

Santa Cruz County HEAP and CESH Awards 2019

Santa Cruz County, its Cities, and its community continue to grapple with a very substantial homelessness challenge. They are not alone in confronting rising homelessness. Counties and Cities across California have reported increased homelessness numbers, and homelessness has become more visible in many locations. Statewide, homelessness has increased by 9% since 2010, while nationally it has decreased by 13% during the same period.¹

In 2018, the State of California approved unprecedented funding in response to this growing crisis of homelessness in California. Among other funding sources, the State enacted the one-time \$500 million Homeless Emergency Aid Program (HEAP) and the ongoing California Emergency Solutions and Housing (CESH) program. Both of these new programs were in the form of block grants awarded on the basis of formula to the local Continuum of Care (CoC). The Watsonville/Santa Cruz City & County CoC's share of HEAP funds was \$9,674,883.45, while its share of the first round of CESH funds was \$889,424.

Community Engagement Process

In preparing to make the best possible use of these funds, the County, Cities, and our local CoC Homeless Action Partnership (HAP), carried out a highly comprehensive, countywide, collaborative process in order to identify priorities and estimated budget amounts for HEAP and CESH eligible activities. This was a very extensive process that included representatives of homeless service providers, homeless youth programs, law enforcement, behavioral health, County and City officials, and adults and youth experiencing homelessness, among many other stakeholder groups. Key steps in the community engagement process were:

1. HAP Meeting: Briefings and Conversation on HEAP & CESH – 6/27/18, 8/15/18, 10/12/18, 10/17/18, & 12/19/18
2. Youth Homelessness Demonstration Program (YHDP): Prioritizing for HEAP Youth Set Aside – 7/17/18, 8/14/18, 9/4/18, 9/25/18, 10/16/18, & 11/20/18
3. HAP Priorities Refresh Process – Survey (96 responses) & 9/21/18 Priorities Workshop (60+ attendees)
4. CESH Countywide Stakeholder Input Meeting- 10/9/18 (30 attendees)
5. HEAP Jurisdictional Stakeholder Input Meetings –11/27/17 County (35 attendees), 11/28/18 Watsonville (20 attendees), & 12/3/18 Santa Cruz (39 attendees)
6. Elected Officials Meetings – ongoing briefings by staff of County and City elected officials
7. Final Approval of CESH Recommendations: 10/12/18 HAP Governing Board/Executive Committee
8. Final Approval of HEAP Recommendations: 12/10/18 HAP Governing Board/Executive Committee.

¹ 2019-20 California State Governor's Budget.

9. Final Approval of HEAP/CESH Request for Proposals document: 1/15/19 HAP Governing Board/Executive Committee.

Project Selection Process

Request for Proposals-

On 1/15/19 the HAP Governing Board and Executive Committee approved a project selection process that centered on a Request for Proposals (RFP) designed to surface the best possible proposals to meet the jurisdictional and community priorities identified through community engagement. Key steps in the project selection process included the following:

- Released the RFP on January 18, 2019 and broadly publicized it through a press release, list serve messages, web postings, and meeting presentations.
- Provides an Applicant Technical Assistance Session on January 25, 2019.
- Composed a diverse set of 25 reviewers representative of the major geographic areas in the county and with expertise across all priorities areas.
- Divided the group of RFP responses into five subpanels for project types as follows: Services, Prevention & Housing, Emergency Sheltering, Youth Set-Aside, and Capital Feasibility Review.
- Assigned the reviewers to subpanels and required that they sign a conflict of interest statement and recuse themselves where appropriate.
- Assigned the reviewers to do an initial review of projects using a rating tool according to RFP criteria.
- Convened the 5 subpanels during the week of March 4, 2019 to discuss the proposals and reach subpanel consensus on project and funding recommendations in their project areas.
- Convened a cross panel composed of subpanel members and HEAP/CESH planning team members on March 13, 2019 to ensure consistency and alignment across the subpanel recommendations, and develop a cohesive set of recommendations for consideration by the HAP Governing Board and Executive Committee.
- Convened the HAP Governing Board and Executive Committee as the decision body on March 15, 2019 in order to review subpanel and cross panel recommendations and to make final project selection and funding decisions.

