

## Federal Entitlement Programs

- **HUD CPD Entitlement Funding.** As an entitlement jurisdiction, Sacramento County (County) receives annual funding from three HUD programs administered by Office of Community Planning and Development (CPD): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships Program (HOME). HOPWA is the fourth CPD program allocated to the City of the Sacramento for use in a four-County region, including the Sacramento County.

CPD funds are awarded to entitlement jurisdictions using an allocation formula considering several factors. For example, CDBG is allocated based on factors such as population, people in poverty, and housing conditions. HOME factors consider housing need. Sacramento County's allocations are generally based on the unincorporated county population (or that of any consortia, as noted below).

County entitlement funding is approved annually by the Board through the Annual Action Plan approved typically in November and priorities are framed within the five-year Consolidated Plan. SHRA administers funding on behalf of County. CPD programs have some flexibility within specified program parameters.

- **CDBG** is aimed at activities that benefit low- and moderate-income neighborhoods and persons, including persons experiencing homelessness. Eligible activities include housing rehabilitation, construction of public facilities and infrastructure, and public services. Homeless services are eligible under the public services category, capped at 15%.

The County receives CDBG for the unincorporated area and the cities of Folsom, Isleton and Galt. The cities of Sacramento, Elk Grove, Rancho Cordova, and Citrus Heights receive entitlement CDBG allocations as well.

- **ESG** is aimed specifically at persons experiencing homelessness to assist them to quickly regain stability in permanent housing. Eligible activities include street outreach, shelter, re-housing, and prevention. The County receives ESG funding for unincorporated County; the City of Sacramento also receives ESG funding directly from HUD.
- **HOME** funds can support affordable housing development (new construction or rehabilitation) for low-income households, assistance to homebuyers, and tenant-based rental assistance. The County receives HOME for the unincorporated county and for the cities of Citrus Heights and Rancho Cordova (10 percent and 8 percent, respectively). Additional HOME funds are generated through loan repayments. The City of Sacramento receives entitlement HOME funding.
- **HOPWA** funds support local housing projects and programs that serve low-income people living with HIV/AIDs, including, but not limited to, people experiencing homelessness.

- State Administration of HUD CPD Non-Entitlement Funding. The State of California (State) administers CPD funding for non entitlement jurisdictions who do not receive a direct CPD allocation or participate in a consortia with an entitlement jurisdiction). Under current State rules, State ESG is allocated by formula to Counties for activities to be administered on behalf of the entire county. SHRA administers State ESG on behalf of Sacramento County with decision making delegated by the board to the SHRA Commission.
- Special COVID-19 Allocations. Under the CAREs Act, special allocations of CDBG and ESG were made in 2020 for eligible activities responsive to COVID-19. The County of Sacramento allocated a majority of their CDBG CV and ESG CV and the City of Sacramento allocated a portion of their ESG CV to the collaborative COVID-19 response, including preventative isolation and medical quarantine units.
  - In 2020, CDBG-CV awards were made to the County and the cities of Sacramento, Citrus Heights, Elk Grove, and Rancho Cordova. There were three allocations of CDBG-CV funding, and each jurisdiction received funding in two of the funding cycles (cycle 1 and cycle 3).
  - In 2020, ESG-CV awards were made to the County and City of Sacramento in two rounds (ESG-CV-1 and ESG-CV-2). ESG-CV funding was calculated based on the needs in the geography covered by the Continuum of Care (in Sacramento, the entire County), but allocate to entitlement jurisdictions within the CoC geography. ESG-CV funds were intended to support sheltering and re-housing efforts to the homeless population impacted by COVID-19 throughout the County.
- Continuum of Care (CoC). HUD provides funding to collaborative applicants designated to administer funding on behalf of the local Continuum of Care body to quickly rehouse persons experiencing homelessness. While the majority of collaborative applicants are counties, the nonprofit Sacramento Steps Forward serves as the collaborative applicant for the Sacramento City/County Continuum of Care with the CoC Board making funding decisions. The CoC applies annually and manages CoC grants (primarily for permanent supportive housing and rapid re-housing projects) and receives funding as well for other required activities, including managing the Homelessness Management Information System (HMIS), conducting the Housing Inventory Count, and reporting to HUD on system performance measures.

### **State Formula Programs (non-competitive)**

In recent years, the State has made annual allocations through the budget process via several new one-time programs for homeless-related activities. Programs are administered through different State departments with varying, unpredictable funding cycles and varying spending cycles. Program requirements, including population targeting, and eligible activities, as well as application processes also vary within each program. While the programs are categorized as noncompetitive using a funding formula, application and reporting processes are extensive.

