

Agenda Item VI: Department Updates

1. *Department of Health Care Services (DHCS):*

Medi-Cal and Housing Services

Over the last several years there has been an increasing Medi-Cal focus on homelessness due to:

- The clear connection between housing and health outcomes for members with complex conditions;
- The Affordable Care Act (ACA) expansion of childless adults; and
- A growing shortage of housing in California.

To address these issues, DHCS will continue to work with federal, state, and local partners to look for areas where there are shared goals. DHCS is fully engaged in the Council, the Interagency working group, the Housing First assessments, and the Council's Homeless Data Integration System work. DHCS also meets regularly with the Department of Housing and Community Development (HCD) to look for synergies between the two departments' programs, such as:

- Targeting eligibility at those with complex medical and behavioral health conditions; and,
- Coordinating Medi-Cal's case management programs with HCD programs that provide rental subsidies and housing development funding.

As an example of Medi-Cal's focus on the Social Determinants of Health, the Whole Person Care (WPC) Pilots and Health Home Program coordinate health care, social services, and housing case management services for our most vulnerable Medi-Cal members.

Whole Person Care Pilots

The WPC Pilots test models to better coordinate care for frequent utilizers of health services. 22 of the 25 county-led pilots have services aimed at housing and homelessness, such as respite care, sober living centers, benefits advocacy, housing navigation, and tenancy sustaining services. The five-year pilots continue through 2020.

Health Homes Program

California is implementing the Medicaid Health Home optional benefit with a staged rollout that began in 2018 and will be available from Medi-Cal Providers in most areas of California in 2019, including Los Angeles, San Francisco, San Diego, and Sacramento. Eligibility is focused on the top two to four percent of the highest-risk Medi-Cal members who are living in the community. Health Home Program services include Housing Navigation and Tenancy Sustaining Services.

Conclusion

Going forward, we will be thinking about how to build successful strategies into the Medi-Cal program in a sustainable way.

2. Department of Housing and Community Development (HCD):

No Place Like Home Program

In November 2018, California voters approved Proposition 2 which authorized the use of Mental Health Services Act funding to fund the No Place Like Home (NPLH) program. NPLH provides loans to counties to acquire, build, or rehabilitate permanent supportive housing for people experiencing homelessness, or who are at risk of homelessness, and who are in need of mental health services.

- In August 2018, HCD released a Notice of Availability (NOFA) for \$190 million in non-competitive funds. The application deadline is February 15, 2021.
- In October 2018, HCD released a NOFA for \$400 million in competitive NPLH funds. Counties must submit their applications by January 20, 2019. HCD anticipates awarding these funds in June 2019. HCD also designated¹ four counties (Los Angeles, San Diego, Santa Clara, and San Francisco) to administer their own NPLH allocation.
- HCD anticipates releasing a second NOFA for competitive funds in September 2019.

Senate Bill 2 – Building Jobs and Homes Act

Of the first year's revenues from Senate Bill 2, the 2018-19 Budget allocates 25 percent to Continuums of Care (CoCs) through the California Emergency Solutions and Housing (CESH) program, and another 25 percent to the Housing for a Healthy California (HHC) program.

- CESH Program: CESH provides funding to CoCs for housing relocation and stabilization services, operating subsidies for permanent housing, flexible housing subsidies, shelter operations, and capacity building.
 - In August 2018, HCD released the first CESH NOFA, making \$53 million available. All California CoCs applied and were awarded the first round of CESH funds. HCD anticipates distributing funds in early Spring.
 - HCD anticipates releasing the second NOFA in Spring 2019, which will make available the remaining CESH funds, currently projected to be approximately \$30 million.
- HHC Program: Created in 2017 through Assembly Bill (AB) 74, HHC is designed to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, nursing home stays and other resources as the point of health care provision for people who are chronically homeless or homeless and a high-cost health user. HCD released the draft guidelines for HHC in December 2018 and anticipates releasing the NOFA in Spring 2019.

Supportive Housing Multifamily Housing Program

In October 2018, HCD released a NOFA for \$77 million for the Supportive Housing Multifamily Housing (SHMHP) program, which provides permanent financing for supportive housing developments. The application deadline is February 8, 2019. HCD anticipates announcing awards in Spring 2019. SHMHP derives its funds from recaptured Propositions 46 and 1C funding.

¹ A county with 5 percent or more of the state's homeless population can be designated by HCD as an Alternative Process County, which is authorized to administer its own Competitive Allocation of NPLH funds.

