

SUMMARY OF THE HOMELESS EMERGENCY AID PROGRAM (HEAP)

On September 5, 2018, the Homeless Coordinating and Financing Council (HCFC) announced the availability of \$500 million in Homeless Emergency Aid Program (HEAP) grant funding. **HEAP provides one-time funding to Continuums of Care (CoCs)** and large cities (with populations over 330,000) to address the homelessness crisis.

OVERVIEW

The HEAP grant funding was authorized as part of the state's 2018-2019 budget, and the total eligible amount for the Turlock/Modesto/Stanislaus County CoC is **\$7,236,985.95**. At least 5% or **\$361,849.30**, of this total allocation shall be used to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness.

In order to receive HEAP funding, applicants must:

- 1) Declare a shelter crisis in jurisdictions that will receive funding for projects; and
- 2) Provide evidence of a collaborative community process to identify proposed projects.

In order to receive funds in this first round of funding, applicants must apply by December 31, 2018. Fifty percent of funds must be obligated by January 1, 2020 and all funds must be expended by June 30, 2021.

SHELTER CRISIS DECLARATION

The shelter crisis declaration pursuant to Chapter 7.8 (commencing with Section 8698) of Division 1 of Title 2 of the Government Code is required for all cities and counties that wish to receive HEAP funds. Each incorporated city must declare a shelter crisis to receive HEAP funds. Counties may declare a shelter crisis only for the unincorporated areas of the county. If a CoC has fewer than 1,000 homeless people, it may request a waiver exempting all cities and the counties that are part of the CoC from declaring a shelter crisis. **The shelter crisis declaration is a resolution that should be adopted by the governing body of the city or county.** CoCs, cities, counties, and nonprofit organizations may use HEAP funds to provide services in jurisdictions that have not declared a shelter crisis. HEAP funds cannot be used for rental assistance, rental subsidies or capital projects in jurisdictions that have not declared a shelter crisis.

ELIGIBLE ACTIVITIES

While there are few limits on what funds can be used for, the nature of the funding (i.e. one-time funds with a short window to expend funds) may not align with some uses CoCs typically fund and limits CoC's ability to use the funds for ongoing programs or longer-term projects such as new construction. However, HEAP funding may be coupled with funding from other sources to achieve sustainability or could be used to pilot innovative programs to be continued with future funding. The examples listed below include some ideas of how funds can be used but is not an exhaustive list.

- **Services:** Street outreach, health and safety education, criminal justice diversion programs, prevention services, navigation services, operating support for short-term or comprehensive homeless services. Specific examples of short term use include:
 - Establishing or expanding homeless prevention services or diversion programs;

- Services for youth experiencing homelessness;
 - Piloting innovative service models; and
 - Housing navigation services provided to interim housing recipients and/or connections to coordinated entry systems, to help people move quickly out of homelessness into housing.
- **Rental Assistance or Subsidies:** Housing vouchers, rapid re-housing programs, and eviction prevention strategies. Specific examples of short term use include:
 - Capitalized rental assistance to move people experiencing homelessness into permanent housing;
 - Capitalized operating subsidies to make existing affordable housing projects within reach for people experiencing homelessness or to make new affordable and supportive housing projects, already in the development pipeline, available to people experiencing homelessness;
 - Flexible housing subsidy pools, which combine resources from various sources to pay for rental assistance and services in supportive housing;
 - Landlord incentives, including vacancy payments; and
 - Move-in assistance to assist people moving into affordable and supportive housing to stabilize.
 - **Capital Improvements:** Emergency shelter, transitional housing, drop-in centers, permanent supportive housing, small/tiny houses, and improvements to current structures that serve homeless individuals and families. Some communities are discussing solutions to address homelessness and the public health crisis by using funds for handwashing stations or public toilet and shower facilities. Specific examples of short term use include:
 - Site acquisition to develop supportive or affordable housing for people experiencing homelessness;
 - Capital improvements for emergency shelters, establishing navigation centers, respite/recuperative care, and motel vouchers; and
 - Gap funding for affordable and supportive housing projects in the development pipeline and expected to be leased up within the next one to two years.
 - **Youth Services:** At least 5 percent of HEAP Funds must be used to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness. See section below for specific examples of short term use.

NOTE: Administrative costs are capped at five percent of program funds, which does not include staff costs directly related to carrying out program activities and uses must align with California's Housing First Policy.

INELIGIBLE ACTIVITIES

- HEAP funds may not be used for capital projects within a jurisdiction that has not declared a shelter crisis.
- HEAP funds cannot be used to fund HMIS infrastructure or improvements.
- HEAP funds cannot be used to create a strategic plan for homelessness.
- HEAP funds cannot be expended after June 30, 2021. Any long-term projects that would require payment after that date are not appropriate uses of HEAP funds.
- Expenditures not intended for the purposes of providing aid for persons who are homeless or at imminent risk of homelessness are not appropriate uses of HEAP funds.

YOUTH SERVICES

At least 5%, or \$361,849.30, of the Turlock/Modesto/Stanislaus County CoC's total allocation shall be used to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness. In order to accurately assess existing gaps in homeless youth services, many CoCs have established Youth Advisory Committees, where youth with the lived experience of homelessness can advise stakeholders on program design and use of funds. Please note that for the mandatory allocation for youth services:

- Five percent is the floor, not the ceiling; and
- Funding may be used to meet the needs of both homeless youth and youth risk of homeless.

APPLICATION PROCESS

CoCs and large cities can apply for funding directly through HCFC by completing the online application. **These applications must be submitted in one sitting.** Application maps and instructions (see resources) are provided to help applicants prepare their submissions in advance of entering the information online.

RESOURCES

- HEAP 2018 NOFA: https://www.bcsb.ca.gov/hcfc/documents/heap_nofa.pdf
- HEAP Application for CoC Allocation: https://www.bcsb.ca.gov/hcfc/webapps/coc_grant_app.php
 - Application Map for CoCs: https://www.bcsb.ca.gov/hcfc/documents/heap_map_coc.xlsx
 - Application Instructions for CoCs:
https://www.bcsb.ca.gov/hcfc/documents/heap_app_coc.pdf
- HEAP Guidance Document: https://www.bcsb.ca.gov/hcfc/documents/heap_overview.pdf
- HEAP FAQs: https://www.bcsb.ca.gov/hcfc/documents/heap_faqs.pdf
- HEAP Workshop PowerPoint Slides:
https://www.bcsb.ca.gov/hcfc/documents/heap_workshop.pptx

YOUR IDEAS FOR STANISLAUS HEAP FUNDING: