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Fiscal Year 2019-20 Home Sonoma County Consolidated Notice of Funding Availability (NOFA) Funding Policies

Federal CDBG Public Services and ESG Funding Programs

State ESG Funding Program

Low- and Moderate-Income Housing Asset Fund (LMIHAF-Services)

Community Services Funding (CSF) Program

Winter Shelter Expansion Grants Program

And one-time funds:

California Emergency Solutions & Housing Program (CESH)

State Homeless Emergency Aid Program (HEAP)

Sonoma Valley Homeless Initiative Funding

Partnership HealthPlan of California Housing Innovation Grants

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1. Overview

The Fiscal Year 2019-20 Home Sonoma County Consolidated Notice of Funding Availability (NOFA) governs the allocation and administration of **\$9,291,527** in combined annual and one-time federal, state, and local funding for homeless services in Sonoma County.

The Consolidated NOFA is consistent with federal rules, statutes, and regulations, as well as local priorities. It includes funds from the U.S. Department of Housing and Urban Development's (HUD) Public Services Community Development Block Grant (CDBG), the federal and State Emergency Solutions Grants (ESG), and several local homeless services funding sources. This NOFA will also govern the administration of one-time funding allocations from California Emergency Solutions and Housing (CESH), the State Homeless Emergency Aid Program (HEAP), the Sonoma Valley Homeless Initiative, and the Partnership HealthPlan Housing Innovation Grant.

The Consolidated NOFA incorporates goals and objectives from Sonoma County's federal 2015 Consolidated Plan that designate CDBG and ESG funds for the use of promoting proven, effective strategies for homelessness prevention and intervention countywide. As required by HUD, the Consolidated NOFA seeks to collectively impact the following key System Performance Measures¹ of the federal Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which governs all federal and State homelessness funding:

- Decrease the length of homeless episodes
- Increase placements in safe housing for those living outside; increase placements in permanent housing for all homeless persons
- Reduce the percentage of people placed in permanent housing who return to homelessness
- Decrease the number of people experiencing homelessness for the first time
- Increase employment opportunities and incomes
- Reduce the total number of people experiencing homelessness in Sonoma County

1.1. Background

In an effort to better serve the community, the Sonoma County Board of Supervisors acting as the Community Development Commission, along with its partners in the Sonoma County Continuum of Care (the City of Santa Rosa and the City of Petaluma) created Home Sonoma County, a unified, countywide system aimed at aligning local homeless services.

Home Sonoma County's Leadership Council is the legislative body to this redesigned system; it consists of five elected officials and four community representatives and is advised by its own 25-member Technical Advisory Committee. The Leadership Council is responsible for setting the vision and direction to end homelessness in Sonoma County, and serves as the Continuum of Care Board for federal and state competitive funding processes.

The County of Sonoma, together with the cities of Cloverdale, Cotati, Healdsburg, Rohnert Park,

¹ Seven key performance measures were established by the HEARTH Act of 2009, the statute that governs all federal and State funding to address homelessness. To date, HUD has defined measurements only for the six measures described above.

Sebastopol, Sonoma, and Windsor, comprise a federal “Urban County” entitlement jurisdiction that is eligible for federal CDBG and ESG funds, as well as other HUD formula funding programs.² All future references Urban County in this NOFA indicate the eight-jurisdiction entity (the seven smaller cities listed above, plus the unincorporated County)³.

The Sonoma County Community Development Commission acts as Lead Agency for Home Sonoma County and serves as the administrator of federal entitlement funding from HUD, including this Consolidated NOFA.

1.2. Priorities

Applicants to the Consolidated NOFA are encouraged to explore creative approaches when submitting projects for review. Applications for any eligible use will be considered, provided the applicant demonstrates its ability to deliver the proposed services and manage the awarded funds.

Projects will be prioritized using the Housing First model required by state, federal and local mandates, with an emphasis given to those that increase housing placements, decrease the overall length of homeless episodes or minimize returns to homelessness from permanent housing placement.

1.3. Funding Sources

1.3.1. Federal Sources

1.3.1.1. Consolidated Plan

Under the CDBG and ESG programs, HUD requires Urban Counties to submit a five-year Consolidated Plan in order to receive direct allocations of federal community development funds. The current Consolidated Plan covers the period of July 1, 2015 to June 30, 2020 and serves as a planning document for Sonoma County that provides a basis for assessing performance

The Consolidated Plan also includes a required annual Action Plan for the use of CDBG and ESG funds. Action Plan requirements drive the timeline of this Consolidated NOFA.

1.3.1.2. Community Development Block Grant (CDBG) Public Services

The CDBG Program was created by the federal Housing and Community Development Acts of 1974 and 1987. Its primary objective is to develop viable communities through the provisions of decent housing, suitable living environments, and expanded economic opportunities, primarily for lower income persons (i.e., persons earning less than 80% of the area median income). At least 70% of Sonoma County’s CDBG funds must be used for activities that benefit lower income persons. Any programs or projects that receive CDBG funding must meet one of the following National Objectives:

- Benefit low- and moderate-income persons

² A separate set of funding policies for Capital Projects govern most CDBG funds and all HOME affordable housing funds administered by the Commission on behalf of the Urban County. After this initial mention of HOME and CDBG, only those funds governed by these Homeless Services policies will appear in this narrative.

³ Under the new Homeless System of Care structure, all HUD entitlement jurisdictions are anticipated to bring planning and funding decisions to the new Leadership Council. Though located within Sonoma County, the cities of Santa Rosa and Petaluma each qualify as separate entitlement jurisdictions and administer their own respective HUD funding allocations.

- Prevent or eliminate slums and blight
- Meet an urgent need

Up to 15% of the Consolidated NOFA’s CDBG allocation can be used for Public Services. Due to high rates of homelessness in Sonoma County, CDBG Public Services funds are allocated only to projects serving literally homeless persons, and to mandated Fair Housing-related services. Approximately \$285,000 is estimated to be available from this source in FY 2019-s2020.

1.3.1.3. Emergency Solutions Grant (ESG) Program

The ESG Program was originally authorized under the Stewart B. McKinney Homeless Assistance Act of 1987 as the Emergency Shelter Grants program and later renamed under the HEARTH Act of 2009. The ESG Program authorizes HUD grants to local governments for homelessness prevention, street outreach, emergency shelter and rapid re-housing services.

The Sonoma County Community Development Commission is the administrative body for the Urban County’s ESG program, as well as the State ESG funds allocated to Sonoma County.⁴ Approximately \$140,000 is estimated to be available from this source in FY 2019-20.

In Section 1.3.2 below, we describe \$215,000 in State ESG. Combined, approximately \$355,000 in ESG funds will be available for FY 2019-2020.

1.3.2. State Funding Sources

1.3.2.1. State Emergency Solutions Grant (ESG)

As noted above in Section 1.3.1.3., the Commission administers State ESG funds allocated to Sonoma County and conducts it as a single-funding process. Approximately \$215,000 is estimated to be available from the State for activities serving residents of Santa Rosa and Petaluma.

1.3.2.2. California Emergency Solutions and Housing (CESH) Program

In 2016, the State legislature created the California ESG program to expand key homeless services throughout the state and temporarily sustain communities that lost funding in the State’s redesign of its federal ESG program. Allocations for the 2018 California ESG were announced in January 2018 and awarded locally through the Commission’s FY 2018-19 funding cycle.

Following the 2018 ESG allocations, the State announced that the California ESG allocation would be combined with a new source known as the SB 2 Jobs and Homes Act, which designated additional funds for homeless services. According to the State, the procurement process for both of these sources would be separated from administration for its federal ESG funds. This new program is called the California

⁴ The cities of Santa Rosa and Petaluma do not receive a direct allocation of federal ESG funding. As such, these cities are “non-entitlement” communities that may access Balance of State ESG funding administered by the Department of Housing and Community Development (State HCD). State HCD has designated the Commission as an Administrative Entity for the purpose of administering State Funds.



Emergency Solutions and Housing Program (CESH).

The State has designated the Community Development Commission as the Administrative Entity for the CESH program, and the Commission submitted an application for combined CESH allocation in the amount of \$843,907. Confirmation of the award is expected in late fall 2018. Subtracting the allowance for administration of the funds (\$42,195) and with \$421,924 in FY 2018-19 funds already committed, approximately \$380,000 is expected to be available for FY 2019-2020.