Paradise Camp Fire – Disaster Recovery

In order to assist homeless victims of the Camp Fire, HCD is working with Butte County's CoC, the Federal Emergency Management Agency (FEMA), the U.S. Housing and Urban Development Department (HUD), the Governor's Office of Emergency Services, and other state partners. Because federal law does not allow FEMA to extend housing assistance to victims who were precariously housed prior to the disaster, or who were experiencing homelessness prior to the disaster, HCD is working with HUD to repurpose disencumbered Emergency Solutions Grant (ESG) funds to assist these individuals and families.

3. California Housing Finance Agency (CalHFA):

Special Needs Housing Program

CalHFA has participation agreements with 16 counties to provide loan administration assistance for the Local Government Special Needs Housing Program (SNHP). SNHP has served as a transition between the Mental Health Services Act Housing (MHSA) Program and the more recently enacted No Place Like Home Program (NPLH), which was ratified by voters through Proposition 2. MHSA and SNHP have been 'over the counter' programs drawing upon Proposition 63 funds allocated to the counties. The programs were designed to provide permanent supportive housing for individuals with mental illness who are at risk of homelessness. NPLH funds will be competitively awarded and administered by HCD.

With HCD's issuance of its first NOFA for NPLH on August 15, 2018, CalHFA undertook to wind-down SNHP in order to avoid having competing, and what would effectively be duplicative, housing programs.

Initial notifications to the participating counties were made on September 4, 2018. This provided a deadline of 60 days (November 3, 2018) for counties to submit a list of projects intended for development through their remaining SNHP funds on deposit with CalHFA. Thereafter, counties would have 120 days from the initial notification date (until January 2, 2019) to submit applications for financing for viable SNHP projects and then, nine months therefrom to close on construction loans and begin construction.

Several counties expressed concerns that the time frames were too short in view of the complexities of the development programs they had been working with, concerns regarding fiscal impacts, needed time to develop adequate options with their developers, and to develop their own loan administration capacity, or to determine to fund operating subsidy reserves.

In response to these concerns, a revised timeframe was developed to provide adequate time for counties to clear their pipeline. The revision was issued on November 30, 2018 extending the application deadline for viable SNHP projects to January 3, 2020 and for construction loan closings to occur not later than June 30, 2022.

Eight counties have provided a list of projects and projected dates of application and construction starts. Three other counties also having more than \$15,000 on deposit with CalHFA have reports due as to project status or desired funds disposition.

Three counties had less than \$15,000 on deposit and have been requested to advise whether they wished the funds returned or applied to eligible project operating subsidy reserves.

Two counties had no funds transferred to date and participation agreements will be cancelled.

There are 55 projects in the pipeline for application and development. They comprise some 1,401 units of proposed special needs housing.

To date, the MHSA program resulted in more than 2,500 units of supportive affordable housing with \$400 million in financing. In turn, this leveraged the creation of an additional 7,500 units of affordable housing, ultimately creating some 10,000 units of affordable housing.

In view of the pre-existing participation agreements and the impending program termination, CalHFA will not require implementation of Housing First principles but rather, will urge participants to apply Housing First practices whenever feasible and applicable.

4. Governor's Office of Emergency Services (CalOES):

Affordable Housing and Homeless Program funding for Fiscal Year (FY) 2019 – 2020

- \$57 million, including \$49 million in federal funding, and \$8 million from the State General Fund
- Eight ongoing programs, and 3 three one-time funding programs
- Current Cal OES Housing and Homeless Programs serve the following populations: victims of domestic violence, homeless and exploited youth, and unserved or underserved populations (ex. Native American Tribes, LGBTQ).

Domestic Violence First Housing First Program Evaluation conducted by Blue Shield of California Foundation

In 2016, CalOES funded the Domestic Violence Housing First Pilot Program with a total of eight projects.

Program Purpose: Helping victims increase access to, and retain, safe, permanent housing and provide tailored supportive services.

Key Objectives: Mobile, “survivor-driver” advocacy that focuses on addressing the needs identified by victims of crime and tailors services to meet their unique needs; flexible funding assistance; community engagement.

- The program expanded by 25 projects in 2017, and 33 additional projects are starting in January 2019.
- Blue Shield of California Foundation has funded two evaluations of the program:
 - In 2017, an initial Process Evaluation was conducted.
 - In 2018, a second evaluation began to collect and analyze outcome-based information. This report is expected to be available in June 2019.

- Anticipated Evaluation Findings:
 - This evaluation is expected to show the following outcomes for program participants: increased housing and financial stability, safety, quality of life, connection to community/social supports, and decreased depression and PTSD, for homeless or unstably housed domestic violence victims.
 - As parents' housing stability and well-being increase, so too will children's outcomes, specifically, we expect to see increased school attendance, academic achievement, and social-emotional skills, and decreased behavioral problems.