Letters of Interest and Emergency Allocation-

In January, the HAP Governing Board and Executive Committee found that there was an urgency to address immediate shelter, health, and safety needs of unsheltered homelessness persons, but that it would take until at least April 2019 to complete the RFP award process. Therefore, the HAP Governing Board and Executive Committee reached consensus on an emergency allocation of HEAP funds totaling \$1,005,000 for emergency shelter and public health and safety hygiene services through June 30, 2019, and \$100,000 for a community

engagement process. The purpose of the emergency allocation for sheltering and hygiene was to protect life, health and safety and to immediately alleviate human suffering that should not be prolonged until the conclusion of the HEAP and CESH RFP process. Thus, the following key steps were taken:

- Released an expedited Request for Letters of Interest (LOI) in early February 2019 totaling \$605,000 for emergency sheltering options for unsheltered homeless individuals.
- Convened a subpanel composed of HEAP/CESH planning team members and knowledgeable stakeholders February 13, 2019 to review the LOIs and develop initial project and funding recommendations.
- Convened the HAP Governing Board and Executive Committee as the decision body on February 22, 2019 in order to review LOIs and subpanel recommendations and to make final project selection and funding decisions.
- Released an LOI on March 6, 2019 totaling \$100,000 for community engagement and public communications services (the deadline for applications is March 22, 2019).
- Allocated the remainder of the emergency allocation to immediate public health and safety hygiene and urgent sheltering needs.

Award Decisions

As a result of the robust community engagement and project selection process, we are very pleased to announce the following award decisions:

HEAP & CESH RFP Award Decisions

Applicant/Project	Activities Funded	HEAP Amount	CESH Amount	Total
City of Santa Cruz Land Purchase	Land Purchase for: Emergency Shelter, Hygiene, Day Services	\$1,400,000	\$0	\$1,400,000
*Reservation of Funds for North County Navigation Center/Year Round Shelter Operations	Navigation Center Year-Round Emergency Shelter Day Services Hygiene Services	\$1,030,294	\$177,888	\$1,208,182
Salvation Army South County Navigation Center	Shelter Case management Housing navigation Hygiene services Basic needs services Rental assistance	\$822,112	\$177,888	\$1,000,000
Encompass CS YHDP Youth Resource Center	Youth/ young adult day center services Respite beds	\$787,003	\$0	\$787,003

	Case management			
Abode Services Rapid Rehousing Program	Rapid rehousing Financial assistance Housing navigation	\$382,383	\$217,617	\$600,000
Homeless Services Center Paul Lee Loft Shelter Operations	Shelter Case management Hygiene services	\$555,000	\$0	\$555,000
Community Action Board Watsonville Works!	Case management Transitional work experience	\$459,182	\$0	\$459,182
Community Action Board Rental Assistance Program	Prevention Case management Rental assistance	\$381,985	\$69,833	\$451,818
Community Action Board YHRT	Youth and young adult: Case management Housing navigation Employment & education referrals Benefits referrals Emergency vouchers	\$422,835	\$0	\$422,835
Association of Faith Communities Faith Community Shelter	Shelter Case management Hygiene services	\$402,692	\$0	\$402,692
Monarch Services DV Emergency Shelter Capital Improvements	Capital improvements Domestic violence shelter Motel vouchers	\$350,000	\$0	\$350,000
Santa Cruz County Housing Authority Landlord Incentives & Move In Costs	Financial assistance Landlord bonuses Unit repair fund	\$251,700	\$68,315	\$320,015
Community Bridges Mountain Community Resources	Case management Hygiene services Basic needs services	\$240,478	\$0	\$240,478
Association of Faith Communities SafeSpaces Parking	Parking Hygiene services Volunteer meals	\$237,950	\$0	\$237,950
Cabrillo College Emergency Housing Services Program	Rental assistance	\$137,724	\$0	\$137,724
MHCAN Shower	Showers	\$110,994	\$0	\$110,994

Room				
Congregational Church, Soquel MCHC Shower the People	Portable showers Hygiene services	\$61,270	\$0	\$61,270
Bill Wilson Center Shared Housing for Youth	Youth/young adults: Shared housing Case management Financial assistance Host incentives	\$58,300	\$0	\$58,300
Santa Cruz County CoC Lead Planning	CoC planning/coordination	\$0	\$44,471	\$44,471
Community Technology Alliance Santa Cruz County HMIS	HMIS services	\$0	\$44,471	\$44,471
Santa Cruz County HSD Smart Path to Housing and Health	Coordinated entry services	\$0	\$44,471	\$44,471
Wings Homeless Advocacy Vital Identification Records	Birth certificates and other ID services	\$38,700	\$0	\$38,700

* The HAP Governing Board and Executive Committee decided to set aside funds for a North County Navigation Center, but would like further information and coordination before selecting a particular project. Thus, North County Navigation Center applicants will be invited to re-submit a proposal pursuant to specific guidance from the HAP and jurisdictional partners.

