



**SACRAMENTO  
STEPS FORWARD**

Ending Homelessness. Starting Fresh.

TO: CoC Board Members

FROM: Michele Watts, SSF Chief Planning Officer

DATE: August 10, 2022

RE: HUD CoC Special NOFO Unsheltered Homelessness Set-Aside Funding Priorities- ACTION

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On June 22, 2022, HUD released a Special CoC Program Notice of Funding Opportunity (NOFO) to fund projects that successfully support people who are unsheltered or with a long history of being unsheltered in moving from the streets to permanent housing. Today the Continuum of Care (CoC) Board will be asked to approve funding priorities that will define the types of projects local providers should submit to be responsive to the special NOFO.

Background

Designed to support communities in their efforts to reduce unsheltered homelessness with efforts informed by recent evidence that people who are unsheltered experience significantly greater health challenges, trauma, and violence than their sheltered peers, the special NOFO will fund projects serving individuals and families experiencing homelessness with severe service needs.

Local Process and Timeline

During the first half of August SSF staff, along with our consultant, will be finalizing the local Request for Proposal (RFP). The consultants will host a mandatory bidders conference where the RFP will be clearly outlined, and questions answered. Applications will be due in mid-September and review and rank will quickly follow. The CoC Board will need to hold a special meeting at the beginning of October to approve the ranked list, with a notice of funding decisions provided to all applicants no later than October 5, 2022 (per HUD requirement). From there SSF staff will work with the

consultant to submit the consolidated application to HUD by October 20, 2022. Notification of funding from HUD will be no later than early January. If funded, projects would be starting in May 2023.

### Process for Developing Priorities

SSF staff relied upon multiple resources to develop project priorities for the special NOFO. The avenues included review of existing analyses, plans, and initiatives, consultation among the SSF team internally and with homelessness experts familiar with the Sacramento CoC, input from local government partners, briefings and discussions with the CoC Board and its committees, and a Partners with Lived Expertise Workgroup. Details are below.

- Existing analyses, plans, and initiatives
  - o Gaps Analyses (2020 and 2022)
  - o 100-Day Encampment Challenge Lessons Learned (2022)
  - o Point in Time Count (2022)
  - o Local Homelessness Action Plan (2022)
  - o Coordinated Access System Implementation Planning (2022)
- Homelessness Experts
  - o Worked with 2022 Gaps Analysis consultant Tom Albanese and LHAP consultant Alisa Orduna to define project type model requirements
- Sought input from community partners, including the Sacramento Funders Collaborative, Sacramento County, City of Sacramento, and SHRA
- Briefed members and/or sought input through the regular meetings of the following CoC committees throughout July:
  - o Coordinated Entry System Committee
  - o Racial Equity Committee
  - o Project Review Committee
  - o System Performance Committee
  - o Executive Committee
  - o Persons with Lived Expertise (see PLE Workgroup Section below- p. 3).
- Developed a survey for community input with 26 responses received

SSF asked for community input over three broad areas, including the definition of severe service need, project types to be funded, and good sources of healthcare and housing leveraging. The attached foundational

principles and project type model requirements are responsive to the input received, which included the following:

- Severe service need was most often defined by the community as relating to one or multiple, formally diagnosed or not, mental health conditions, including Substance Use Disorder.
- Fund programs that will serve people who are unsheltered who have not been successfully served by existing projects
- Provide supports using a participant-centered, flexible approach that meet people who are unsheltered where they're at
- Any direct services program funded under this NOFO needs to have intensive housing location, stabilization, and retention services attached
- Programs designed to serve people who are unsheltered with the most severe service needs must provide a level of care sufficient to ensure their success and avoid returns to homelessness. Concerns about using Rapid Rehousing project types for this high needs population were raised throughout the input process. It is clear that a Rapid Rehousing project serving the target population for this funding opportunity must be well-resourced and based on a more intensive service model than the Sacramento CoC has funded to date.

#### Partners with Lived Expertise (PLE) Working Group

HUD expects and the Sacramento CoC is committed to ensuring Partners with Lived Expertise (PLE) are engaged in decision-making throughout this Special NOFO process including setting local priorities, review and rank processes, and developing the local plan and community application. SSF has gathered a group of 10 PLEs that will meet every other week to support this Special NOFO. PLEs must write a letter of support that will be submitted with the application to HUD. PLEs will be provided stipends and other support for their participation.