1.3.2.3. State Homeless Emergency Aid Program (HEAP)

In August 2018, the California Homeless Coordinating and Financing Council announced the launch of HEAP, a one-time \$500 million statewide block grant program designed to provide direct assistance to cities and counties to address the homelessness crisis throughout California. Continuums of Care are the only eligible applicants for HEAP funds; cities and counties must participate in the collaborative process with the Continuum of Care for the region and declare a shelter crisis with a resolution by the governing body, if they wish to receive HEAP funds.

The HEAP allocation for Sonoma County is approximately \$12.1 million; \$11,505,727 will be available for capital projects or operating expenses over a two-year period. The Continuum of Care application for HEAP funds was submitted Dec. 18, 2018; per State requirements, this application contained a proposed allocation of the funds by geography and program type, throughout Sonoma County including estimated set-asides for capital projects serving jurisdictions (cities/town) or unincorporated urban service areas. Attached as Appendix A, these recommendations were shaped by analysis of the most recent data on the location and needs of different homeless subpopulations, a survey of opportunities, and input obtained through a broad-based community process.

At least half of the funds must be contractually obligated by Jan. 2, 2020, and all funds must be expended by June 30, 2021. Eligible activities and recipients are detailed below in Sections 1.4 and 2.1, as well as Appendix A.

1.3.3. Local and Private Funding Sources

The Commission administers the locally-funded County of Sonoma Community Services Funding (CSF), the Low- and Moderate-Income Housing Asset Fund Services funding (LMIHAF-Services), and a Winter Shelter Expansion Grant program. The Commission is also providing staff support for one-time funding to expand services in the Sonoma Valley through a planning initiative begun in October 2018. The Commission also acts as the lead agency in a collaborative county-wide grant process targeting housing for Partnership HealthPlan of California members.⁵

1.3.3.1. Community Services Fund (CSF)

Per direction from the Sonoma County Board of Supervisors serving as the Commission's Board of Commissioners, administration of the Community Services Fund is integrated with the Commission's annual Home Sonoma County funding process. \$610,000 in County general funds have been allocated for a wide range of services through this

⁵ Partnership HealthPlan of California is the managed Medi-Cal provider for 14 counties in Northern California, of which Sonoma County has the largest number of members. See Section 1.3.5 below.

funding process.

1.3.3.2. Low- and Moderate-Income Housing Asset Fund (LMIHAF-Services)

Following the dissolution of Redevelopment agencies in 2012, State law allowed up to \$250,000 of the annual income from post-Redevelopment assets to be used to fund homelessness prevention or Rapid Re-Housing programs.

The Sonoma County Board of Supervisors, acting as the Board of Commissioners, designated the maximum amount available in the Commission’s Low- and Moderate-Income Housing Asset Fund for this purpose. These funds are designated LMIHAF-Services dollars; the balance of the LMIHAF funds are governed by a separate LMIHAF Fund Policies document. “LMIHAF-Services” refers solely to the homeless program-dedicated portion of LMIHAF assets that are subject to these policies.

1.3.3.3. Winter Shelter Expansion Grant Program

In 2016, following several years of ad hoc efforts to provide additional shelter during the winter months, the Sonoma County Board of Supervisors allocated \$210,000 in County general funds for winter shelter expansions through the County’s annual budget process. These funds are administered through Home Sonoma County’s 2019-2020 funding cycle.

1.3.3.4. Sonoma Valley Homeless Initiative Funding

Through the County’s FY 2018-19 Supplemental Budget process, \$250,000 in one-time County general funds were allocated to strategically address homeless services gaps for Sonoma Valley residents. This includes services gaps that prior to the 2017 fires and those that have increased since the disaster. Funds are intended to build local capacity and ensure homeless residents in the Valley can access local services that are consistent with national best practices.

Objectives follow federal and state mandates and include implementing access to the Coordinated Entry System, prioritizing limited resources for those who have been homeless the longest or are physically the most vulnerable, and incorporating the core principles of Housing First throughout the Valley’s system of care.

See Appendix B for a summary of priorities and eligible projects.

1.3.3.5. Partnership HealthPlan of California (PHC) Housing Innovation Grants

In July 2017, PHC of California allocated \$25 million to a one-time grant program aimed at addressing the critical housing and housing-related needs that affect the health and care costs for its members. \$4,917,538 was designated for Sonoma County projects.

As Lead Agency, the Commission submitted applications on behalf of the County of Sonoma, under both the capital and “housing facilitation” grant categories. Ultimately, one proposed grantee changed course, leaving funds uncommitted. PHC agreed to allow the Commission to hold an additional capital grants Request For Proposals (RFP) process through the Commission’s annual County Fund for Housing (CFH) program. By the end of the process, \$400,000 of the PHC allocation remained. Housing (CFH) request for proposals. By the end of the CFH process, \$400,000 of the PHC allocation remained.

PHC also agreed to allow the Commission to request new Housing Facilitation proposals,

consistent with its original request for proposals to utilize the remaining funds. PHC-funded projects must serve primarily Partnership HealthPlan (Medi-Cal) members (defined as 70% or more of participants), enter data into the Homeless Management Information System, accept referrals from the Coordinated Entry system, and support PHC’s evaluation of its housing program by sharing participants’ personal data with PHC. See Appendix C.

1.4. Summary of Available Funds by Funding Source

Source	Approx. Amount Available	Eligible Uses
CDBG Public Services	\$ 285,000	Operating support for services to literally homeless persons, or for Fair Housing-related activities.
Federal and State ESG	\$ 355,000	At least 40% must be used for Rapid Re-Housing; may also be used for Shelter, Street Outreach, Homelessness Prevention
Community Services Fund (CSF)	\$610,000	Flexible source for a wide range of homeless services
LMIHAF-Services	\$250,000	Rapid Re-Housing or Homelessness Prevention projects
Winter Shelter Expansion Grants	\$210,000	Winter Shelter Expansions
CESH (<i>one-time funds</i>)	\$ 380,000	Rental subsidies in permanent housing for up to 48 months (including Rapid Re-Housing and Homelessness Prevention strategies)
HEAP (<i>one-time funds</i>)	\$6,551,527	Street Outreach, Housing Navigation, operating support for short-term or comprehensive homeless services, Permanent Supportive Housing, Emergency Shelter, Rapid Re-Housing, and other programs. <i>See Appendix A.</i>
Sonoma Valley Homeless Initiative (<i>one-time funds</i>)	\$250,000	Low-barrier shelter, rapid re-housing, and/or coordinated entry services in the Sonoma Valley. <i>See Appendix B.</i>
Partnership HealthPlan of California Housing Facilitation Grants (<i>one-time funds</i>)	\$400,000	Rapid Re-Housing or housing placement projects benefiting Partnership (Medi-Cal) members, per Housing Facilitation program requirements. <i>See Appendix C.</i>
Total Available	\$9,291,527	

“Available funds” are those available after allowances for administering the program has been subtracted. This accounts for any divergence from other public information about Sonoma County allocations.

2. Eligibility

The many funding sources and wide range of eligible activities included in this funding cycle make it challenging to determine funding amounts available for each activity. The chart below summarizes the eligible activities and the funding sources for which each activity is eligible.

2.1. Summary of Eligible Uses by Funding Source

Use	CDBG	Federal/State ESG	CSF	LMIHAF	Winter Shelter	CESH	HEAP	Sonoma Valley Homeless Initiative	Partnership HealthPlan
Fair Housing-Related Activities	√		√						
Street Outreach	√	√	√			√	√	√	
Coordinated Entry	√		√			√		√	
Emergency Shelter/ Navigation Center	√	√	√			√	√	√	
Winter Shelter Expansions			√		√				
Rapid Re-Housing		√	√	√		√	√	√	√
Homelessness Prevention		√	√	√		√	√		
Permanent Supportive Housing			√				√	√	
Homeless Management Information Systems Compliance/Participation		√				√			√
Training and other Support for service providers			√						
Other Homeless Services	√		√					√	√
Capital Projects							√		

2.2. Description of Eligible Activities

- 2.2.1. Fair Housing Activities.** See Section 5 for a description of Fair Housing-Related Services and Set-Aside Funding policies.
- 2.2.2. Street Outreach,** including engagement, case management, emergency health and mental health services, transportation, and services for special populations such as homeless youth, victim services, or people living with HIV/AIDS.
- 2.2.3. Emergency Shelter,** including Essential Services such as case management, Shelter Operations, Homeless Day Service Centers, and Navigation Centers. Navigation Centers are low-barrier housing-focused shelters designed to assist the most vulnerable and long-term homeless residents who often struggle to access traditional shelter and services.
- 2.2.4. Fair Housing Activities.** See Section 5 for a description of Fair Housing-Related Services and Set-Aside Funding policies.
- 2.2.5. Rapid Re-Housing Activities.** At least 40% of ESG funds must be used for Rapid Re-Housing activities. ESG funds require a rent payment standard no higher than the HUD Fair Market Rent; all other Rapid Re-Housing funding sources have more flexible rent payment standards,

including CESH and HEAP, in which the payment standard is up to two times the current HUD Fair Market Rent.