- California Emergency Solutions Grant and Housing (CESH). In 2019, State Department of Housing and Community Development allocated one-time funding to Continuums of Care for a variety of activities, including re-housing services, shelter operations, operating subsidies for permanent housing as well as for system support in developing coordinated entry or improving HMIS. Sacramento City/County CoC received over \$900,000.
- Homeless Emergency Aid Program (HEAP). In 2019, State Business, Consumer Services and Housing Agency (BCSH) allocated funding to large cities (including the City of Sacramento) and to Continuums of Care. Eligible activities were quite broad and included street outreach, prevention, rental assistance/subsidies, new shelter development, sanitation stations, among other activities. Sacramento County did not receive a direct allocation; however, it administered funding in County programs on behalf of the CoC. The City of Sacramento and CoC received over \$18 million in funding.
- Homeless Housing, Assistance, and Prevention (HHAP). State BCSH allocated HHAP funding in two funding rounds to large cities (including City of Sacramento), Continuums of Care, and Counties. Eligible uses were similar to HEAP and included rental assistance, operating subsidies in shelters and permanent housing, landlord incentives, outreach. In Sacramento, the City of Sacramento received over twice the allocation made to the County and the CoC.
- Permanent Local Housing Allocation (PLHA). The passage of SB2 in 2017, established a recording fee on real estate documents, the proceeds of which are to be used to increase the supply of affordable housing. Pursuant to SB2, 70% of funds from Year 2 and beyond will be distributed to cities and counties through the PLHA on an entitlement basis in accordance with the federal CDBG formula. PLHA can be used to support housing development, rental assistance, case management, accessibility modifications and homeownership opportunities. Because the number of real estate transactions recorded annually can vary, the annual PLHA amount can also fluctuate. In Year 2, Sacramento County received \$2.7 million.

### **Federal and State Competitive Funding Programs**

On an intermittent basis, Federal and State agencies may offer competitive funding for homelessness-related services that is usually one-time or of limited duration (e.g., over several years). Competitive programs are generally prescriptive in terms of eligible activities and target populations and may be targeted narrowly to eligible applicants. Competitions may require leverage and multi-agency collaboration. Funding and spending cycles vary. Recent examples where Sacramento County competed successfully funding include:

- Bringing Families Home (BFH) through State Department of Social Services (DSS) administered by County child welfare agencies for child welfare—involved families experiencing or at imminent risk of homelessness for prevention and re-housing services that include financial assistance and supportive services.

- Home Safe through State Department of Social Services (DSS) administered by County Adult Protective Services (APS) agencies for APS clients provided small grants for prevention and re-housing services that include financial assistance and supportive services.
- Pending grant for Housing for a Healthy California (HHC) through State Department of Housing and Community to Development to be administered collaboratively by DHA and DHS provides rental assistance for up to five years for Medi-Cal eligible people experiencing homelessness also experiencing a serious mental illness. Supportive services provided through Behavioral Health Services.

### Countywide Mainstream Funding

- County-Administered Mainstream Services. Counties and other entities administer State and federal funding for a variety of countywide services including primary health, behavioral health, income benefits, and employment available to any person qualifying for the service, including persons experiencing homelessness. With the exception of the State's CalWORKs Housing Support Program (HSP), mainstream funding does not specifically fund homeless services- such as outreach, sheltering, re-housing, case management - for persons experiencing homelessness.

However, County mainstream services are essential for persons experiencing homelessness or housing instability to stabilize, gain or retain housing, and improve stability and quality of life. And, while eligibility and services are prescribed, where there is flexibility, the County has tailored access and services to better reach and serve qualifying persons experiencing homelessness. Examples of access and services tailored this population include:

- Specialized access to Behavioral Health Services through welcoming day centers such as Guest House and Consumer Self-Help and through a dedicated access clinician visiting shelters on a rotating basis. In addition, the Community Support Team provides a field response, including to persons experiencing homelessness, with navigation and access support.
- Re-Housing and housing stabilization services are offered to eligible individuals and families receiving mental health services. Assistance includes financial assistance and housing application assistance.
- Permanent Supportive Housing. Behavioral Health Services provides ongoing supportive services in both built units and in scattered site permanent supportive housing using Mental Health Services Act (MHSA) funding in Full Services Partnership. MHSA can also fund capital funding for built units (for example, in the No Place Like Home developments). Behavioral Health funding plays a critical part in creating new permanent supportive housing opportunities.
- CalWORKs Housing Support Program (HSP) is a program funded by the State Department of Social Services and administered by DHA using federal CalWORKs funding to offer short-term rental assistance and case management services to CalWORKs families at risk of or experiencing homelessness.

