



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** November 7, 2022

Approved

Date

11/15/22

**SUBJECT: PUBLIC HEARING ON THE HOMELESS HOUSING, ASSISTANCE AND PREVENTION PROGRAM APPLICATION**

## **RECOMMENDATION**

Conduct a public hearing on the Homeless Housing, Assistance and Prevention Program Round 4 grant application to the State of California's Interagency Council on Homelessness.

## **OUTCOME**

The public hearing provides an opportunity for the City Council and the public to comment on the Homeless Housing, Assistance and Prevention Program Round 4 (HHAP4) application. The public hearing is required by the state and feedback provided at the hearing will be reflected in the final application, which is due on November 29, 2022. Meeting the deadline enables the City of San José to receive the HHAP4 funding allocation, which has not yet been determined.

## **BACKGROUND**

Homeless Housing, Assistance and Prevention Program (HHAP) is administered by the State of California's Interagency Council on Homelessness (Cal-ICH). Cal-ICH has implemented HHAP funding through several rounds of one-time block grants. HHAP provides jurisdictions with flexibility to use funds that advance regional coordination to prevent and end homelessness with a focus on evidence-based best practices and services specific to the needs of homeless youth.

The table below summarizes the HHAP funding the City received:

Source	City of San José Allocation	Funds Received	Expenditure Deadline
HHAP Round 1	\$23,832,511	June 3, 2020	June 30, 2025
HHAP Round 2	\$11,266,278	August 12, 2021	June 30, 2026
HHAP Round 3 initial disbursement	\$5,823,799	May 5, 2022	June 30, 2026
HHAP Round 3	\$23,295,194	Not yet received	June 30, 2026
<b>Total</b>	<b>\$64,217,782</b>		

On July 19, 2021, Governor Gavin Newsom signed Assembly Bill 140<sup>1</sup> into law, establishing the third and fourth rounds of one-time HHAP funds. One billion dollars in HHAP4 funding has been made available to support a unified response to reduce homelessness across California. The jurisdictional allocations will be made public once the United States Department of Housing and Urban Development releases the results of the most recent homelessness point in time count.

On June 28, 2022<sup>2</sup>, the City Council and the public were provided an opportunity to discuss the local homelessness action plan and outcome goals for the HHAP Round 3 application, as required by statute. The HHAP Round 3 application was submitted to Cal-ICH on June 30, 2022.

## **ANALYSIS**

Per statutory requirements<sup>3</sup>, the HHAP4 application must be on the agenda at a regular meeting by the City Council and receive public comment before it is submitted to Cal-ICH. The City Council does not need to take action nor is a resolution required. This memorandum provides information on the HHAP4 priorities, timeline, and funding proposal.

### *HHAP4 Priorities*

HHAP4 funds must be invested in programs and services that are Housing First compliant, low barrier, trauma-informed, and culturally responsive which are defined as:

- Housing First: Persons experiencing homelessness should be connected to a permanent home as quickly as possible. Participation in services is not a requirement to qualify or remain in housing. People are required to follow the lease like all tenants.
- Low-Barrier: Programs with minimal barriers for participation that do not establish eligibility criteria, such as background checks, beyond what is mandated for health and safety regulations.

<sup>1</sup> [Assembly Bill No. 140](#)

<sup>2</sup> [Public Hearing on HHAP3 June 28, 2022](#)

<sup>3</sup> [AB 140 \(Health & Safety Code 50218.6, et seq.\)](#)

- Trauma-Informed: An approach to service delivery that recognizes and responds to program participants' previous trauma and provides participants with safety, respect, and choice.
- Culturally Responsive: Services are framed by an understanding of culture and include participants in the design, delivery, and evaluation of services.

HHAP4 grantees must establish a mechanism for people with lived experiences of homelessness to meaningfully inform and shape all levels of planning and implementation. HHAP4 grantees must also demonstrate a commitment to advancing racial and gender equity through identifying and implementing strategies to reduce disparities in the local homeless response system.

HHAP4 Application Submission Timeline

Date	Activity
September 30, 2022	Cal-ICH released the HHAP4 application.
October 25, 2022	City and County began a series of discussions about coordinated HHAP4 expenditure plans.
November 29, 2022	Meeting on the HHAP4 application to the City Council for public comment.
November 29, 2022	Housing Department must submit a comprehensive HHAP4 application.

