

Homekey Round 3 Housing First Guidance

Requirements for Homekey Round 3

The Homekey Program application requires:

- A supportive Services Plan, which includes the Housing First Checklist. A sample checklist is located on Attachment B of this document for reference.
- A completed Coordinated Entry System (CES) Participation and Continuum of Care (CoC) Coordination Form reviewed and signed by the CoC confirming that the Eligible Applicant will utilize the Coordinated Entry System (CES), or a comparable prioritization system, in the selection of Homekey tenants, acknowledging the utilization of the Homeless Management Information System (HMIS) for data entry, and overall CoC support of the proposed Homekey project.

Housing First Overview and Background

State law, under [Senate Bill \(SB\) 1380](#), mandates all state-funded housing programs to utilize Housing First principles (WIC § 8255). Under the new state programs definition established by AB 1220, and effective January 1, 2022, state programs that fund emergency shelter are no longer exempt from WIC § 8256(a).

Housing First is an evidence-based, client-centered approach that recognizes housing as necessary to make other voluntary life changes, such as seeking treatment or medical care. This approach is in contrast with the traditional model of rewarding “housing readiness.” The goal of Housing First is to provide housing to individuals and families quickly with as few obstacles as possible, along with voluntary support services according to their needs. Practical examples of what is and what is not Housing First are included on Attachment A.

According to Housing First law ([SB 1380](#)), the “Core components of Housing First” means all of the following:

1. Tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
2. Applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
3. Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness.
4. Supportive services that emphasize engagement and problem solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals.

5. Participation in services or program compliance is not a condition of permanent housing tenancy. Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California's Civil, Health and Safety, and Government codes.
6. The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
7. In communities with coordinated assessment and entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants based on criteria other than "first-come-first-serve," including, but not limited to, the duration or chronicity of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-need homeless residents.
8. Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including, but not limited to, motivational interviewing and client-centered counseling.
9. Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants' lives, where tenants are engaged in nonjudgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the tenant so chooses.
10. The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health and community and independence among tenants.

Homekey and Housing First

Homekey was initially created in 2020 to quickly convert hotels, motels, and other facilities to interim and permanent housing for people experiencing homelessness and either positive for COVID-19 or at high-risk for complications if they became infected with COVID-19. The following state budget enacted a second round of funding in July 2021. Homekey is known for its flexibility and ability to rapidly rehouse people experiencing homelessness, which is closely aligned with Housing First principles.

Supportive Services

A successful Homekey Project that integrates Housing First principles must provide adequate supportive services, but tenant participation is not required. Since services are voluntary, service providers should be skilled at proactively engaging clients and implementing culturally competent evidence-based practices, such as motivational interviewing, harm reduction, and nonjudgmental communication. Service providers should also establish effective working relationships with the tenants' property management (and vice versa) whenever possible.

Homeless Youth

The statute authorizing Homekey ([AB 140](#)), mandates an eight percent set-aside for projects serving youth experiencing homelessness or youth at risk of homelessness. Housing First law (SB 1380) requires programs use a [positive youth development model](#) and culturally competent services for youth under 25 years of age. In addition, many youth experiencing homelessness are [former foster youth](#) and/or identify as [lesbian, gay, bisexual, transgender, or queer \(LGBTQ+\)](#). Services should be competent to serve these and other groups that are overrepresented in the homelessness system.

Racial Equity

Before the COVID-19 pandemic, [homelessness data](#) showed black, indigenous, and people of color (BIPOC) were overrepresented in the homelessness system. The pandemic made [racial disparities](#) more apparent. These disparities also strengthened the notion that [Housing is Healthcare](#). Housing equity is essential to racial equity and the first round of Homekey was groundbreaking by requiring the incorporation of racial equity considerations. Subsequent rounds of Homekey can further reduce disparities among BIPOC to ensure that every California resident can live, work, and play in healthy communities of opportunity. Because BIPOC are disproportionately represented within the unhoused population, the traditional "[housing readiness](#)" serves as a significant disadvantage and can reinforce inequities. In this context, Housing First is a model more likely to attain equitable [housing and health outcomes](#).

