



SUMMARY REPORT

Agenda Date: 6/3/2025

To: County of Sonoma Board of Supervisors

Department or Agency Name(s): Department of Health Services

Staff Name and Phone Number: Nolan Sullivan, 707-565-4774; James Alexander, 707-565-4096

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Sonoma County Homeless Coalition Notice of Funding Availability Awards

Recommended Action:

- A) Authorize the Director of Health Services, or designee, to execute FY 2025-2026 homeless program contracts with local partners, for a total amount not to exceed \$6,035,152, subject to review and approval by County Counsel.
- B) Authorize the Director of Health Services, or designee, to execute modifications to the agreements which do not significantly change the scopes of service in order to address increased service needs, subject to available funding as well as review and approval by County Counsel.
- C) Authorize the Director of Health Services, or their designee, to approve payments for services rendered prior to contract execution for contracts resulting from the FY 2025-2026 Homeless Coalition local Notice of Funding Availability Awards, if the contractor is experiencing financial hardship due to delayed contract execution, on a case-by-case basis in a form approved by County's Auditor and County Counsel and only for reimbursement request for period July 1, 2025 through December 31, 2025.

Executive Summary:

The Sonoma County Department of Health Services (hereinafter, "DHS" or "the Department") is requesting your Board delegate authority to the Director of DHS, or designee, to execute contracts resulting from the Sonoma County Homeless Coalition Notice of Funding Availability (NOFA) award competition in an amount not to exceed \$6,035,152 for FY 2025-2026. An item similar to this typically comes before your Board annually as a result of an annual NOFA solicitation. Funding for this NOFA includes multiple sources:

- The California Interagency Council on Homelessness allocation of Homeless Housing, Assistance and Prevention (HHAP) funds allocated to both the County and the Homeless Coalition \$1,200,393
- State Partnership HealthPlan (PHP) Homelessness Housing incentive Program \$3,817,279
- Local funds as approved by your Board \$1,017,480

The Department is additionally asking your Board to authorize the Director of DHS, or their designee, to approve payments for services rendered prior to contract execution under the FY 2025-2026 Homeless Coalition NOFA awards, if the contractor would experience financial hardship due to delaying payments until the full execution of the contract and the delay in execution is due to contracting timelines.

Such payment requests must be submitted in writing and will be considered on a case-by-case basis. Payments may only be approved if the contractor provides complete reimbursement documentation that complies with the terms of the agreement, and only in a form approved by County's Auditor and County Counsel. This authority is limited to services rendered between July 1, 2025, and December 31, 2025.

This temporary flexibility is requested due to expected delays in finalizing contracts, with the Homeless Coalition making final funding decisions in late April 2025.

Discussion:

The Sonoma County Homeless Coalition (Coalition) constitutes Sonoma County's collaborative effort at representing the homeless services system of care. The Coalition acts as an advisory and decision-making group responsible for coordinating homeless services and funding in Sonoma County. The Coalition oversees the administration of federal, state, and local homelessness funding, including an annual NOFA. The Coalition works in partnership with the County of Sonoma, and particularly DHS, which serves as the established Lead Agency to the Coalition, providing staffing support and contracting services. Due to reduced funding at the State level, there is approximately \$1.6 million less available funding for projects in FY 2025-2026.

Why the Homeless Coalition issues an annual NOFA

The annual local NOFA process is a historical means for the Homeless Coalition to provide access to and distribute federal funding to local agencies that provide supportive housing and services for individuals and families experiencing homelessness. The NOFA allows nonprofit organizations, service providers and government entities to apply for funding to operate housing programs, outreach services, and supportive programs that align with the [Housing First model <https://www.hcd.ca.gov/grants-funding/active-funding/docs/housing-first-fact-sheet.pdf>](https://www.hcd.ca.gov/grants-funding/active-funding/docs/housing-first-fact-sheet.pdf). The Homeless Coalition ensures that funds are distributed to projects that demonstrate effectiveness in reducing homelessness, including:

- Permanent Supportive Housing;
- Rapid Re-Housing;
- Transitional Housing;
- Homeless Prevention Services; and
- Outreach/Case Management.