- County and City Public Housing Authority (PHA) Resources Administered by SHRA. In addition to mainstream services administered by County departments, the County and City Public Housing Authorities administer housing resources important to persons experiencing homelessness or housing instability, including Housing Choice Vouchers (HCV) and public housing. These resources provide ongoing rental assistance, a critical need for a portion of the homeless population. In 2017, the Board of Supervisors approved a three-year pilot to develop a set-aside of HCVs within the general voucher program and to continue to “project-base” vouchers to facilitate new permanent supportive housing. In addition to these vouchers, SHRA administers both the VASH and Shelter + Care programs through special HUD allocations serving homeless populations with ongoing housing support and services.
- Anti-Poverty Programs. While the majority of mainstream services in the County are administered by County departments, other agencies administer critical services to assist persons living in poverty, including persons experiencing homelessness or housing instability. Examples of such program include:
  - Community Services Block Grant (CSBG) program, administered by the Sacramento Employment and Training Agency (SETA). CSBG is a State-administered program that provides direct grants through local Community Action Agencies to provide services to people living in poverty, including rental and utility assistance.
  - Emergency Food and Shelter Program (EFSP), administered by a local board supported by Community Link. EFSB is funding allocated through the Federal Emergency Management Administration (FEMA) to provide emergency food and shelter services to people experiencing or at risk of food insecurity or homelessness.

### **General Funds and Other Local Funds**

- General Fund. Available to all jurisdictions, the County allocates general funds to homeless services and interventions. General funds are flexible and can be used to leverage other resources or fill a critical gap in services. Given the flexibility in targeting and services, it is critical to continually evaluate their impact and effectiveness. Sacramento County uses general fund for critical homeless services that are approved by the Board in the annual budget.
- Local Housing Trust Fund (HTF) and Affordable Housing Fees. In addition to local General Fund, Sacramento County generates resources for affordable housing development in the unincorporated County. The Local Housing Trust supports workforce housing and is supported by fees on nonresidential construction (\$406,770 collected in 2019). The Affordable Housing Ordinance generates revenue through fees on residential construction (\$2.2 million collected in 2019).

LOCAL RECIPIENT OF FUNDS							
Countywide	Unincorp. County	City of Sacramento	Other Cities			Continuum of Care (Countywide)	
			CH	EG	RC		

Federal Entitlement	Annual CPD Funding	CDBG (FY21 amount)	✓	✓	✓	✓	✓		
			\$5.9m	\$4.9m	\$600k	\$924k	\$600k		
		ESG – Federal (FY20 amount)	✓	✓					
			\$506k	\$422k					
		HOME <sup>1</sup> (FY21 amount)	✓	✓	*		*		
			\$3.3m	\$2.6m					
		HOPWA <sup>2</sup> (FY21 amount)		✓					
				\$1.5m					
		State ESG	✓						
			\$216k						
		Special COVID-19 Allocations	CDBG-CV-1 (total amount)	✓	✓	✓	✓	✓	
				\$3.5m	\$2.9m	376\$k	\$543k	\$373k	
			CDBG-CV-3 (total amount)	✓	✓	✓	✓	✓	
			\$4.1m	\$3.6m	\$544k	\$762k	\$488k		
		ESG-CV-1 <sup>3</sup> (total amount)	✓	✓					
			\$1.7m	\$1.5m					
		ESG-CV-2 (total amount)	✓	✓					
			\$11.9m	\$10.2m					
	Continuum of Care (CoC) (FY20 amount)							✓ \$27m	

LOCAL RECIPIENT OF FUNDS							
Countywide	Unincorp. County	City of Sacramento	Other Cities			Continuum of Care (Countywide)	
			CH	EG	RC		

Annual State Competitive	HDAP (FY20 amount)	✓					
		\$1.4m					

<sup>1</sup> Cities of Citrus Heights and Rancho Cordova are included in the Sacramento County HOME Consortium.