HHAP4 Allocation and Spending Timeline

The City has not received its allocation amount yet, but it is anticipated the amount will be similar to the HHAP Round 3 amount. The HHAP4 allocations will be announced after the 2022 homeless point in time counts are certified and released by the Department of Housing and Urban Development. The HHAP4 application requirements have been modified to accommodate this delayed timeline. Instead of providing a detailed budget with the HHAP4 application, the Housing Department will provide information regarding planned expenditure categories and strategic intent. Detailed budgets will be required prior to contracts for HHAP4 funds being executed.

HHAP4 will be released in two disbursements. Upon approval of the HHAP4 application, Cal-ICH will disburse 50% of the City of San José's total allocation. The Housing Department must contractually obligate no less than 75%, and expend no less than 50%, of its first disbursement in order to receive the second disbursement. If the City successfully meets the state approved outcome goals for HHAP4 funded programs by June 30, 2025, the state will provide a bonus award. The total allocation must be fully expended by June 30, 2027. HHAP4 funds not expended by the June 2027 deadline must be returned to the state. A final report on HHAP4 must be submitted to Cal-ICH by October 1, 2027.

HHAP4 Funding

This memorandum focuses on the City’s HHAP4 preliminary funding plans for public comment.

The Housing Department will identify activities, including homeless youth set-aside resources, in categories intended to be supported by HHAP4 funds. Since the exact amount allocated to the City has not been released, Cal-ICH is requesting approximate percentages of each eligible use categories. The table below lists the HHAP4 eligible uses:

<b>HHAP4 Eligible Uses</b>	
<ul style="list-style-type: none"> <li>• Rapid rehousing, rental subsidies, incentives to landlords</li> <li>• Operating subsidies or reserves in new and existing sites</li> <li>• Street outreach to assist persons experiencing homelessness to access permanent housing and services</li> <li>• Services coordination needed to promote housing stability in supportive housing</li> <li>• Interim sheltering</li> </ul>	<ul style="list-style-type: none"> <li>• Systems support to create regional partnerships and maintain a homeless services and housing delivery system</li> <li>• Prevention and shelter diversion to permanent housing, including financial assistance</li> <li>• Delivery of permanent housing and innovative housing solutions</li> <li>• Improvements to existing emergency shelters to lower barriers and increase privacy</li> </ul>

The table below summarizes the Housing Department’s proposed HHAP4 expenditure plan:

<b>State eligible use category</b>	<b>Approximate % of HHAP4 allocation</b>	<b>Examples of potential programs and activities</b>	<b>Priorities and needs</b>
Interim Sheltering	60%	Operations and services for up to seven emergency interim housing communities, and temporary housing in motels	City Initiatives Roadmap: Emergency Interim Housing  As the portfolio of successful temporary housing communities grow, ongoing and sustainable funding for services and operations continues to be a need for the Housing Department
Street Outreach	16%	Street outreach, flexible funding for direct client assistance, encampment management,	City Initiatives Roadmap: Encampment Services, Outreach, Assistance, and Resources  Match the needs of unsheltered residents by providing basic needs

		hygiene activities, showers and laundry	services and direct referrals to shelter and housing
Prevention and Diversion	10%	Financial assistance for homeless youth	Must use at least 10% of HHAP4 allocation as a youth set aside  Per stakeholder feedback, direct flexible financial assistance is a national best practice to advance educational, employment and housing goals for youth experiencing homelessness
Systems Support	7%	Partnerships with local Youth Advisory Board and Lived Experience Advisory Board, centralized shelter hotline support	Elevate the voices of individuals with lived experience of homelessness through intentional involvement and compensation
Administration (up to 7%)	7%	Program and contract management by City staff	The Homelessness Response and Grants Teams provide daily support to partners with program and technical assistance, and contract management

**CONCLUSION**

This public hearing provides an opportunity for the City Council and the public to provide comments on the City’s HHAP4 application and specifically, how the funds may be spent. The feedback provided by the City Council and the public will inform the development of the application. The Housing Department will submit the HHAP4 application by the November 29, 2022 deadline. A more detailed expenditure plan will be submitted once the allocations are released.

**EVALUATION AND FOLLOW-UP**

Updates on the programs funded by HHAP4 will be provided in the Housing Department’s annual report on homeless programs.

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### **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

This item has been posted on the City’s website as a public hearing at the City Council meeting on November 29, 2022.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney’s Office and the City Manager’s Budget Office.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

JACKY MORALES-FERRAND  
Director, Housing Department

The principal author of this memorandum is Kelly Hemphill, Homeless Solutions Division Manager. For questions, please contact [kelly.hemphill@sanjoseca.gov](mailto:kelly.hemphill@sanjoseca.gov).