

2015 Emergency Solutions Grant (ESG) Program Re-design Webinar



Continuum of Care Organizations
Tuesday, November 18, 2014

ESG Stakeholders
Wednesday, November 19, 2014



Today's Webinar Presenters

- Cindy Cavanaugh, Assistant Deputy Director, Homelessness and Housing Policy, HCD
- Christina Di Francesco, Senior Specialist, HCD
- Katharine Gale, Principal Associate, Focus Strategies



Webinar Objectives

- Share key objectives and features of State ESG program re-design
 - Implemented through State regulations in 2015
- Begin interactive discussion between HCD and stakeholders
 - Continuums of Care (CoCs)
 - Cities and Counties
 - Homelessness Services and Housing Providers



Webinar Participation

- Submit questions/comments using the “chat” icon on the toolbar at the top of your screen.
- After each webinar section, we will answer clarifying questions.
- At the end of our presentation, we will share and discuss comments, as time permits.



Ongoing Participation

- We have asked stakeholder questions throughout and will schedule additional opportunities (such as conference calls and individual calls) in December and January.
- Written comments are also welcome.
- Regulations will follow formal stakeholder comment processes.



Webinar Outline

1. National Context
2. State Goals and Objectives
3. Key Program Design Features
 - Formula Allocation
 - Continuum of Care Funding Pool
 - Balance of State Funding Pool
 - Delivering Impactful Programs
4. Next Steps

National Context





National Context

- HEARTH Act (2009) changes HUD programs and national approach
- ESG – from Emergency Shelter Grant to Emergency *Solutions* Grant
- Requires greater collaboration and alignment between ESG and CoC
 - Planning
 - Resource Allocation
 - Performance Evaluation



National Context

- CoC leadership role to develop systems, system-wide guidance and processes
 - Formalized decision-making and governance process
 - Coordinated assessment system for all programs
 - HMIS: CoC is ultimately responsible for selecting and administering
 - Written standards for performance measures, how assistance is given, and to whom for all program types (for ESG, standards developed collaboratively with entitlement jurisdiction)



National Context

- CoC leadership role to develop systems, system-wide guidance and processes (cont'd)
 - Performance evaluation and reporting – system and project-level
 - CoC and ESG-funded projects must
 - Participate in CoC processes and systems
 - Adhere to CoC standards



National Context

- 2010 Opening Doors federal plan calls for transformation of homeless services to local “Crisis Response Systems” that prevent homelessness and rapidly return people who experience homelessness to stable housing.
- Expansion of Rapid Re-housing as a core system strategy
 - Eligible under both ESG and CoC
- Focus on improving targeting of other deeper resources



National Context

- Increased emphasis on outcomes
 - How many experience homelessness, for how long, how quickly leave homelessness, whether later return to homelessness
 - Use data to drive system design and measure program and system performance.



National Context

- Lessons from Homelessness Prevention and Rapid Re-housing program (HPRP) and Supportive Services for Veteran Families (SSVF)
 - Rapid Re-housing effective with many different populations
 - Benefits from coordination with other programs and services
- Housing First principles and strategies proven effective and applicable to all kinds of programs.

State Goals and Objectives





State Goals and Objectives

- Update State ESG program, including State regulations
 - Align with local systems
 - Increase consistency with federal ESG changes and HEARTH requirements
- Improve coordination with local community-wide planning efforts and investment
 - Rely on local decision-making and oversight, where feasible



State Goals and Objectives

- Facilitate investment in impactful activities that further key performance goals
 - Shortening time people experience homelessness
 - Reaching all who experience homelessness
 - Increasing positive housing outcomes
 - Other HEARTH performance goals



State Goals and Objectives

- Modify intensive annual competition
 - Shift State and local focus to outcomes, promoting best practices, and continuous improvement
 - Reduce number of State contracts
- Improve geographic coverage of funded activities
 - Develop provider/system capacity throughout the State





State Goals and Objectives

Are there other goals we should consider important?



Key Program Design Features: Formula Allocation





Formula Allocation

- Use formula allocation and assessment of capacity to determine funding levels
 - CoC Funding Pool: CoCs meeting capacity and funding thresholds receive pass-through funding to administer ESG activities benefitting their non-entitlement communities.
 - Balance of State Funding Pool: Providers in remaining communities participate in streamlined competition that encourages regional collaboration and CoC involvement.



Formula Allocation

- Formula is intended to measure community need in non-entitlement areas within CoC service area.
- Minimum administrative capacity to participate in CoC funding pool is based on whether CoC contains at least one ESG entitlement jurisdiction.