<sup>2</sup> HOPWA allocation covers four counties: Sacramento, El Dorado, Placer, and Yolo

<sup>3</sup> SHRA received additional ESG-CV funding through State allocation process, to serve entire County



LOCAL RECIPIENT OF FUNDS				
Countywi	Unincorp.	City of	Small Cities	Continuum

		LOCAL RECIPIENT OF FUNDS							
		Countywide	Unincorp. County	City of Sacramento	Other Cities			Continuum of Care (Countywide)	
					CH	EG	RC		
State Formula Programs	non-competitive, formula based	CESH-1 (2018-2022)						✓ \$1.6m	
		CESH-2 (2019-2023)						✓ \$900k	
		HEAP (Jan 19 – June 21)			✓ \$5.6m				✓ \$12.7m
		HHAP-1 <sup>4</sup> (FY21 amount)	✓ \$6.1m		✓ \$13.7m				✓ \$6.6m
		HHAP-2 <sup>5</sup> (FY21 amount)	✓ \$2.8m		✓ \$6.5m				✓ \$3.0m
		PHLA <sup>6</sup> (Year 2-2019 proceeds)		✓ \$2.7m	✓ \$2.4m				

		LOCAL RECIPIENT OF FUNDS						
		Countywide	Unincorp. County	City of Sacramento	Other Cities			Continuum of Care (Countywide)
					CH	EG	RC	
One-Time Programs <sup>7</sup>	competitive	BFH (3 year amount)	✓ \$1.3m					
		Home Safe (3 year amount)	✓ \$263k					
		HHC <sup>8</sup> (5 year amount)	✓ \$9.9m					

<sup>4</sup> There are no regulations on the geography covered by the County’s HHAP allocations; it is presumed to intention is to serve the entire County (except the City of Sacramento, which received its own allocation)

<sup>5</sup> HHAP-2 allocation applied for and expected to be received in FY20/21, but is funding activities in FY21/22 through FY23/24

<sup>6</sup> For the Year 2 allocation, the Board of Supervisors approved \$300,000 for rental assistance for seniors at risk of experiencing or experiencing homelessness

<sup>7</sup> Grant types and amounts in other jurisdictions are unknown

<sup>8</sup> Contract pending with State



Service Intervention with Eligible Funding Sources  
April, 2021

	<b>General Purpose/Description</b>	<b>Public Funder<sup>i</sup></b>	<b>Funding Source General Homeless Population<sup>ii</sup></b>	<b>Funding Source Limited Homeless Population</b>
<b>Street Outreach</b>	Engage unsheltered persons to transition to sheltering and other basic needs. Street outreach may be proactive or responsive. Outreach teams may support encampment transitions, when required.	Jurisdictions County <sup>iii</sup>	ESG CDBG <i>HEAP/HHAP</i> <sup>iv</sup>	MHSA (BHS clients only) <i>Whole Person Care</i>
<b>Day Centers</b>	Offer respite, hygiene and connection to services for unsheltered population.	Jurisdictions County	ESG <i>HEAP/HHAP</i>	MHSA (BHS clients only)
<b>Shelter Operations</b>	Sheltering programs assist clients with basic needs and may help transition to permanent housing.	Jurisdictions	ESG CDBG <i>HEAP/HHAP</i>	
<b>Rapid Re-housing</b> <i>(short term rental assistance &amp; case management)</i>	Services assist clients locate and secure and typically includes short-term rental assistance and case management services.	Jurisdictions County CoC	ESG CDBG HOME CoC <i>HEAP/HHAP</i>	MHSA (BHS clients only) CalWORKS HSP HDAP <i>Bringing Families Home HomeSafe</i>
<b>Permanent supportive Housing</b> <i>(ongoing rental assistance and case management)</i>	May be tied to PSH developments or to clients living in private housing	County CoC PHA	CoC Specialized Housing Choice Vouchers: <ul style="list-style-type: none"> <li>• VASH</li> <li>• Shelter +Care</li> <li>• P3</li> <li>• Local homeless set-aside</li> <li>• project based</li> </ul> Tenant Based HCV when matched with services	MHSA (BHS Clients only)

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<b>Ongoing Rental Assistance Only</b>	May be tied to PSH developments (project based) or to clients living in private housing	PHA	Housing Choice Voucher (tenant based)	
<b>Case Management Services Only</b> <i>(short term or ongoing)</i>	Individualized, stabilizing case management services connecting clients to community based and mainstream services.	County	ESG	MHSA (BHS Clients only)
<b>Development of Permanent Supportive Housing</b>	Development of new or rehabilitated affordable housing	Jurisdictions PHA	HOME Local Funds Housing Choice Voucher (project based)	MHSA (BHS Clients only)

<sup>i</sup> Private entities (PBID, hospitals, philanthropy) may fund activities in whole or in part.

<sup>ii</sup> General Fund is fundable in all categories.

<sup>iii</sup> County may fund activity as jurisdiction for unincorporated County (with the second highest homeless population) or operate programs countywide, typically when using mainstream resources or other resources dedicated to entire County.

<sup>iv</sup> Italicized sources are one-time funding or interim funding source that may support activity for period of funding.