5. California Department of Social Services (CDSS)

Home Safe Program:

The Home Safe program, established by AB 1811 (Chapter 35, Statutes of 2018), is intended to serve Adult Protective Services (APS) clients that are homeless or at risk of homelessness due to elder or dependent adult abuse, neglect or financial exploitation. Home Safe will provide homelessness prevention and short-term housing interventions to support safety and housing stability for individuals served by the local APS agency for both tribes and county welfare departments. Individuals at risk of homelessness will be prioritized.

- The Budget Act of 2018 appropriated \$15 million General Fund (one-time) with a dollar-for-dollar match requirement for a total of \$30 million to fund the new program over a three-year period from July 1, 2018 through June 30, 2021.
- 36 counties applied for Home Safe funding and requested \$29,515,205 with a \$34,664,587 match commitment, for a total request of \$64,179,792.
- CDSS allocated Home Safe program funds to 25 counties (Alameda, Butte, Contra Costa, Fresno, Humboldt, Kern, Kings, Los Angeles, Mariposa, Mendocino, Merced, Nevada, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Santa Clara, Santa Cruz, Shasta, Sonoma, Tehama, Ventura, and Yuba) in December 2018.
- CDSS will host a two-day learning forum in March 2019 for all counties in receipt of Home Safe funding, with sessions facilitated by internal and external housing experts on topics such as Housing First and prevention best practices.

CalWORKs Housing Support Program:

- In FY 2018-19, Housing Support Program (HSP) funding increased to \$71.2 million, with 52 counties participating.
- With an additional increase in FY 2019-20, HSP funding will reach \$95 million ongoing annually to assist low-income families in obtaining and maintaining housing.
- HSP has successfully housed more than 1,897 families in CalWORKs from July to October 2018 and 14,142 families since the program's inception in 2014.

CalWORKs Homeless Assistance:

- Effective January 1, 2019, AB 1811 established an increase in the daily amount of Temporary Homeless Assistance (THA) shelter payments from \$65 to \$85 per day to provide families with up to 16 days of temporary shelter.

- Effective July 1, 2018, AB 557 mandated that a CalWORKs applicant who provides a sworn statement of past or present domestic abuse and who is fleeing his or her abuser shall be deemed to be homeless and shall be eligible for up to 32 days of temporary HA, if determined apparently eligible for CalWORKs, disregarding any income or assets attributable to the alleged abuser.
- Effective January 1, 2018, AB 236 expanded homeless assistance benefits to include access to families with children in out-of-home placements that are receiving reunification services.

Bringing Families Home:

- Since its inception in July 2016, Bringing Families Home has successfully housed more than 440 families in the child welfare system in the program as of November 2018.

Housing and Disability Advocacy Program:

- Since its inception in July 2017, the Housing and Disability Advocacy Program (HDAP) has successfully housed 134 individuals, filed 547 disability benefits applications, and has supported 114 individuals in securing disability benefits in the program as of October 2018.
- CDSS hosted a two-day learning forum in January 2018, as well as two regional meetings in November of 2018, for all counties in receipt of HDAP funding, with sessions on topics including Housing First, prioritization, outreach and engagement, and coordination of services.
- The Governor's 2019-20 Budget proposes an annual appropriation of \$25 million General Fund ongoing beginning in 2019-20.

Other CDSS Activities:

CDSS will be hosting a Housing First webinar in February for our funded programs.

6. California Department of Veteran Affairs (CalVet)

Veterans Housing and Homelessness Prevention Program

- For the Veterans Housing and Homelessness Program (VHHP) 2018 Round 4 of funding, the goal was to distribute \$75 million in funds for homeless veteran housing projects. This round of funding was announced on Veterans Day, November 12, 2018, and the original goal was exceeded.
- CalVet awarded 15 supportive housing project awards totaling over \$76 million. This will add another 515 units to the total VHHP housing units count, for a projected total of roughly 2,400 units created thus far.
- 359 of those Round 4 units will be for veterans who are homeless, homeless with a disability, or chronically homeless. The total for all VHHP homeless housing units, from Rounds 1 through 4, is expected to be over 1,800 units.
- In previous funding rounds, applications for funding were predominantly from the Los Angeles and San Diego regions. Round 4 saw a significant increase in requested funds from the Bay Area. 49 percent of Round 4 funding went to the Bay Area, 17 percent to the Los Angeles region, 13 percent to San Diego and 10 percent to other counties.
- Other counties funded in Round 4 includes Fresno, Kern and San Luis Obispo. The Bakersfield project in Kern County and the San Luis Obispo project are in areas that were previously

undersubscribed to the program, helping meet a key Round 4 goal of gaining program participation in harder-to-develop places across the state.

- As of January 10, 12 projects are in the process of leasing for a total of 347 units to veterans and their families. Many of these leases will be for veterans experiencing homelessness.