Rapid Re-Housing assistance is generally limited to no more than 24 months. Up to 48 months of assistance may be available for programs serving youth or seniors with CESH funds, either to enable youth to develop income or to create a bridge to a Housing Choice or other voucher program.

Rapid Re-Housing activities may include housing relocation and stabilization services, including:

- Financial assistance (e.g., rental application fees, security deposits, last month's rent, utility deposits, utility payments, moving costs)
- Housing search and placement
- Housing stability case management
- Mediation
- Legal services
- Credit Repair
- Short-term and medium-term rental assistance

2.2.6. Homelessness Prevention Activities. All services eligible for Rapid Re-Housing funding are also eligible for Homelessness Prevention funding, presuming that Prevention funding is directed to persons that meet the HUD "at risk" criteria, which refers to an individual or family with an annual income less than 30% of the area median income, without sufficient resources or support networks immediately available to prevent them from becoming literally homeless, living in substandard or other unstable housing conditions as defined by HUD.⁶

Homelessness Prevention assistance is generally limited to no more than 24 months. Up to 48 months of Homelessness Prevention assistance may be available for programs serving seniors 60+ who meet the HUD definition of At Risk of Homelessness (eligible with CESH). Note: As of FY 2019-20, eviction prevention legal services are included in the Fair Housing Set-Aside, and no longer falls under Homelessness Prevention. *See Section 5 for details.*

2.2.7. Permanent Supportive Housing Services and Operations. Eligible activities include housing operations expenses and client-centered, wraparound case management services, provided in permanent housing for homeless persons with disabilities, consistent with a Housing First approach.

2.2.8. Homeless Management Information Systems (HMIS) Participation and Compliance, including staff time for entry of client information into the county-wide HMIS, and training to ensure compliance with data quality standards.

2.2.9. Other Homeless Services. Eligible services must serve literally homeless persons, provide services critical to permanently housing a homeless subgroup, and must be aligned with the

⁶ For more on the "At Risk of Homelessness" definition, see <https://www.hudexchange.info/resource/1975/criteria-for-definition-of-at-risk-of-homelessness/>.

system performance measures described in Section 8.6. Projects will be required to design program measurements that lead to permanent housing.

2.2.10. Capital Improvements, including acquisition, construction, rehabilitation, or other capital costs related to emergency shelters, navigation centers, permanent supportive housing, innovative housing models, and improvements to current structures that serve homeless individuals and families.

- 2.2.10.1.** All capital improvement projects require an emergency shelter crisis declaration by the jurisdiction in which the project is located, as well as a Capital Projects Addendum to the application. Please see Section 6.4, Submission Requirements for Projects Serving Individual Cities/Town.
- 2.2.10.2.** Equipment costs or improvements to emergency shelters are eligible expenses if the improvements increase the shelter's capacity to accommodate special needs and thereby increase shelter utilization
- 2.2.10.3.** Innovative housing structures must be legally sited; protect residents from the elements; portable sanitary facilities, water, heat, and electrical service; provide cooking facilities; and must either provide permanent tenancy without a time limit, or linkage to such permanent housing.
- 2.2.10.4.** Because capital costs are funded exclusively by the Homeless Emergency Aid Program, 100% of funds must be expensed by June 30, 2021. Projects must therefore demonstrate readiness and the ability to spend all funds by this deadline.

2.3. Administrative Costs

The funds administered by the Commission may generally not be used for general administration costs. Such costs may be allowed provided the Commission staff approves, in advance, an indirect expense allocation plan for the applicant agency.

2.4. Non-Housing Community Development

To align all funding with key system performance measures and the Homeless System Redesign, Non-Housing Community Development and other community services activities are not an eligible use of funds in FY 2019-2020.

3. Application Submission

Application requirements and timelines are included in the instructions and related materials released between December and January of the fiscal year that begins in the following July.

3.1. Timetables

- 3.1.1.** See the Home Sonoma County Funding Application Timetable for the proposal deadline and public hearing dates discussed in this section. These will be available on the Community

Development Commission website: <https://sonomacounty.ca.gov/CDC/Doing-Business-With-The-Commission/NOFA-Homeless-and-Public-Services-Programs/> [this link to be updated if necessary.]

3.2. Technical Assistance Sessions

- 3.2.1.** All applicants are required to attend a Technical Assistance Session, which is held for interested applicants on the date listed on the Home Sonoma County Funding Application Timetable. Any applicant with difficulties attending the scheduled Sessions should contact Commission staff as soon as possible.

3.3. Completed Applications and Deadline

- 3.3.1.** Applicants must submit funding proposals to the Commission by 5:00 p.m. on the date listed on the Home Sonoma County Funding Application Timetable. Project applications must be complete by the deadline date to be considered eligible for funding. Applications that do not include a required Resolution from the Board of Directors, or indicate partnership with a geographically-specific area, or that are located in a jurisdiction declaring a Shelter Crisis (see Section 2.2.10.1 above, Section 6.4 below, and Appendix A), a current operating budget, a copy of the applicant's most recent financial audit, or complete answers to all applicable questions, will be ineligible for funding.
- 3.3.2.** Proposals may not be revised and/or submitted after the deadline date. Once a proposal is awarded funding, it cannot be materially revised prior to contract execution.

3.4. Submission Requirements for Projects Serving Individual Cities/Town or Unincorporated Urban Service Areas

- 3.4.1.** Proposed Home Sonoma County projects located in, and serving residents of, one or more specific incorporated or unincorporated areas, must inform and partner with the governing body of the jurisdiction(s) in which they operate. The project description section of the application must state the intent to use a local preference, along with language describing the intent for referrals from Coordinated Entry, to have an exclusive focus on a specific area.
- 3.4.2.** Facility-based housing projects, or any project requesting capital improvement funding, must be located in a jurisdiction that has declared a shelter crisis per the requirements of HEAP. A copy of the City Council resolution declaring the shelter crisis must be submitted with the proposed project application. The Shelter Crisis Resolution must be dated prior to Dec. 15, 2018.
- 3.4.3.** The reviewing bodies will endeavor to ensure that funds are distributed equitably across areas of the county and each jurisdiction in a manner that best addresses the distribution of persons experiencing homelessness across Sonoma County.

3.5. Multi-Year Funding

Awards for HEAP operational or services funding may be recommended for a two-year duration. This does not apply to HEAP capital improvement funding. For two-year awards, all Funding Agreements shall be initially executed for a one-year term. Continued funding for the second year is contingent upon:

- 3.5.1. Full substantive compliance with Funding Agreement(s) from the prior year, e.g., no monitoring findings, and any concerns or recommendations have been promptly addressed.
- 3.5.2. The applicant agency routinely completes a financial audit and has submitted the financial audit for its most recently completed fiscal year.
 - 3.5.2.1. If an agency is not required to have an annual audit, financial statements covering the most recent two years may be submitted in lieu of an audit to demonstrate a clean financial history.
- 3.5.3. Project has met or exceeded the project performance benchmarks in Section 8.6, Performance Measurement, in Year One.
- 3.5.4. Project is fully aligned with key system mandates, e.g., receiving all referrals from Coordinated Entry and implementing a Housing First/Low Barrier program. Commission staff will review HMIS records of the most recent six months of Coordinated Entry referrals to determine whether to recommend multi-year funding.
- 3.5.5. Applicants that have been awarded two-year funding may not apply for an augmentation of the same program's funding for Year Two.
- 3.5.6. Two-year Funding Agreements are subject to all federal, state and local laws, regulations, statutes and policies applicable to the services provided both as they exist now, and as they are changed, amended or modified during the term of the Agreement.

4. Selection Process

4.1. Home Sonoma County

The Sonoma County Homeless System of Care leadership structure is being initiated simultaneously with the development of the Consolidated NOFA. For FY 2019-2020, funding recommendations will be made by the Performance and Evaluation Task Group and will be forwarded directly to the Leadership Council.⁷

- 4.1.1. The Performance and Evaluation Task Group will include jurisdictional representatives from the cities of Santa Rosa and Petaluma and other jurisdictions; un-conflicted members of the TAC, a representative of the Commission on behalf of the Urban County; and impartial representatives

⁷ This process may be modified in future years by action of the Leadership Council.

of County Safety Net Departments and private funders of homeless services. The Performance and Evaluation Task Group will be staffed by the Commission's Home Sonoma County team, including the Continuum of Care Coordinator, Homeless Services Funding Coordinator, and HMIS Coordinator as well as representatives from jurisdictional staff.

