



SUMMARY REPORT

Agenda Date: 5/24/2022

To: Board of Supervisors of Sonoma County and Board of Commissioners of the Community Development Commission

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Michael Gause, (707) 791-8140

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Contract Authorization for the Continuum of Care's 2022 Homelessness Programs, Acceptance Authorization for US Housing and Urban Development (HUD) Continuum of Care Programs, Acceptance of Homeless Housing, Assistance and Prevention Program (HHAP) Round 3 Funds (CoC and County), and Authorization to Enter into Standard Agreements for HHAP

Recommended Action:

- A) Authorize the Interim Executive Director, or designee, of the Community Development Commission (CDC) to accept \$1,533,126 in US Department of Housing and Urban Development (HUD) Continuum of Care (CoC) awards on behalf of specific Sonoma County CoC Programs;
- B) Authorize the Interim Executive Director, or designee, to execute a joint agreement with the State of California Interagency Council on Homelessness (ICH) to accept \$8,539,024.26 in County of Sonoma and Continuum of Care State Homeless Housing, Assistance and Prevention (HHAP) Round 3 Funds upon receipt of a standard agreement; and
- C) Authorize the Interim Executive Director, or designee, to execute FY 2022-23 local homeless program contracts pending later Board of Supervisors FY 2022-23 budget approval of \$1,486,694.03 in local funds under the purview of the Board of Supervisors and including \$3,075,576.06 of State HHAP funds under the purview of the Continuum of Care Board (for a total of \$4,562,270.09 funds) in FY 2022-23.

Executive Summary:

An item similar to this comes before the Board of Supervisors annually (typically). If approved, the Board of Supervisors would accept State and Federal funds that come to County government and to the Continuum of Care for further allocation. The sources include:

- US Housing and Urban Development (HUD's) Annual Renewal Demand (ARD) competitive allocation to Continuums of Care (CoCs) nationwide; and
- The California Interagency Council on Homelessness (ICH's) allocation of Homeless Housing, Assistance and Prevention (HHAP) funds allocated to the County and to the Sonoma County Continuum of Care separately.

Local funds are involved, too. Three attachments to this report are important:

1. Attachment 1 is a summary of the HUD CoC ARD awards;
2. Attachment 2 is a summary of the 2022 Homeless Program Contract Awards, as well as how the

County's discretionary funds assist in "level-funding" these programs; and

3. Attachment 3 is a broader overview of Federal, State, and Local funding sources that help address homelessness in Sonoma County.

The US HUD ARD CoC grants are awarded to recipients following 2021's Notice of Funding Opportunity (NOFO). The HHAP funds can have more local discretion, and this year are programmed in part following a collaboration between the County and the CoC. Local funds assigned to these programs are at the complete discretion of the Board of Supervisors.

In total, this item is part of the distribution of about \$14.4 million in funds to address homelessness and housing in Sonoma County. \$2.6 million of the \$14.4 million is allocated directly to providers from HUD and do not come through the County's budgeting process. But the remainder (\$11.8 million) does, and requires this item's approval to move forward.

Discussion:

As noted, this agenda item accepts and allocates about \$11.8 million in funds towards various homelessness programs, including funding sources assigned to the County and funds assigned to the Continuum of Care.

As a reminder, the Continuum of Care (CoC) is Sonoma County's collaborative effort representing the homeless services system of care. Governed by a 17-member CoC Board, the countywide effort is responsible for oversight of funds designated to the CoC and planning/policy development for addressing homelessness. The CoC Board consists of local elected officials, nonprofit representatives, subject matter experts, and individuals with lived homeless experience. The Community Development Commission (CDC) is the Lead Agency for the CoC.

Part 1 - The Federal Side: 2021 HUD Continuum of Care Awards. Continuum of Care funding awards are made through a competition of CoCs across the nation. For Sonoma County's CoC, the submittal in response to the 2021 NOFO included up to twenty local homeless services projects as shown in Attachment 1.