#### Leveraging

To score maximum points in this competitive special NOFO, healthcare and housing funds must be leveraged in one or more projects.

A healthcare organization will need to commit to providing 50% of the total cost of at least one project. If these criteria are met, the CoC will be eligible for up to 10/70 application points. In this instance, the Special NOFO

would fund new permanent housing programs while healthcare utilized their funds for supportive services.

Housing programs, including Landlord Engagement, that are non-CoC Program and non-ESG funded can leverage their programs along with Special NOFO funding. Meeting these criteria would make the CoC eligible for up to 18/70 application points.

Acceptable forms of commitment are formal written agreements that must include: Value of the commitment and date the healthcare or housing resources will be provided. Likely partners include City, County, Manage Healthcare Partners, Sacramento Housing and Redevelopment Agency.

### Severity of Service Need

The local Coordinated Entry System (CES) assessments and prioritization tools need to align with the severity of service need definition. Further, Cal-AIM will require prioritization to include services to people with severe health and/or behavioral health needs. Because work defining the severity of service need is already taking place through Racial Equity and Coordinated Entry Committees and HUD TA in these areas, this work will come to the CoC Board through the CES avenue. SSF will share the input received on this topic with the appropriate workgroup and committees.

### Review & Rank

Review panelists will be recruited from PRC members eligible for the regular CoC NOFO panel, supplemented with members of the PLE workgroup. SSF will hire a neutral third party to oversee the entire review and rank process, recognizing that SSF is conflicted due to competing in the competition. PLEs and PRC members that are new to the Review & Rank will be provided with training and support throughout the process.

### Priorities Recommendations

The attached “2022 Special NOFO Priorities: Foundation & SSF Staff Recommendations” includes foundational principles and a project type model requirements matrix informed by the process described above, including a variety of stakeholder input and reliance on existing analyses and initiatives. In addition to the local inputs informing the staff recommendations, the foundation and project requirements being proposed are in alignment with HUD’s expectations for CoC Program funding, including components like engagement of People with Lived Expertise in

decision making, establishing and following system-level standards, and projects without barriers to entry. Staff recommendations for CoC Board approval are summarized below.

### Recommendations

- Accept applications for the following project types: (1) Joint Transitional Housing-Rapid Rehousing, (2) Rapid Rehousing, (3) Permanent Supportive Housing, (4) Supportive Services Only-Coordinated Access Street Outreach, (5) Homeless Management Information System, and (6) Planning Grant.
- Applications for these project types will adhere to the foundational principles and model requirements from the matrix.

### Next Steps:

- SSF will continue to work with local government and health plan partners to build system-level opportunities for leveraging healthcare and housing resources and bring those opportunities to the mandatory proposers kick off conference later this month.
- SSF will continue to work with the CoC, the PLE Workgroup, and other stakeholders to build out local plan and community application.
- SSF will contract with a consulting firm to support the project review and ranking process as a neutral party.
- Monthly Milestones
  - o August- CoC Board approval of priorities & preparation of application materials by providers
  - o September- Panel review and ranking of applications
  - o October- CoC Board approval of final ranked list and submission to HUD by 10/20/22

## **2022 SPECIAL NOFO PRIORITIES: FOUNDATION & SSF STAFF RECOMMENDATIONS**

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**Overview:** Through this Special NOFO, HUD will award funding to communities to implement coordinated approaches grounded in Housing First and public health principles to reduce the prevalence of unsheltered homelessness, and improve services, health outcomes, and housing stability among highly vulnerable unsheltered individuals and families. HUD expects applicant communities to partner with health and housing agencies to leverage mainstream housing and healthcare resources.

The principles and approaches and project type details included in this document are based on what the CoC has learned through the following analyses and reports coupled with input opportunities in July and August.

The analyses and reports include:

- Coordinated Entry System Evaluation (2020)
- Gaps Analyses (2020 & 2022)
- Racial Equity Action Plan (2021)
- 100-Day Encampments Challenge (2022)
- Point-in-Time Count (2022)
- Local Homelessness Action Plan (2022)

In addition to reliance upon these foundational documents, SSF also sought input from CoC Board committees and an established Partners with Lived Expertise cohort working on racial equity and coordinated entry.