- 4.1.2. For State ESG-funded projects, the Continuum of Care Coordinator shall verify that the proposed project will operate, or facilities will be located, within an eligible Sonoma County service area. Scored project submissions and rating and ranking materials will be reviewed by the Continuum of Care Coordinator for adherence to process and signed for necessary submissions to the State.
- 4.1.3. After the Commission's Home Sonoma County staff conduct due diligence and write staff reports on each proposal, the Performance and Evaluation Task Group will formulate a recommendation to the Home Sonoma County Leadership Council and will include a list of projects recommended for funding, the level of funding recommended, and a list of projects not recommended for funding. Funding recommendations will be made public at least three days prior to the public meeting of the Leadership Council.
- 4.1.4. All project proposals will be scored on alignment with Home Sonoma County priorities to derive recommendations for funding, using the criteria listed in Section 5, Selection Criteria.
- 4.1.5. A written report of the Performance and Evaluation Task Group's scoring and recommendations will be posted at <https://sonomacounty.ca.gov/CDC/Doing-Business-With-The-Commission/NOFA-Homeless-and-Public-Services-Programs/> within five days of its determinations. [update link if necessary]
- 4.1.6. The Leadership Council will review staff reports on all categories of homeless services applications, as well as the Performance and Evaluation Task Group's scoring and recommendations.
- 4.1.7. The Leadership Council will conduct a public meeting to review the Performance and Evaluation Task Group's recommendations, and to formulate final funding recommendations to the Board of Supervisors/Board of Commissioners. Applicants are required to attend and if they wish, to make public comment. The Leadership Council will not recommend funding for any project unless a representative from the applicant agency is present at the hearing to answer questions about the proposed project. See the Home Sonoma County Application Timetable for the Leadership Council's meeting dates.

4.2. HUD Annual Action Plan – One-Year Use of Funds

The Commission will use the Leadership Council's recommendations to prepare the "Action Plan: One Year Use of Funds," for federal awards to be included in the appropriate Sonoma County Consolidated Plan. The Consolidated Plan Summary will be published/disseminated in accordance with HUD regulations and the Sonoma County Citizen Participation Plan, with thirty days allowed for written comments to be submitted to the Commission. See the Home Sonoma County Funding Application Timetable for public comment and publication dates.

4.3. Board of Supervisors/Board of Commissioners Final Approval

- 4.3.1.** The Home Sonoma County Leadership Council recommendations, along with any relevant written comments received during the Action Plan comment period and supplementary Commission staff comments, will be submitted to the Board of Supervisors/Board of Commissioners for approval.
- 4.3.2.** The Home Sonoma County Leadership Council is structured to ensure it can function as the primary decision-making group on county homeless services funding, with key Board representation. However, the Board of Supervisors/Board of Commissioners is legally responsible for decisions on CDBG, ESG, CSF, LMIHAF, Winter Shelter, and Sonoma Valley Homeless Initiative funding. See the Home Sonoma County Funding Application Timetable for the Board’s public meeting date.

5. Selection Criteria

The following criteria will be the basis of evaluation by the Home Sonoma County Performance and Evaluation Task Group, and the Leadership Council.

5.1. General

- 5.1.1.** CDBG Public Services funds, State and federal ESG, CSF, Winter Shelter Expansion, LMIHAF-Services, CESH, HEAP, Sonoma Valley Homeless Initiative, and Partnership HealthPlan of California funds will be combined for allocation purposes.
- 5.1.2.** In no event will a homeless services award for services or operations be granted in an amount less than \$30,000. The minimum for a capital improvement project will be \$50,000.

5.2. Joint Funding from Other Sources

- 5.2.1.** Project applications must demonstrate leveraging of other funds and/or in-kind contributions.
- 5.2.2.** Applicant demonstrates a continuing effort to locate alternate sources of funding.
- 5.2.3.** The applicant demonstrates the administrative capacity to complete the proposed project and/or will have adequate provisions for long-range maintenance and operations.

5.3. Organizational Capacity

- 5.3.1.** Work products, Board of Director’s meeting minutes, Quarterly Reports, and Reimbursement Requests from previous awards were submitted in a complete, accurate, and timely manner.
- 5.3.2.** Previously awarded grant funds were expended on eligible activities in a timely manner and in compliance with applicable policies, rules and regulations.
- 5.3.3.** All applicants, or co-applicants (when a partnership is proposed), demonstrate a record of administrative and programmatic capacity using federal, State, local, and private grant funds from other sources.
- 5.3.4.** In making funding recommendations on proposals that serve a geographic area less than all of Sonoma County, the reviewing bodies will give weight to an affected city or town’s priority. Proposed homeless services projects that are located in, and will serve the residents of one or more specific incorporated areas, but not all of Sonoma County, must inform, and partner with

the governing body of the jurisdiction(s) in which the project will operate. A declaration of a Shelter Crisis in the area where the project will operate is also evidence of informing and partnering with a jurisdiction. In addition, the project description section of the application must state the intent to use a local preference along with language describing the intent for referrals from Coordinated Entry to have an exclusive focus on a specific area. See Sections 2.2.10 and 3.4.1 for further detail.

- 5.3.5. The project is appropriate in size, scope, and location to address the targeted client population and defined service area.
- 5.3.6. The project will not duplicate existing projects or services in the geographic area, unless the need is well documented and verifiable. Lead Agency Staff will identify if applications are duplicate of one another and will work with the applicants to resolve overlaps prior to scoring. Lead Agency Staff will summarize their efforts and disclose them along with the subsequent scoring for the Leadership Council to make the final decisions.

5.4. Housing First

In 2016, the California Legislature passed Senate Bill 1380, codified as California Welfare & Institutions Code § 8255. It required all housing programs to adopt the Housing First model.

- 5.4.1. Housing First is an approach to serving people experiencing homelessness that recognizes a homeless person must first be able to access a decent, safe place to live, that does not limit length of stay (permanent housing), before stabilizing, improving health, reducing harmful behaviors, or increasing income. Under the Housing First approach, anyone experiencing homelessness should be connected to a permanent home as quickly as possible, and programs should remove barriers to accessing the housing, like requirements for sobriety or absence of criminal history. Housing First values choice not only in where to live, but whether to participate in services. For this reason, tenants are not required to participate in services to access or retain housing.⁸

5.5. Coordinated Entry Requirements

- 5.5.1. Acceptance of referrals only from Coordinated Entry (CE) and lowered barriers to entry (e.g., no income or sobriety requirements) are requirements of all Commission funding sources.
Rationale: Projects with lower barriers and that accept clients from CE decrease the overall length of homeless episodes.
- 5.5.2. The Subrecipient must work with the Home Sonoma County Technical Advisory Committee and its relevant Task Groups, to ensure the screening, assessment, and referral of program participants are consistent with the Coordinated Entry System written policies and procedures.

5.6. Performance Measurement & Project Priorities

- 5.6.1. Highest priority is given to homeless service projects that impact the three key system performance measures below. Each performance measure is followed by the most recent

⁸ HUD has created a Housing First Self-Assessment and Action Plan to assist providers to implement a Housing First approach, available at <https://www.hudexchange.info/resource/5294/housing-first-assessment-tool/>.

performance. **Rationale:** The three system-wide performance measures below are derived from the federal Homeless Emergency and Rapid Transition to Housing (HEARTH) Act. They are particularly well-designed and easily measurable with standard HMIS data collection. Improving performance on these measures will better position local homeless service providers to bring new resources to Sonoma County.

- 5.6.1.1. **Increase housing placements**, from unsheltered locations into temporary housing (e.g., shelters), and from temporary housing into permanent housing. **Current performance:** Unsheltered persons placed into temporary housing: 44%; sheltered persons exiting to permanent housing: 21%; Rapid Re-Housing (RRH) exits to permanent housing: 90%.
- 5.6.1.2. **Decrease the overall length of homeless episodes.** **Current performance:** 76 days in shelter; 204 days for persons meeting chronic homeless (CH) criteria.
- 5.6.1.3. **Minimize returns to homelessness from permanent housing** by supporting retention of permanent housing. **Current performance:** 6% in 12 months, 20% in 24 months.