Formula Allocation

Factor	Data Source
Number of people experiencing homelessness adjusted by ESG non-entitlement population in the CoC area	CoC Point in Time Homeless Count
Number of extremely low income renter households with severe cost burden in ESG non-entitlement jurisdictions	American Communities Survey
Poverty rates in ESG non-entitlement areas (weighted 2X)	American Communities Survey



Formula Allocation

**If we consider \$200k in
State ESG as funding**  **23 CoCs**
threshold

With administrative 
capacity **19 CoCs**

Looking at CoCs with 
both **12 CoCs**



Formula Allocation

Demographic Snapshot

(includes both entitlement and non-entitlement data)

	Persons Experiencing Homelessness 2013 PIT	Population
12 CoCs	98,270	28.1M
Total State	136,826	36.9M
12 CoCs as % of Total State	72%	76%



Formula Allocation

Does a two-pronged funding approach advance State objectives?



Are the formula factors appropriate?



Formula Allocation

Does the capacity determination make sense? Do you have other ideas?



Is the minimum allocation of \$200k to receive formula allocation in the CoC funding pool appropriate?

Key Program Design Features: CoC Funding Pool





CoC Funding Pool

PRELIMINARY 12 CoCs Meeting Capacity and Funding Thresholds

Los Angeles City and County Santa Ana/Anaheim/Orange CO.

Fresno/Madera County San Jose/Santa Clara City /County

San Diego City and County Riverside City and County

Oakland/Alameda County San Bernardino City and County

Richmond/Contra Costa
County Salinas/Monterey/San Benito
Counties

Santa Maria/Santa Barbara
County Santa Rosa/Petaluma/Sonoma
County

PRELIMINARY- For Discussion



CoC Funding Pool

- Streamlined CoC application
 - ESG administrative agent described and administrative capacity demonstrated
 - Provider selection process described
 - Activity(ies) and provider(s) identified (may be condition of contract)
- CoC Discretion
 - Activity priorities, funding levels, and providers (consistent with federal and State requirements)
 - Limited additional State priorities identified in annual funding announcement



CoC Funding Pool

- Through single State contract, CoC responsible for:
 - Provider selection
 - Provider monitoring
 - State reporting, using HMIS data
 - Identifying matching funds
- State would share administrative costs up to 1.5% of the activity amount.



CoC Funding Pool

Do local government partners or CoCs have funding to cover the administrative gap?



What should HCD be aware of to help make this option viable?

What challenges do you see?

Key Program Design Features: Balance of State Funding Pool





Balance of State Funding Pool

- HCD administers annual or bi-annual competition.
- In any given year, as disclosed in Annual Action/Consolidated Plan, State may limit funded activities to fewer than four core components:
 - Emergency Shelter
 - Rapid Re-housing
 - Homelessness Prevention
 - Street Outreach



Balance of State Funding Pool

State Goals	Initial ideas
<ul style="list-style-type: none">• Regional efficiencies and collaboration• Expanding geographic coverage of funded activities• Reducing number of applications and contracts	<ul style="list-style-type: none">• Regional funding pool based on formula factors• Limiting number of applications/contracts in each region• Rewarding programs with capacity to offer services throughout a region or portion of region



Balance of State Funding Pool

- Potential evaluative factors include
 - Meeting highest need as identified by CoC and integrating with CoC strategies and investments
 - Impactful outcomes based on HEARTH measures
 - Use of coordinated assessment
 - Cost efficiency
 - Employing best practices such as housing first and progressive engagement



Balance of State Funding Allocation

How do we best encourage regional collaboration?



How is the CoC endorsement and participation made meaningful?

What challenges do you see?

Key Program Design Features: Delivering Impactful Programs





Delivering Impactful Programs

- Applies to both funding pools
- State would set minimum standards in several areas
 - Activity written standards
 - Housing First practices
 - Progressive engagement
 - Performance improvement
- State would use program and system level outcomes to evaluate ongoing investments



Delivering Impactful Programs

Which program performance and system level outcomes should be examined?



Next Steps





Next Steps

Tentative Timeline

**Community feedback on
conceptual design**

**November 2014 –
January 2015**

Complete program design

February – April 2015

**Regulation or Guideline
process, including formal
public comment periods**

May – October 2015



Thank you for attending

Thank you for your time and participation.

Please direct comments to
Christina DiFrancesco

Christina.DiFrancesco@hcd.ca.gov