Housing First as an Evidence-Based Practice

Research shows that Housing First is successful at transitioning recipients into permanent housing and reduces other public service costs. According to the [United States' Interagency Council on Homelessness \(USICH\)](#), "costs for emergency shelter, and visits to hospital emergency rooms, are significantly lower for people who receive an intervention offered using Housing First approaches". The [National Alliance to End Homelessness \(NAEH\)](#) states that between 75 percent and 91 percent of recipients of Housing First-compliant Rapid Rehousing services are successful at remaining housed, and up to 98 percent of recipients of Housing First-compliant Permanent Supportive Housing remain housed. Additional research and information about Housing First are included at the end of this document.

[Two Housing First models](#) include Permanent Supportive Housing (PSH) and Rapid Rehousing (RRH). PSH includes long-term rental assistance and supportive services that target populations with the most significant health, mental health, and/or substance use challenges. RRH is appropriate for a wider range of tenants and also provides rental assistance and supportive services.

Attachment A: Examples of Housing First Principles in Action

HOUSING FIRST ✓	✗
Remove Unnecessary Barriers to Housing	
<ul style="list-style-type: none"> • Application decisions are quick, clear, and transparent • Employ Harm Reduction approach to substance abuse • Reasonable accommodations offered in the screening and application process 	<ul style="list-style-type: none"> • Deny many housing applications and require lengthy appeals process for approval • Require clean and sober living • Applicants rejected due to not being “housing ready.”
Offer Services, Not Require Them	
<ul style="list-style-type: none"> • Engage with clients to build a service plan that suits their needs • Help clients understand how services help them maintain housing 	<ul style="list-style-type: none"> • Impose consequences for lack of participation in services • Expect clients to participate in services that are not beneficial to them
Allow for Client Choice in Housing Placement	
<ul style="list-style-type: none"> • Ask clients about their priorities for housing • Provide housing with attractive location and amenities 	<ul style="list-style-type: none"> • Place clients in housing without discussing whether it meets their needs • Limit the number of times a client can decline a housing referral
Meet Clients Where They Are	
<ul style="list-style-type: none"> • Ensure clients have a complete understanding of house rules and behavior expectations • Understand clients’ housing barriers and work with them to make progress in addressing them • Allow clients the same freedoms afforded to other renters in the area • Prevent eviction whenever possible 	<ul style="list-style-type: none"> • Issue written demerits or warnings for rules violations without discussing how to avoid the violation • Initiating eviction process due to minor rules violations • Creating rules that are stricter than those for standard renters in the area
Build Client Success into Policies	
<ul style="list-style-type: none"> • Provide proactive updates and maintenance of service plans • Communicate clear and accessible written policies to relay and report issues with units and services • Produce timely and consistent action steps to resolve concerns and maintain housing • Allot space and provide resources for a wide array of services • Practice respect for tenant rights and privacy 	<ul style="list-style-type: none"> • Practicing inconsistent and ever-changing policies and procedures • Having undetermined and undistinguishable timelines for client follow up • Providing inadequate resources and space to sustain supportive services

<p style="text-align: center;">Housing Permanency (C)</p> <p style="text-align: center;">✓ ✘</p>	<p>(1) Substance use in and of itself, without other lease violations, is not considered a reason for eviction.</p>	<p>(2) Tenants in supportive housing are given reasonable flexibility in paying their share of rent on time and offered special payment arrangements for rent arrears and/or assistance with financial management, including representative payee arrangements.</p>	<p>(3) Every effort is made to provide a tenant the opportunity to transfer from one housing situation, program, or project to another if tenancy is in jeopardy. Whenever possible, eviction back into homelessness is avoided.</p>	<p>(4) Program Requires Housing Providers to Provide Tenants with Leases and Reflects Tenants' Rights & Responsibilities Of Tenancy Under CA Law <i>(including eviction protections)</i></p>	