The annual NOFA process ensures that funding decisions align with HUD priorities (HUD.gov) and Sonoma County's Homelessness Strategic Plan <<https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/sonoma-county-homeless-coalition/strategic-plan>>. By requiring applicants to demonstrate their impact and their collaboration with other service providers, the NOFA process strengthens the county's coordinated approach to homelessness.

The Homeless Coalition works closely with the Lead Agency (DHS) to determine how funding from the NOFA is awarded. This collaboration ensures that federal and local funds are allocated to programs that are most effective in reducing homelessness.

How does the NOFA process work?

DHS serves as the Lead Agency for the Homeless Coalition and plays a critical role in managing the NOFA process to ensure compliance with HUD regulations, providing data analysis and strategic guidance on funding decisions, and overseeing program implementation to ensure funds are used effectively. Funding decisions are based on data-driven strategies and community needs. DHS and the Homeless Coalition consider:

- Sonoma County's Strategic Plan to End Homelessness - Ensuring funding aligns with long-term goals.
- Homeless Management Information System (HMIS) Data - Analyzing real-time data to identify service gaps.
- Point-in-Time Count Results - Evaluating trends in homelessness to prioritize funding where it is needed most.
- Performance Metrics - Reviewing past performance of applicants in areas such as housing retention, service delivery, and cost efficiency.

Once the NOFA is released, interested parties submit applications. DHS staff and the Homeless Coalition Board review and rank proposals based on criteria such as program effectiveness, alignment with HUD and local priorities, cost efficiency, and collaboration with other service providers. The highest-ranking proposals are recommended for funding. The Homeless Coalition Board approves final funding recommendations based on DHS Ending Homelessness staff recommendations. DHS obtains authority to execute those funding agreements through the Board of Supervisors, and DHS then contracts with service providers and monitors program performance.

With the reduction in funding this year, due to State of California reductions in funds for homelessness programs, a recommendation was made to fund projects for one fiscal year, with an across-the-board reduction of close to 17%. All approved contracts would start July 1, 2025, and funding would end on June 30, 2026. Two projects, one with TLC Child and Family Services and one with Shared Housing and Resource Exchange (SHARE) Sonoma County received smaller funding amounts due to TLC receiving funds for the same project in the recent Measure O/HHAP NOFA and SHARE having additional funds for a Home Share Project that is currently being funded on a calendar year cycle.

Fiscal Year 2025-2026 NOFA Award Recommendations

The DHS Ending Homelessness team presented the Homeless Coalition with two funding scenarios (detailed in Attachment 6):

Scenario 1: Fund all existing projects, plus one new project at a 19% reduction due to reduce funding; or

Scenario 2: Fund only existing projects at a 17% reduction.

The Homeless Coalition unanimously approved Scenario 2 on April 23, 2025. Recommendations for award are as follows:

Catholic Charities	Shelter, Permanent Supportive Housing, Outreach, Other	\$1,570,591.03
City of Petaluma	Outreach	\$240,137.94
Committee On The Shelterless	Rapid Re-Housing, Shelter, Permanent Supportive Housing	\$1,108,751.36
Community Support Network	Permanent Supportive Housing	\$125,688.34
Homefirst Services of Santa Clara County	Shelter, Outreach, Coordinated Entry	\$357,986.10
Homeless Action Sonoma	Shelter	\$271,410.08
Interfaith Shelter Network	Rapid Re-Housing	\$265,102.94

Reach for Home	Shelter, Permanent Supportive Housing, Outreach	\$357,254.52
SHARE Sonoma County	Rapid Re-Housing, Other,	\$560,485.84
Sonoma Applied Village Services (SAVS)	Outreach	\$95,950.28
TLC Child and Family Services	Rapid Re-Housing	\$75,905.74
West County Community Services	Rapid Re-Housing, Shelter, Permanent Supportive Housing, Outreach	\$1,005,887.60