HEAP LOI and Emergency Allocation Award Decisions

Applicant/Project	Activities Funded	HEAP Amount	CESH Amount	Total
<i>Emergency Sheltering LOI</i>				
Association of Faith Communities SafeSpaces Parking	Parking Hygiene services Volunteer meals etc.	\$45,000	\$0	\$45,000
Homeless Services Center Paul Lee Loft and Hygiene Bay	Shelter Case management Hygiene services	\$120,000	\$0	\$120,000
Salvation Army Santa Cruz Emergency Shelter	Shelter Case management Hygiene services Basic needs services	\$195,000	\$0	\$195,000
Salvation Army	Shelter	\$110,000	\$0	\$110,000

Watsonville Emergency Shelter	Case management Hygiene services Basic needs services			
<i>Emergency Allocations - immediate public health & safety hygiene and urgent sheltering needs</i>				
City of Santa Cruz - River Street		\$64,677	\$0	\$64,677
City of Santa Cruz Hygiene at Gateway Plaza		\$100,000	\$0	\$100,000
Homeless Services Center Hygiene Bay		\$18,000	\$0	\$18,000
Salvation Army - River Street Camp		\$206,323	\$0	\$206,323

Please note that the HAP has released, but has not yet reached decisions on the \$100,000 LOI for immediate community engagement and public communications services. Finally, per State HEAP and CESH regulations 5% of the total HEAP and CESH allocations have been retained for central local planning and administration of the HEAP and CESH programs.

Summary of RFP Applications and Awards

RFP Applicant Profile-

The response to the RFP was very robust with 35 proposals from 25 agencies requesting approximately \$30 million in total. Here are some highlights:

- The amounts requested varied widely; the smallest request was for \$12,000 and the largest \$6,135,343.
- Most agencies submitted one or two proposals, but three agencies submitted three proposals each.
- Regarding HEAP only, approximately \$13.2 million was requested for Services, \$3.2 million for Rental Assistance, \$9.8 million for Capital Improvements, and \$4.85 million for the Youth Set-Aside.
- Regarding categories of proposals, 15 were for emergency interventions, eight were for housing-focused projects, nine were for non-emergency supportive services, and three were for systems investment projects (e.g., HMIS or CES).
- Altogether, the projects proposed serving almost 10,000 people and permanently housing more than 1,000.
- The projects were well-spread geographically with 13 proposing services countywide, 13 in the City of Santa Cruz, six in the City of Watsonville, one in the San Lorenzo Valley, one in Aptos, and one in Soquel.
- Regarding homeless populations, 14 projects proposed serving both individuals and families, 11 youth and young adults, 10 individuals only, and zero families only.

RFP Award Profile-

In total, 22 RFP projects within 18 agencies were conditional awarded funding. Here are some highlights:

- 63% of proposals were awarded funds, although many received less than they requested due to insufficient funding to cover all needs.
- Almost 75% of applicants had at least one proposal funded.
- The amounts awarded varied widely; the smallest award was for \$38,700 and the largest \$1,400,000.
- Regarding categories of awarded proposals, 10 were for emergency interventions, four were for housing-focused projects, two were for non-emergency supportive services, three were for youth projects, and three were for systems investment projects.
- The awarded projects were well-spread geographically with 10 to provide services countywide, five in the City of Santa Cruz, four in the City of Watsonville, one in the San Lorenzo Valley, one in Aptos, one in Soquel, and one in mid-county.
- Regarding homeless populations, 11 awarded projects are for individuals and families, seven are for individuals only, and four are for youth and young adults.

Next Steps – Applicant Notification Letters and County Contracts

The HEAP/CESH project team will shortly provide notification letters to each applicant. As noted in the RFP, the awards are conditional upon final negotiation of the scope of work and the applicant’s ability and willingness to execute and conform to a County contract. Some of the awards are for less than the amount requested, so the applicant will need to revise the budget, scope of work, and performance outcomes accordingly. In a few cases, the HAP Governing Board and Executive Committee decided to fund particular activities within a proposal, but not other activities. A description of any conditions and the next steps toward completing a County contract will be provided in the letter.

Also, as a reminder awardees must meet the following requirements:

- Contribute client-level and program-level data to the Santa Cruz County HMIS.
- Participate in the Santa Cruz Smart Path Coordinated Entry System for the purpose of prioritizing and matching clients to appropriate housing and service programs.
- Adhere to the Housing First principles as defined in State program regulations.
- Must comply with all requirements of the State HEAP and/or CESH program.

Finally, the HEAP/CESH project team members look forward to continued collaboration with all stakeholders to make the HEAP and CESH programs a success.

Thank you very much for your efforts and commitment to ending homelessness in Santa Cruz County. Question may be directed to Rayne Marr at rayne.marr@santacruzcounty.us or HAP Consultant Tony Gardner at tonygardnerconsulting@yahoo.com.