Some of the HUD CoC awards go directly to support Sonoma County agencies' work to support the CoC system, including:

- Two renewal awards for Continuum of Care Rental Assistance (formerly known as Shelter Plus Care projects). These two contracts enable the Sonoma County Housing Authority to support 55 formerly homeless, disabled persons in scattered site housing throughout Sonoma County, matching rental assistance with supportive services provided by partners including Face to Face and Social Advocates for Youth. The total amount of the two awards is \$736,080.
- A renewal award and an expansion award, both supporting the Homeless Management Information System (HMIS), a HUD-mandated web-based client database that reports quality statistical information regarding the extent and nature of homelessness to HUD officials and to the US Congress, and provides invaluable information for local systems planning. The total amount of the two awards is \$327,157.
- One Coordinated Entry Project award of \$349,991. More information on the Coordinated Entry System can be found at <http://sonomacounty.ca.gov/CDC/Coordinated-Entry-System/>.
- The annual Planning award of \$119,898 is calculated at 3% of the total \$4.1 million award to Sonoma County agencies to partially defray the cost of staffing the Home Sonoma County effort.

HUD will contract directly with the other 11 projects as shown on Attachment 1.

Part 2 - About HHAP. Until 2018, the local homeless system of care was primarily funded by State and Local sources of funds under the purview of the Board of Supervisors totaling just under \$2 million. These sources, separate from federal CoC funding discussed above, funded core operations in emergency shelter, permanent supportive housing, street outreach, and homelessness prevention.

In 2018, the State of California released the Homeless Emergency Aid Program (HEAP), a massive one-time infusion of funds available from 2018-2021 that totaled \$12.1 million in funding for Sonoma County. This injection of funds, along with other new sources of funding such as the California Emergency Solutions for Housing (CESH) and new sources of State and Federal Emergency Solutions Grants (ESG) dramatically expanded the local system of care.

In 2019, the State released a 1st round of Homeless Housing, Assistance and Prevention (HHAP) funds, including approximately \$3.6 million for the CoC. In 2020, the State released a 2nd round of HHAP funds in the amount of \$1.6 million for the CoC. As noted previously, the HHAP Round 3 allocations are larger again, with \$4.4 million going to the CoC and \$4.1 million to the County.

The State's HHAP program - issued in rounds - is a block grant program (i.e., a region is awarded a block of funds with some local discretion). HHAP spending must be informed by best practices focused on moving homeless individuals and families into permanent housing and ensuring those individuals and families maintain their permanent housing.

While the County and the CoC submitted separate HHAP applications in Rounds 1 and 2, the CoC and the County have approached Round 3 with more collaboration, sharing applications for review. Further, HHAP continues to change. Two new HHAP twists in 2022 involve:

1. A local Homeless Action Plan (HAP) must be submitted with the application to the State by June 30th to receive full funding (the HAP is also a collaborative effort between the CoC and the County); and
2. The opportunity for CoCs and Counties to apply for their HHAP funds jointly. By applying jointly, 20% of the total award for both entities is available prior to contract execution (we did this in Sonoma County earlier this year, with the permission of the County Administrator).

Part 3 - Combining State and Local Dollars: 2022 Homeless Program Contract Awards. HHAP now is the primary funding source for the CoC's annual Homeless Program Contract Awards (different from the HUD CoC ARD awards). As this agenda item's Funding Summary shows, HHAP is not the sole source of funds, however.

The CoC Board made the determination at its October 27, 2021 meeting to focus on a level reallocation of 2021's awards as well as to assign \$1.1 million towards Project Homekey operational support. In other words, there was not a new Notice of Funding Availability (NOFA) for the 2022 Homeless Program Contract Awards. Because of COVID and other reasons, the Board agreed with an across-the-board reallocation for FY 2022-23.

To make the 2022 CoC Homeless Program Contract Award programs "level funded" (i.e., no reductions from the funding levels of the 2021-22 contracts) across the 2 years, more local funds were needed. To this end, the County Administrator has again recommended (pending later budget approval by your Board of Supervisors) assigning local (County) discretionary funding of \$1,486,694.03 (including General Fund, Transient Occupancy Tax-Measure L, and Reinvestment and Revitalization) to the CoC's 2022 CoC Homeless Program Contract awards, all as summarized in Attachment 2.

