist of documents to be submitted. The applicant must then reply to the email and attach all items listed on the checklist for the application to be deemed complete. Instructions for the online application form can be found on the HCFC website <https://www.bcsb.ca.gov/hcfc/>. A Frequently Asked Questions document and a toolkit to assist in the development of the additional application documents are forthcoming and will also be posted on the HCFC website.

Award Process

HHAP grant applications will be reviewed upon receipt. Once applications have been reviewed and deemed complete (including all requested documentation), an award letter and standard agreement will be prepared and sent to the applicant. When the standard agreement is signed and returned by the applicant, the applicant will simultaneously submit a request for funds which will initiate the distribution process. The request for funds should be dated after the date on which the standard agreement was signed. Funds will be disbursed upon execution of the standard agreement and receipt of request for funds. HCFC anticipates that funds will be distributed within 90 days of receipt of a complete application. Funds will be issued directly to the Administrative Entity that is listed on the application.

Definitions

Per Health and Safety Code (HSC) § 50216(a-q), below are the definitions for purposes of the HHAP program:

- a) "Agency" means the Business, Consumer Services, and Housing Agency.
- b) "Applicant" means a continuum of care, city, or county.
- c) "City" means a city or city and county that is legally incorporated to provide local government services to its population. A city can be organized either under the general laws of this state or under a charter adopted by the local voters.
- d) "Continuum of care" means the same as defined by the United States Department of Housing and Urban Development at Section 578.3 of Title 24 of the Code of Federal Regulations.
- e) "Coordinated Entry System" means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program participant intake, assessment, and provision of referrals. In order to satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.
- f) "Council" means the Homeless Coordinating and Financing Council created pursuant to Section 8257 of the Welfare and Institutions Code.
- g) "Emergency shelter" has the same meaning as defined in subdivision (e) of Section 50801.
- h) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019.
- i) "Homeless Management Information System" means the information system designated by a continuum of care to comply with federal reporting requirements as defined in Section 578.3 of Title 24 of the Code of Federal Regulations. The term "Homeless Management Information System" also includes the use of a comparable database by a victim services provider or legal services provider that is permitted by the federal government under Part 576 of Title 24 of the Code of Federal Regulations.
- j) "Homeless point-in-time count" means the 2019 homeless point-in-time count pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations. A jurisdiction may elect to instead use their 2017 point-in-time count if they can demonstrate that a significant methodology change occurred between the 2017 and 2019 point-in-time counts that was based on an attempt to more closely align the count with HUD best practices and undertaken in consultation with HUD representatives. A jurisdiction shall submit documentation of this to the agency by the date by which HUD's certification of the 2019 homeless point-in-time count is finalized. The agency shall review and approve or deny a request described in the previous sentence along with a jurisdiction's application for homeless funding.
- k) "Homeless youth" means an unaccompanied youth between 12 and 24 years of age, inclusive, who is experiencing homelessness, as defined in subsection (2) of

Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)). “Homeless youth” includes unaccompanied youth who are pregnant or parenting.

- l) “Housing First” has the same meaning as in Section 8255 of the Welfare and Institutions Code, including all the core components listed therein.
- m) “Jurisdiction” means a city, city that is also a county, county, or continuum of care, as defined in this section.
- n) “Navigation center” means a Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.
- o) “Program” means the Homeless Housing, Assistance, and Prevention program established pursuant to this chapter.
- p) “Program allocation” means the portion of program funds available to expand or develop local capacity to address immediate homelessness challenges, in the amount of six hundred fifty million dollars (\$650,000,000).
- q) “Recipient” means a jurisdiction that receives funds from the agency for the purposes of the program.

Eligible Uses

The HHAP program requires grantees to expend funds on evidence-based solutions that address and prevent homelessness among eligible populations. As stated in HSC § 50219(c)(1-8), funds shall be expended on any of the following:

1. Rental assistance and rapid rehousing;
2. Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves;
3. Landlord Incentives (including, but not limited to, security deposits and holding fees);
4. Outreach and coordination (which may include access to job programs) to assist vulnerable populations in accessing permanent housing and to promote housing stability in supportive housing;
5. Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system particularly for vulnerable populations including families and homeless youth;
6. Delivery of permanent housing and innovative housing solutions (such as hotel and motel conversions);
7. Prevention and shelter diversion to permanent housing; and
8. New navigation centers and emergency shelters based on demonstrated need. Demonstrated need for new navigation centers and emergency shelters shall be based on the following:
 - a. The number of available shelter beds in the jurisdiction;
 - b. The shelter vacancy rate in the summer and winter months;

- c. The percentage of exits from emergency shelters to permanent housing solutions; and
- d. A plan to connect residents to permanent housing.