The above award recommendations organized by category of service provided total as follows:

Emergency Shelter	\$2,180,052.19
Rapid Rehousing	\$955,779.65
Permanent Supported Housing	\$1,236,445.40
Street Outreach	\$977,335.97
Coordinated Entry	\$224,852.72
Other Homelessness Services	\$460,685.82

If an agency does not have a fully executed contract by the start date of their contract term and the delay is negatively impacting their operations, the agency must submit a written request to the Department demonstrating financial hardship. This request must include specific examples and documentation showing that the delay in contract execution-due to standard negotiation timelines or the late determination of final funding in April 2025-is creating operational challenges. For example, the agency may have provided services without reimbursement, resulting in difficulty meeting payroll.

Consistent with the draft Board item, the Department is requesting authorization for the Director of DHS, or their designee, to approve payments for services rendered prior to contract execution under the FY 2025-2026 Homeless Coalition NOFA awards. This authority applies only if the contractor has documented a financial hardship in writing due to delayed payments or ongoing contract negotiations affecting their approved budget or scope of work. The delay must be attributable to contracting timelines, and payments may be considered only for services provided between July 1, 2025, and December 31, 2025.

Requests will be evaluated on a case-by-case basis and will only be approved if complete reimbursement documentation is submitted in a format approved by County Counsel and the Auditor-Controller's Office, and is consistent with the expected final agreement terms. Any deviations from sample agreement terms will be trued up when the final agreement is executed.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 4: Reduce the County's overall homeless population by 10% each year by enhancing

services through improved coordination and collaboration.

Objective: Objective 5: Continue to collaborate with local partners, including Continuum of Care, to advance planning and policies to address homelessness.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

See Attachment #7: Racial Analysis.

Prior Board Actions:

June 10, 2024: Sonoma County Homeless Coalition (previously Continuum of Care) Notice of Funding Availability Awards

August 15, 2023: Contract Awards for Homelessness Programs and Continuum of Care Programs

May 24, 2022: Contract Authorization for the Continuum of Care's 2022 Homelessness Programs, Acceptance

FISCAL SUMMARY

Expenditures	FY24-25 Adopted	FY25-26 Recommended	FY26-27 Projected
Budgeted Expenses		\$6,035,152	
Additional Appropriation Requested			
Total Expenditures		\$6,035,152	
Funding Sources			
General Fund/WA GF		\$1,017,480	
State/Federal		\$5,017,672	
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources		\$6,035,152	

Narrative Explanation of Fiscal Impacts:

In fiscal year 2025-2026, the following revenue sources will be utilized to pay for the contracts and were included in our recommended budget which will be considered by your board in next week's June 2025 budget hearings.

Under the purview of the Sonoma County Homeless Coalition Board:

- HHAP-5 \$1,200,393

Under the purview of the Board of Supervisors

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- General Fund \$440,000
- General Fund Homeless Outreach Services Team (HOST) set aside \$130,000
- General Fund Reinvestment & Revitalization \$447,480

Under the purview of DHS as Lead Agency for the Homeless Coalition

- Housing and Homelessness Incentive Program (HHIP) \$3,817,279

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

- Attachment 1 - Permanent Supportive Housing sample agreement
- Attachment 2 - Rapid Re-Housing sample agreement
- Attachment 3 - Emergency Shelter sample agreement
- Attachment 4 - Coordinated Entry services sample agreement
- Attachment 5 - Street Outreach sample agreement
- Attachment 6 - Other Homelessness Services sample agreement
- Attachment 7 - 25/26 Homelessness Services Funding Scenarios
- Attachment 8 - Racial Analysis

Related Items “On File” with the Clerk of the Board:

None