5.6.2. Project Priorities:

- 5.6.2.1. **Capital development of new permanent supportive housing (PSH) projects** in the pipeline, which can fully expense a HEAP award by June 30, 2021. **Rationale:** The need for PSH for the most vulnerable disabled homeless persons who have been homeless the longest, far outstrips all other housing needs. At least 1,150 more units of PSH are needed in Sonoma County. HEAP funds may be used for capital development, but only if projects can complete expenditures prior to the deadline.
- 5.6.2.2. **Sustain existing permanent supportive housing (PSH) projects and improve their capacity to serve the most vulnerable chronically homeless persons.** Prioritize serving chronically homeless persons; projects demonstrating >90% housing retention will receive higher priority; projects demonstrating 15:1 or lower caseloads will be prioritized above those with higher caseloads. Projects that demonstrate partnerships with non-homeless supportive service agencies (e.g., health, employment, etc.) will be prioritized above those that do not. **Rationale:** Existing PSH provides the opportunity for permanent housing placements through turnover and minimizes returns to homelessness. Prioritizing chronically homeless persons decreases the average length of homeless episodes; maintaining current high housing retention decreases returns to homelessness.
- 5.6.2.3. **Expand rapid re-housing (RRH) projects.** Projects that include Housing Locator staff, demonstrate 90% or more of participants exit to permanent housing, and/or demonstrate partnerships with non-homeless supportive service agencies (e.g., health, employment, etc.) will be prioritized above those that do not. **Rationale:** At least 422 additional units of Rapid Re-Housing rental assistance are needed in Sonoma County. RRH is a particularly flexible and cost-effective method of increasing placements in permanent housing, with documented high outcomes. Increasing RRH investments will enable the local system to increase average housing placements from shelter from the current average (21% of all exits).

- 5.6.2.4. Provide capital or operational investments in shelters**, including 24/7 Navigation Centers designed to serve the most vulnerable chronically homeless persons, which demonstrate lowered barriers to entry, increase their capacity to accommodate a variety of special needs, and demonstrate that 22% or more of project exits in the prior fiscal year went to permanent housing locations. **Rationale:** Accepting referrals from CE and lowering barriers support the goal of decreasing the overall length of homeless episodes. Shelters may need additional staffing to adequately assist a more vulnerable population. Funding should be prioritized for shelters that accept referrals only from CE and increase the percentage of exits that are to permanent housing from the current rate, 21%.
- 5.6.2.5. Day centers and street/encampment outreach projects** that currently serve, or may serve, as CE Access Points, as well as Day Centers that may serve as CE Access Points **Rationale:** CE is designed to decrease the overall length of homeless episodes, one of the three key system performance measures noted in Section 5.4.1.
- 5.6.2.6. Homelessness prevention or diversion projects** that demonstrate improvements in housing stability among people at imminent risk of homelessness, or who have previously experienced homelessness. **Rationale:** Research suggests that targeting homelessness prevention funding to those most at risk (with least time/resources to avoid homelessness or previous homeless experience) is more likely to actually *prevent* homelessness.

5.7. Upstream Investments

The review of funding applications and the formulation of recommendations for funding will utilize the principles consistent with the County of Sonoma’s Strategic Plan element known as “Upstream Investments.” More information about “Upstream Investments” and related material regarding evidence-based practices can be found here: <http://www.upstreaminvestments.org/>.

- 5.7.1.** Proposals for programs that are evidence-based and outcomes-oriented will be given a higher priority for funding, especially if the operator has applied for the program’s inclusion in the Upstream Portfolio for its use of evidence-based practices.
- 5.7.2.** Program proposals that contain one or more of the following four goals will be evaluated more favorably over those that do not:
- Support the healthy development of children;
 - Community members have access to education and training and are adequately prepared for the challenges of the future;
 - All community members are well sheltered, safe, and socially supported; and
 - Economic security for all.

6. Funding Conditions and Regulations

6.1. Timeliness

All projects shall proceed in a timely manner. Funds for homeless services activities must be expended within the 12 months of the fiscal year for which funding is allocated, unless specified for a longer period. Homeless services funding that is unexpended after the agreement term will be reprogrammed.

Extensions may be granted for good cause at the discretion of the Executive Director and must be consistent with the funding source regulations.

6.2. Compliance with Disabled Access Requirements

- 6.2.1.** All applicants for funds must be able to comply with 24 CFR Part 8, which states that no qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance from HUD.
- 6.2.2.** Disabled access must be provided to the greatest extent feasible in non-housing as well as housing facilities. Proposed activities that do not provide access for the disabled may not be considered for funding. In addition, all local and state disability access guidelines must be followed.
- 6.2.3.** If available, policies describing the agency’s practice in guaranteeing disabled access must be submitted with the funding application.

6.3. Compliance with the Equal Access Rule (Gender Identity Rule)

Per HUD final rule entitled “Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity” (2012 Equal Access Rule) and the 2016 Equal Access Final Rule (2016 Equal Access in Accordance with Gender Identity Final Rule) housing programs funded through the Commission are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status. This includes transgender and gender non-conforming individuals who should be accommodated in temporary, emergency shelters, and other buildings and facilities used for shelter, that are permitted to have shared sleeping quarters or shared bathing facilities.

6.4. Consultation with Continuum of Care Requirements

Per federal regulation, the Commission must consult with the Home Sonoma County Leadership Council in allocating ESG funds; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies and procedures for the administration and operation of the Homeless Management Information System.

- 6.4.1.** The Commission has been designated as the Administrative Entity for State ESG, CESH and HEAP funds. As the Continuum of Care Board and interim lead agency, the Home Sonoma County Leadership Council and the Commission, respectively, shall collaborate to the maximum extent feasible in determining eligible activities, selecting providers, and administering federal and state funds. As the body designated by the Sonoma County Board of Supervisors to lead homeless services funding and planning, the Home Sonoma County Leadership Council shall be responsible for making final decisions in these areas.
- 6.4.2.** The Commission will recommend, and the Home Sonoma County Leadership Council shall select, providers qualified to deliver eligible activities in the cities of Santa Rosa and Petaluma, and throughout the Urban County. In this process, the Commission shall:

- Conduct fair and open competitions which avoid conflict of interest
- Follow procurement requirements of 2 CFR Part 200;⁹
- Evaluate provider capacity and experience, including the ability to deliver services in non-entitlement areas;
- Evaluate eligibility and quality of services, including participation in Coordinated Entry, compliance with Continuum of Care Program Standards, and implementation of Housing First strategies;
- Utilize data and consider community input to identify unmet needs;
- Prioritize activities that address the highest unmet need, considering other available funding and system-wide performance measures;
- Consider project-level performance measures when evaluating proposals; and
- Collaborate with the Home Sonoma County Leadership Council pursuant to the written agreement.

6.5. Homeless Management Information System (HMIS)

- 6.5.1.** All funded applicants must input data into the County Homeless Management Information System (HMIS), and must provide match funding from non-McKinney-Vento, non-HEARTH Act funding sources to the agency managing the HMIS. Funded homeless-dedicated programs must meet both HUD Continuum of Care and locally developed data standards for timeliness and completion.
- 6.5.2.** Domestic violence sexual assault service agencies are a key exception to this requirement, being prohibited from entering client data into the HMIS by the Violence Against Women Act. These agencies must enter client data into a separate but comparable database that is capable of providing aggregate reporting on all HMIS data elements.

6.6. Match Requirements

If receiving ESG funding, the subrecipient must match the ESG funding with an equal amount of funds from other, non-McKinney-Vento, non-HEARTH Act funding sources. Match funds must be provided after the date of the grant award.

6.7. Written Standards for Providing Assistance with ESG Funding

The subrecipient must comply with, and participate in the development of, Sonoma County's written standards for the provision of street outreach, emergency shelter, homelessness prevention, rapid re-

⁹ State ESG regulations cite 24 CFR 84, but 2 CFR 200 supersedes this regulation.

housing services, and/or permanent supportive housing, as relevant to their projects.

6.8. Environmental Conditions

- 6.8.1.** Project awards that have been approved by the Home Sonoma County Leadership Council and the Board of Supervisors cannot be offered a Subrecipient Funding Agreement for execution until the required federal environmental and contract compliance conditions have been met, except for awards which are not subject to these federal requirements. The Commission's Executive Director is designated by the Board of Supervisors as the Certifying Officer for all National Environmental Policy Act (NEPA) environmental review of projects funded with federally-originated dollars. Therefore, the Commission will determine and complete, or cause to be completed, the appropriate level of NEPA environmental review, the cost of which shall be the responsibility of the awardee and may be paid from the grant/loan funds allocated.
- 6.8.2.** As applicable, HEAP-funded Capital Improvement projects also must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA).
- 6.8.3.** The awardee must provide all requested information pertinent to completing the environmental review in a timely manner. Failure to do so will result in the reprogramming of the allocated funds to another project. If a Capital Improvement project has received NEPA environmental review or CEQA clearance, applicants must submit documentation of said review or clearance to the Commission.
- 6.8.4.** Similarly, the applicant for Capital Improvement funds must provide the Commission with documentation verifying the satisfaction of any required environmental impact mitigation measures.

6.9. Program Income and Reprogrammed Funds

Program income is defined as gross income received by the Commission or a Subrecipient that is directly generated from the use of federal funds. It includes proceeds from the sale or lease of real property, equipment, or personal property that was purchased, constructed or improved with such funds. For more information, see <https://www.gpo.gov/fdsys/granule/CFR-2011-title24-vol1/CFR-2011-title24-vol1-sec85-25.pdf>.

- 6.9.1.** CDBG: Fifteen percent (15%) of program income derived from all CDBG-funded projects will be used for homeless services under the CDBG Public Services category, as allowed under CDBG regulations. Reprogrammed funds derived from homeless services will be used for eligible Homeless Services projects.
- 6.9.2.** ESG: Per the ESG Interim Rule, 24 CFR § 576.201, program income derived from ESG-funded activities (including returned security or utility deposits) is to be used as a match, because of the

sizable matching requirement in the ESG program. Reprogrammed funds will be reallocated to other projects to pay ESG-eligible program costs.

- 6.9.3.** CSF and Winter Shelter Expansion funding: Any reprogrammed CSF or Winter Shelter Expansion funds will be used to replace CDBG funds in a like amount in an existing eligible homeless services CDBG award. The released CDBG funds will then be reprogrammed as follows per federal regulation and local policy: 20% for program administration, 15% for CDBG Public Services, and the balance (65%) for housing rehabilitation and homebuyer assistance and associated direct program delivery costs in either the incorporated or unincorporated areas of the Urban County.
- 6.9.4.** LMIHAF-Services: Any reprogrammed LMIHAF-Services funds will be used to replace CDBG funds in a like amount in an existing award for rapid re-housing housing stabilization services. The released CDBG funds will then be reprogrammed as prescribed in Section 4.9.3 above. If there are no such CDBG awards, LMIHAF-Services funds will be returned to the general LMIHAF for future use.
- 6.9.5.** Other funding sources (CESH, HEAP, Sonoma Valley Initiative, Partnership HealthCare of California): Reprogrammed funds will be reallocated to other projects to pay eligible program costs, subject to approval by the funding agency.

6.10. Other Federal Requirements

In addition to the requirements outlined in this document, all awardees are required to adhere to federal rules, statutes, policies and regulations associated with the underlying source of federal funds. Primary federal regulatory citations for the CDBG and ESG funding sources are listed below:

- 6.9.1.** CDBG: 24 CFR Parts 91 and 570
- 6.9.2.** ESG: 24 CFR Parts 91 and 576; and State Emergency Solutions Grants Program, Title 25 § 8400-8417.

7. Fair Housing-Related Services and Set-Aside Funding

Each jurisdiction receiving CDBG funds from HUD must certify that it will affirmatively further fair housing, which means it will conduct an Assessment of Fair Housing or the Analysis of Impediments within the jurisdiction and take meaningful actions to achieve a material positive change that affirmatively furthers fair housing. To remain eligible for CDBG funding, adequate funding for a range of Fair Housing-related services must be provided through a Set-Aside under the Public Services category. Developing a Fair Housing program that meaningfully furthers fair housing is the responsibility of the Commission's advisory body, the Community Development Committee, in its CDBG oversight role.

7.1. Other Requirements

The NOFA solicits proposals from capable nonprofit agencies to provide fair housing-related services that implement the recommended actions in the 2011 Analysis of Impediments.¹⁰ The Commission shall endeavor to join with other entitlement jurisdictions within Sonoma County in the NOFA process to provide consistent and cost-effective service and assistance to citizens of the entire County.

7.2. Other Requirements

Eligible Fair Housing-related services may address education about Fair Housing law; investigative testing and auditing; advocating for tenants who may be targets of discrimination; enforcement of Fair Housing law; as well as legal services designed to prevent eviction. Note: new for the FY 2019-2020 funding cycle is the inclusion of eviction prevention legal services in the Fair Housing category.

7.3. Fair Housing

In the event that there are multiple proposals for providing fair housing services, a committee made up of staff members of each jurisdiction will recommend appropriate Fair Housing-related services based on the following factors:

- The capacity of the applicant to provide these services.
- The degree to which a capable applicant can leverage additional funding sources to augment the County's funding allocation.
- Coordination with neighboring jurisdictions in the regional provision of fair housing services for optimizing efficiency and customer service.
- Cost-effectiveness.
- The degree to which the proposed services will implement meaningful actions to achieve a material positive change that affirmatively furthers fair housing, or that addresses recommended actions in the current Analysis of Impediments to Fair Housing Choice.

7.4. Fair Housing cont.

In the event no viable proposals are received from community-based non-profit agencies or no fair housing proposals are awarded funds, Commission staff will provide the required fair housing services utilizing funding from the Fair Housing Set Aside until which time that a subsequent RFP process can be implemented to secure a qualified contract provider of Fair Housing-related services.

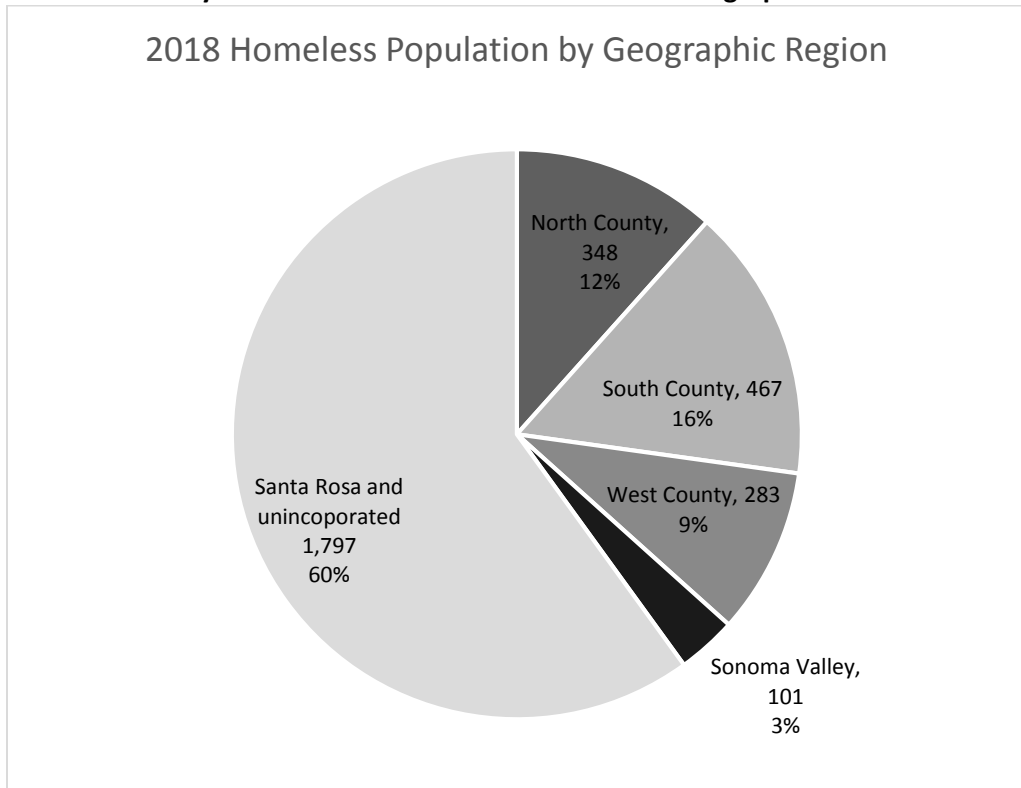
¹⁰ In coming years, the Analysis of Impediments will be replaced by the Assessment of Fair Housing.

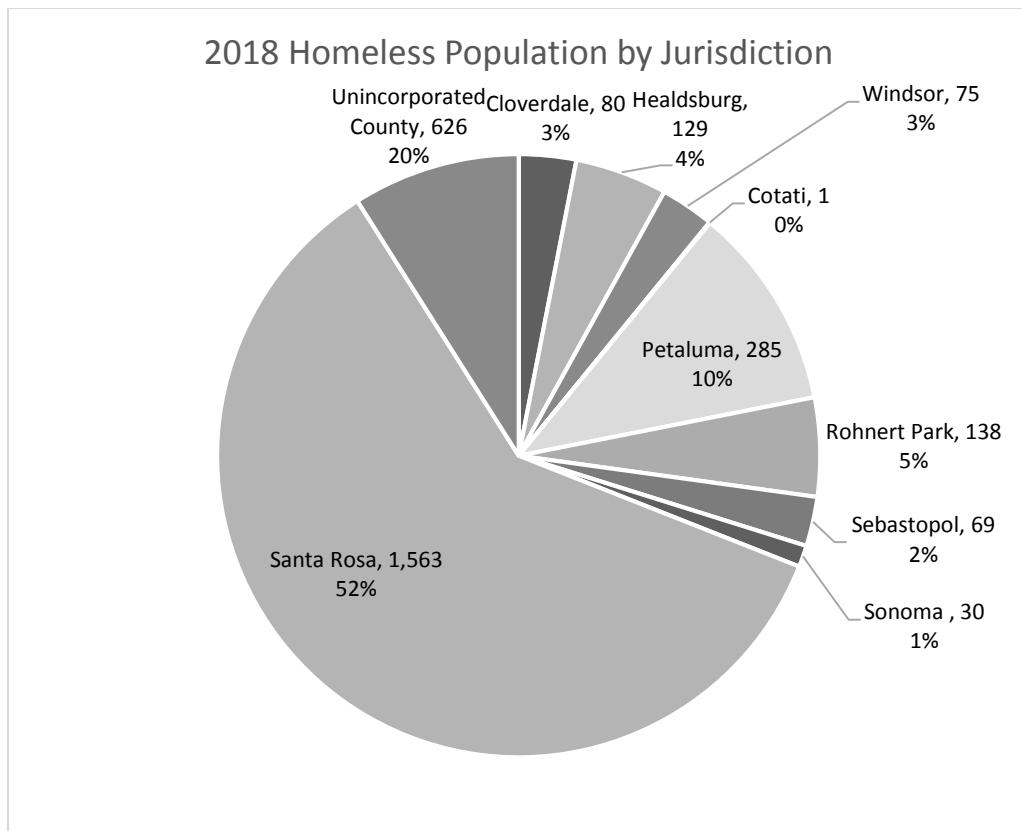
7.5. Fair Housing Set-aside

The set-aside amount for all Fair Housing-related services shall be \$175,000, subject to adequate funding. If the Community Development Committee recommends a change to the set-aside amount for any fiscal year, the following factors will be considered:

- Current funding level for CDBG.
- Historical funding levels of selected services.
- Expected cost of activities required to take the recommended actions identified in the analysis of impediments to fair housing choice document.
- Consideration of actual or potential funding from other sources.

Summary Charts of the 2018 Homeless Count—Geographic Locations





8. Questions?

Information regarding the Funding Policies for the FY 2019-2020 Home Sonoma County Consolidated NOFA, funding year timelines, application, allocation and funding year reporting and reimbursement process, etc. may be found online at:

<https://sonomacounty.ca.gov/CDC/Doing-Business-With-The-Commission/NOFA-Homeless-and-Public-Services-Programs/> [update if needed]

Additional information about programs and projects may be obtained by contacting:

Chuck Mottern, Homeless Services Funding Coordinator

Sonoma County Community Development Commission

1440 Guerneville Road, Santa Rosa, CA. 95403

Phone 707-565-7554 * Fax 707-565-7583 * Chuck.Mottern@sonoma-county.org

Appendix A: Homeless Emergency Aid Program - Sonoma County Priorities

Under the Homeless Emergency Aid Program, \$11,505,727 will be available for awards.

Eligible Uses (from the State Notice of Funding Availability):

9. **Services:** Street outreach, health and safety education, criminal justice diversion programs, prevention services, navigation services, and operating support for short-term or comprehensive homeless services. *Note: Shelter and permanent supportive housing operating expenses are eligible uses.*
10. **Rental assistance or subsidies:** Housing vouchers, rapid re-housing programs, and eviction prevention strategies. *Note: HEAP allows rent payments up to 200% of the federal Fair Market Rent.*
11. **Capital improvements:** Emergency shelter, transitional housing, drop-in centers, permanent supportive housing, small/tiny houses, and improvements to current structures that serve homeless individuals and families. Some communities are discussing solutions to address homelessness and the public health crisis by using funds for handwashing stations or public toilet and shower facilities. *Note: Permanent supportive housing construction investments are eligible if the project meets HEAP deadlines.*

The Commission encourages creative approaches, and will consider applications for any eligible use, as long as the applicant can demonstrate its ability to deliver the services and manage the funds awarded.

Special HEAP Rules

- **Deadlines:** Half of funds must be in contract by Jan. 1, 2020. All funds must be spent by June 30, 2021.
- **Youth:** At least 5% of all HEAP funding must serve homeless youth under the age of 25.
- **Declaration of Shelter Crisis:** This declaration is required for all capital and facility-based program operations funding.

Collaborative Process

The Continuum of Care sought extensive input from the community for uses of HEAP funds:

- Homeless Youth Task Force, Sept. 8, 2018
- Homeless Action! Oct.12, 2018
- Continuum of Care Quarterly Membership, Oct.18, 2018
- Continuum of Care Board, Oct. 30, 2018
- Homeless Veterans Committee, Nov. 1, 2018
- AAA Senior Housing Group, Nov. 13, 2018
- Consultations with cities/town: Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor.

Effective as of July 1, 2019



- The Commission’s multi-program staff group explored use of HEAP funding in housing in the development pipeline: Sept. 13, Sept. 27, Oct. 4, Oct. 11, and Nov. 6.
- Public comment received at the Nov. 13 Technical Advisory Committee meeting, and by email until Dec. 3.

Jurisdictions Declaring a Shelter Crisis:

County of Sonoma, cities of Cloverdale, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, and Sonoma.

Needs Analysis and Funding Priorities

Using data from the 2018 Homeless Count and from the Homeless Management Information System (2016-2018), the Commission updated its estimate of housing needed to end homelessness and evaluated the best potential uses of a one-time infusion of funds *equal to 50% of Sonoma County’s existing system of care*.

Based on this review, the Commission recommends using HEAP dollars to assist in creating enough permanent housing to reach “functional zero” homelessness for key homeless subpopulations. To that end, we propose allocating \$1.95 million for projects targeting youth, who constitute 17 percent of Sonoma County’s homeless population (significantly more than the 5 percent minimum).

These recommendations also consider the need to increase program capacity in a way that is sustainable, or in a way that can be ramped up and down within HEAP’s two-year timeframe. Therefore the Commission will consider applications for two years of funding in all program operations categories.

As a result of this analysis, the Commission recommends these priorities for HEAP dollars, as well as all other funds allocated through the Commission’s annual Homeless Services funding cycle:

1. Capital Improvements: Permanent Supportive Housing (\$4,000,000)

Need: The system’s greatest need is to create permanent supportive housing, while meeting HEAP deadlines and requirements.

Opportunity: By creating just 17 permanent supportive housing units for families with children, HEAP funds can bring our system to “functional zero” homeless families with children (in combination with family-dedicated Rapid Re-Housing). Investing in the 68 permanent supportive housing units needed for youth could bring us closer to “functional zero” for youth. To end homelessness for Veterans we need 162 more permanent housing units and to end homelessness for seniors requires 315 units—these groups may overlap.

Recommendation: Use \$4,000,000 in HEAP funds towards capital development of 1,150 units with wraparound supportive services, by investing projects demonstrating the most readiness to proceed.

2. Capital Improvements: Improve Existing Shelters/Create Navigation Centers (\$2,000,000)

Need: Shelters are charged with bringing the most vulnerable homeless people inside, but many existing shelters are in disrepair or are not functional or accessible for people with a wide range of disabilities.

Opportunity: HEAP dollars offer the opportunity to make capital improvements to address both major repairs, and less expensive upper-bunk accessibility improvements, privacy partitions, and other needed disability accommodations. HEAP dollars can also be used to create 24-hour Navigation Centers for highly vulnerable people.

Recommendation: Use HEAP funding for capital investments to address major repairs, overcrowding, and accessibility—including alternative sites to be used while repairs are made, relieve congestion, better serve targeted subpopulations, or to better serve the homeless population in parts of the County without shelters.

3. Services and Operations in Permanent Supportive Housing (\$2,000,000)

Need: Each household in permanent supportive housing will require an average of \$15,000 annually in combined operating expenses and wraparound supportive services. Many existing permanent supportive housing projects lack the resources to provide the level of care that the most vulnerable chronically homeless persons need.

Opportunity: HEAP offers a resource to provide the more intensive client-centered services that are needed in permanent supportive housing, to adequately serve the homeless population most in need. While the future of this funding stream is unknown, building capacity with this time-limited funding will allow very vulnerable people to stabilize while a sustainability plan is developed.

Recommendation: HEAP funds should be used over a 2-year period to build the capacity of existing and new permanent supportive housing projects to serve the most vulnerable chronically homeless persons.

4. Services and Operations: Expand Rapid Re-Housing Capacity (\$1,635,000)

Need: Rapid Re-Housing is an effective and inexpensive approach to ending homelessness for about half of homeless families as well as for many single adults and youth—even with Sonoma County’s tight rental market. Each unit of Rapid Re-Housing rental subsidy permanently houses at least two households each year. The introduction of this program model was the primary contributor to the documented decline in homelessness from 2011-2017. To end homelessness for people who can thrive without long-term services, 442 additional units of time-limited rental subsidies and financial assistance are needed, with housing location and case management attached.

Opportunity: Relatively small investments of HEAP dollars can make a big difference in decreasing homelessness: 18 additional units targeted to Veterans, 49 additional units targeted to seniors, or 51 units targeted to transition-aged youth, would all help the local system of care approach an end to homelessness among these key groups. Analysis of the housing market and the pace of Rapid Re-Housing placements suggest that if the rent payment standard is “comparable rent,” Rapid Re-Housing can be effective even in the current rental housing market.

Recommendation: HEAP funds should be used to create up to 2 years of time-limited rental subsidies and financial assistance, with housing location and case management attached, for those who can thrive without long-term services. (CESH funds can be used for longer periods of support.)

5. Services and Operations in Emergency Shelters and Navigation Centers (\$1,000,000)

Need: In recent years, emergency shelters have been forced to operate on fewer dollars and with fewer staff, just as requirements have increased for assisting more vulnerable people.

Opportunity: HEAP dollars offer the opportunity to provide the more intensive services that are needed in emergency shelters and navigation centers to adequately serve the more vulnerable, chronically homeless persons. While the future of this funding stream is unknown, building capacity with this time-limited funding will allow very vulnerable people to safely get inside while a sustainability plan is developed.

Recommendation: Use HEAP funds for up to 2 years of personnel and operating expenses, to enhance staffing, ensure accessibility, and make appropriate services available for the increasingly vulnerable people needing shelter and Navigation Center services.

6. Services and Operations: Expand Street Outreach to Unsheltered Persons (\$500,000)

Need: In North and West Sonoma County, 85-86 percent of the homeless population is unsheltered on any given night. In the Sonoma Valley, 63 percent are unsheltered. In incorporated Rohnert Park, more than 90 percent are unsheltered. Currently funded street outreach efforts are stretched to the breaking point and cannot adequately cover the county's geography.

Opportunity: HEAP dollars offer the opportunity to build additional street outreach and engagement on a multi-disciplinary team model, in jurisdictions and regions where more than 60% of the population is unsheltered. While the future of this funding stream is unknown, building outreach with this time-limited funding will help to engage unsheltered people into services while a sustainability plan is developed.

Recommendation: HEAP funding should be used to provide up to 2 years of operating expenses for street outreach projects in underserved areas, while sustaining local support for existing street and encampment outreach.

Summary of Recommended HEAP Expenditures

The Commission recommends the following regional distribution of funds. This distribution is based on where homeless people were found on the night of the 2018 Homeless Count.¹¹

Use	North (10%)	South (15%)	Sonoma Valley (5%)	West (10%)	Santa Rosa (60%)	Total (100%)
TOTAL	\$1,263,500	\$1,675,250	\$589,750	\$1,225,500	\$6,381,000	\$11,505,727

For more information, contact Michael Gause, Continuum of Care Coordinator, at the Commission offices: michael.gause@sonoma-county.org or 707-565-1997.

¹¹ In the 2018 Homeless Count, 467 people were found in the southern part of the county, from Petaluma to Rohnert Park; 262 (56%) of them were unsheltered. Analyzing the concentrations of unsheltered persons throughout this region puts a focus on the 138 homeless persons who were found in Rohnert Park—127 of whom were unsheltered (92%).

Appendix B: Sonoma Valley Homeless Initiative Funding

The FY 2018-19 County of Sonoma budget allocated \$250,000 in one-time funds to strategically address the service gaps for Sonoma Valley residents who are experiencing housing crises, both before the 2017 fires and increasingly since fire disaster. These one-time funds are designated for contracted services that meet current federal and state mandates, serving the Sonoma Valley's homeless residents. In partnership with Supervisor Susan Gorin and the City of Sonoma, the Commission has engaged a diverse group of local stakeholders to plan for the needed services.

Background

Compared to other regions of Sonoma County, the Sonoma Valley's homeless services are underdeveloped. According to the 2018 Homeless Count, on any given night at least 100 persons were homeless in the Sonoma Valley, with 15 unsheltered people found within the city limits of Sonoma and 49 found in unincorporated locations throughout the Valley. In addition, 37 people were sheltered either at the Haven or at Interfaith Shelter Network's transitional housing complex in Glen Ellen. The City owns and provides some financial support for the lone shelter in the region, but does not have the capacity to address the needs of the surrounding low-income, unincorporated community.

The 2014 *Portrait of Sonoma* study characterized the Springs area of the Valley as one of four priority places in the County, with the County's lowest Human Development Index score outside Santa Rosa. And the Sonoma Valley Fund's 2016 report, *Hidden in Plain Sight*, described a growing disconnect between the scale and complexity of the challenges facing the Sonoma Valley—especially housing—and the capacity of the small local nonprofit agencies. All of these concerns have only grown since the 2017 fires.

Originally the Commission anticipated that following FY 2018-19, the selected contractor would have to seek continued funding through the Commission's annual funding cycle. The new State Homeless Emergency Aid Program (see Appendix A) offers hope of a second year of funding that would allow the chosen provider to develop the capacity to make a significant impact on homelessness in the Valley, and to provide services meeting national best practices on an ongoing basis.

The Sonoma Valley Homeless Initiative Task Force is scheduled to finalize its priorities for this special funding opportunity in December 2018. The Task Force recommendations will be added to the final version of this NOFA.

For more information, contact Chuck Mottern at the Commission offices: Chuck.Mottern@sonoma-county.org or (707) 565-7554.

Appendix C: Partnership HealthPlan of California Housing Innovation Grants

In July 2017, Partnership HealthPlan of California released a Request for Proposals to address the critical housing and housing-related needs that affect the health and overall costs of healthcare for its members. A total of \$4,917,538 was designated for Sonoma County projects. In August 2017, the Commission submitted applications on behalf of the County of Sonoma, under both the capital and “housing facilitation” grant categories. Over a number of months during which the Commission worked with PHC to finalize all project grants, one proposed grantee changed course, leaving funds uncommitted. PHC agreed to allow the Commission to request additional capital grants proposals through the Commission’s July 2018 County Fund for Housing (CFH) Request for Proposals. By the end of the CFH process, \$400,000 of the PHC allocation remained.

Following a consultation with Commission staff, PHC has agreed to allow the Commission to request new Housing Facilitation proposals consistent with its original request for proposals to utilize the remaining funds. Housing Facilitation projects can be either **Rapid Re-Housing** (time-limited financial assistance or rental subsidies, with housing location assistance and case management), or **Housing Navigation and Placement** services only.

PHC-funded projects must serve primarily Partnership HealthPlan (Medi-Cal) members, whose income must be at or below 138% of the federal poverty level. Housing projects under this funding initiative must focus on permanent housing outcomes and must be able to demonstrate that the housing will remain affordable to this population, at no more than 30% of participant income. Grantees are required to enter data into the Homeless Management Information System and accept referrals from the Coordinated Entry system. They must also support PHC’s evaluation of its housing program by sharing participants’ personal data with PHC.

Partnership HealthPlan’s original Request for Proposals can be found at <http://www.partnershipphp.org/Community/Documents/Housing%20RFP.pdf>.

For more information, contact Karissa White at the Commission offices: Karissa.White@sonoma-county.org, or (707) 565-1884.