Additionally, HSC § 50218(b) mandates that grantees use **at least 8 percent** of their funds for services specific to the needs of homeless youth. Applicants are also allowed to use funds for the following:

- Up to 5 percent of an applicant's program allocation may be expended on a strategic homelessness plan and/or infrastructure development to support Coordinated Entry Systems (CES) and Homeless Management Information Systems (HMIS).
- Up to 7 percent of a program allocation may be used for a jurisdiction's administrative costs incurred to administer the funds. This does not include staff costs or other costs directly related to implementing or carrying out activities funded by the program allocation.

In addition, grantees shall not use HHAP grant program funding to supplant existing local funds for homeless housing, assistance, or prevention.

Eligible Applicants

Eligible applicants who may apply for HHAP program funds are the CoCs, as identified by the United States Department of Housing and Urban Development (HUD), large cities (with a population of 300,000 or more), and counties. Successful applicants will be awarded HHAP program funds after entering into a contract with the Business, Consumer Services, and Housing Agency (BCSH). The eligible applicants will administer their own funds separately; however, they are expected to demonstrate regional coordination as outlined in the HHAP Program Guidance. One of the threshold requirements is that eligible applicants must submit a plan specifying alignment of funds and goals, strategies, and services, both short-term and long-term, to reduce homelessness and make it non-recurring.

For allocations made to the large cities and the counties, those cities and counties are the Administrative Entity. For allocations made directly to a CoC, the Administrative Entity means a unit of general-purpose local government (city, county or a city that is also a county), a Joint Powers Authority (JPA), or a nonprofit organization that has (1) previously administered federal Department of Housing and Urban Development (HUD) CoC funds as the collaborative applicant pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations and (2) been designated by the CoC to administer program funds. For this application, CoC and Administrative Entity are used interchangeably.

Individual persons, cities (not identified as one of the 13 large cities), and/or nonprofit organizations (that are not CoCs) are not eligible to apply directly to HCFC for HHAP funds. Those interested in receiving HHAP funds will apply directly to their local CoCs,

large cities, and counties. HCFC encourages interested parties to collaborate with their local CoCs to determine the best use of funds and how funds will be awarded and disbursed.

Monitoring, Documentation and Reporting Requirements

Administrative Entities must be able to demonstrate that HHAP funds were expended for eligible uses to benefit members of the target population. HCFC will include additional information on monitoring and reporting requirements in the standard agreement executed prior to distribution of HHAP funds to each CoC, large city, and county. In addition to HCFC's monitoring and reporting requirements, it is expected that CoCs, large cities, and counties will provide direct oversight to recipients of HHAP funds.

As stated in HSC § 50221(a)(1-4), grantees will need to report on the following, as well as any additional information the Agency deems appropriate or necessary:

- (1) An ongoing tracking of the specific uses and expenditures of any program funds broken out by eligible uses listed, including the current status of those funds.
- (2) The number of homeless individuals served by the program funds in that year, and a total number served in all years of the program, as well as the homeless population served.
- (3) The type of housing assistance provided, broken out by the number of individuals.
- (4) Outcome data for individuals served through program funds, including the type of housing that an individual exited to, the percent of successful housing exits, and exit types for unsuccessful housing exits.

The first report will be due on January 1, 2021 and annually thereafter until all funds have been expended. A final report is due by January 1, 2026.

Counties will need to submit confirmation that 100 percent of program funds have been contractually obligated by May 31, 2023.

Any funds that are not contractually obligated by this date shall be reverted to the CoC that serves the county.

CoCs and large cities will need to submit confirmation that no less than 50 percent of program funds have been contractually obligated by May 31, 2023.

If less than 50 percent of program funds have been contractually obligated after May 31, 2023, grantees that are large cities and CoCs shall not obligate or expend the difference of remaining funds within the 50% required obligation amount until the following occurs [HSC § 50220(a)(4)(B)(i-ii)]:

1. On or before June 30, 2023, the grantee must submit an alternative disbursement plan that includes an explanation for the delay and a plan to fully expend these funds by December 31, 2023. The grantee must also submit an updated budget.
2. Agency must approve this alternative disbursement plan and will have until July 31, 2023 to review and approve or deny submitted plans. If the funds identified in the approved alternative disbursement plan are not fully expended by December 31, 2023, the funds shall be returned to Agency.

By June 30, 2025, 100 percent of HHAP funds must be fully expended. HCFC will use the report submitted on or before May 31, 2023 to ensure that Administrative Entities are on track to expend 100 percent of program funds by June 30, 2025. Any remaining amounts of program allocation funds not expended by the June 30, 2025 deadline shall revert to, and be paid and deposited in, the General Fund.

Further Information

Additional information including the HHAP Program Guidance, Online Application Form Instructions, and a list of upcoming workshops can be found on the HHAP website: https://www.bcsb.ca.gov/hcfc/hhap_program.html. The forthcoming Frequently Asked Questions document and the Supplemental Application Documents Toolkit will also be available on the HHAP website.

If you have questions, please direct them to the HCFC inbox at HCFC@BCSH.CA.GOV.