In Attachment 2, please note that "RRH" means Rapid Rehousing, "ES" means Emergency Shelter, "PSH" means Permanent Supportive Housing, "SO" means Street Outreach, and "HP" means Homeless Prevention

(all are use categories authorized for HHAP funds).

The approval of local funds by your Board, in combination with other State and other funds approved by the CoC Board for HHAP-3 contracts in November 2021, will result in level funding for all of the projects that the CoC wanted funded. Upon approval of this agenda item, these contracts will be executed for a 1-year period from July 1, 2022 to June 30, 2023.

Part 4 - Contract Authority for the Two State HHAP Agreements. This agenda item also authorizes the Interim Executive Director of the CDC to execute the Standard Agreements to receive (and later spend) the HHAP-3 funds on behalf of both the County and the CoC.

In Conclusion. This agenda item, these programs, and these funds are an important part of the homeless system of care in Sonoma County. But they are not the entirety of it. Other programs and funds include other County general funds such as the \$2 million that went to safe parking and non-congregate shelter programs earlier this year, Project Homekey, Emergency Solutions Grants, housing vouchers, Measure O, many of the Department of Health Services' programs (including CalAIM), programs from the Human Services Department such as Cal-FRESH, and more (as shown on Attachment 3).

Staff from the CDC and DHS plan on returning to the Board in July 2022 with more detail about Sonoma County's homelessness efforts.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan by allocating various sources of funds in a leveraged/combined way to address homelessness. It 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 2: Identify and leverage grant funding sources for permanent supportive and affordable housing development.

Prior Board Actions:

June 8, 2021 - Annual Contract Approval of Local Homelessness Programs and Continuum of Care Program Funds, Item #83, 2021-0289

August 24, 2021 - Homeless Housing, Assistance and Prevention (HHAP) 2 Award and Contract Authorization, Item #9, 2021-0690

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses		\$11,791,006.24	
Additional Appropriation Requested			
Total Expenditures		\$11,791,006.24	0
Funding Sources			
General Fund/WA GF		\$665,000.00	

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State/Federal (HUD CoC, HHAP, CESH, More)		\$10,372,672.24	
Fees/Other - TOT and Reinvestment and Revitalization		\$753,334	
Use of Fund Balance			
Contingencies			
Total Sources		\$11,791,006.24	0

Narrative Explanation of Fiscal Impacts:

In FY 2022-23, the following appropriations will be utilized under the purview of the CoC Board and included in these contracts:

- California Emergency Solutions for Housing 2019 - \$634.80
- California Emergency Solutions for Housing 2020 - \$155,000.00
- State Homeless Housing, Assistance and Prevention Round 3 - \$4,416,736.69 (including administrative funds), of which \$2,843,413.13 will go to local contracts
- State Emergency Solutions Grant 2021 - \$61,342.72
- State Homeless Housing, Assistance and Prevention Round 1 remaining balance - \$14,172.52
- State Homeless Housing, Assistance and Prevention Round 2 remaining balance - \$1,011.91

In FY 2022-23, the following appropriations will be utilized under the purview of the Board of Supervisors:

- General Fund - \$665,000.00
- Reinvestment and Revitalization - \$628,040.00
- TOT Measure L - \$125,294.00
- Federal ESG 2020 - \$32,073.28
- Federal ESG 2021 - \$36,286.75
- Continuum of Care Rental Assistance, HMIS, Coordinated Entry, and Planning Grant (approved by CoC Board but contract authority needed from Board of Supervisors) - \$1,533,126.00
- County HHAP-3 (included for budget authority but not included in local contracts) - \$4,122,287.57

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

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Attachments:

Attachment 1 - Summary of US HUD Continuum of Care Awards FY 2021

Attachment 2 - 2022 Homeless Program Contract Awards, including local funding sources

Attachment 3 - Broader Overview of Funding (akin to a document presented to the CoC Board)

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

None