**Overarching Principles and Approaches that apply to all programs:** All programs funded through this special NOFO should adhere to the following principles and approaches identified as central to our community's core approach to preventing and ending homelessness. Special NOFO projects will pilot these principles and approaches, with the intention of expanding to other homeless programs once tested.

- Utilization of participant-centered best practices, including practices that advance Racial Equity, Harm Reduction practices, and Trauma Informed Care (TIC), ensuring adequate and ongoing staff training to ensure fidelity to these models.

- Adherence to Housing First practices, including facilitating immediate access to housing without barriers.
- Adherence to system-wide coordinated access for crisis response and coordinated entry for permanent housing placement and services.
- Promoting participant choices in the services and housing assistance they receive, relying on Partners with Lived Expertise (PLE) to proactively inform program design and implementation to ensure client choice is foundational.
- Collaboration and coordination with key partners and other systems create and maintain a collaborative approach to assisting participants that facilitates the achievement of participant success in obtaining and retaining permanent housing.
- Ensuring a safe and affirming experience and environment based on best practice standards relevant to successfully supporting LGBTQ people.

All programs funded through the Special NOFO will meet and adhere to the below program specifications. **Programs must specifically involve People with Lived Expertise (PLE) in program design and continuous improvement efforts.** Programs must operate in a manner consistent with local expectations articulated for this funding opportunity and applicable HUD regulations.

**Staff Training:** All programs will ensure staff have the appropriate education, experience, and training necessary to provide high-quality services to clients. Training should be both upon hire and periodically thereafter. Training should include plans to maintain robust cultural humility in serving our unhoused community and specific knowledge in serving disproportionately affected sub-populations (e.g. BIPOC, LGBTQ). SSF provider training investments will include these types of training as well.

**PERMANENT & TRANSITIONAL HOUSING PROJECT TYPES** (Joint Transitional-Rapid Rehousing, Rapid Rehousing, and Permanent Supportive Housing)

Safe and stable housing, including transitional and permanent housing assistance options, prepare people to become independent leaseholders. Transitional and permanent housing assistance options are flexible, participant-centered, trauma-informed, and strengths-based. They are “low barrier” in that there are no preconditions for accessing, except for responding to significant and

immediate health or safety concerns, and they do not remove people from programming or housing due to unhealthy or disruptive behaviors.

Housing programs holistically address the resources needed to create real housing stability, regardless of project type.

Project Type Description	Essential Elements <i>(items below are in addition to the overarching principles, approaches and requirements stated above)</i>
<p><b>Project Type- Joint Transitional Housing &amp; Rapid Re-Housing</b></p> <p><b>Transitional Housing Component:</b></p> <p>Provides crisis housing to meet the immediate needs of unhoused people with severe service needs. Provides a safe place for people to stay with financial assistance and wrap around supportive services determined by program participants to help them move to permanent housing as quickly as possible. Stays in the transitional housing portion of these projects should be brief and without preconditions, and participants should quickly move to permanent housing with or without rapid re-housing assistance. Programs should aim for transitions to permanent housing that are as seamless as possible, including models that allow for transitioning in place.</p> <p>AND</p> <p><b>Rapid Re-housing Component:</b></p> <p>Provides housing search/placement, financial assistance for move-in costs and time-limited rent assistance, housing stabilization and other supportive services</p>	<p><b>Transitional component:</b></p> <ul style="list-style-type: none"> <li>• 24 hour residential environment (safe and structured setting, provision of cooking space, access to laundry, storage, etc.)</li> <li>• Hotel/motel environment with provision of meals and other needs</li> </ul> <p><b>Rapid re-housing component:</b></p> <ul style="list-style-type: none"> <li>• Provision of flexible, needs-based financial assistance (arrear and deposits, utility assistance, short to medium-term rental assistance).</li> <li>• Broad array of landlord partners, including those willing to house people with high screening barriers.</li> <li>• Projects with landlord engagement components should commit to partnering with system level efforts underway, including the County’s LEAP.</li> <li>• Fidelity to national standards for rapid re-housing (<a href="#">Rapid Re-Housing Performance Benchmarks and Program Standards</a>).</li> <li>• Robust housing location and stabilization</li> <li>• Comprehensive whole person case management services that are intensive, flexible, tenant-driven, and voluntary</li> <li>• RRH case managers have caseloads that are reasonable and allow for individualized supports</li> <li>• Service provision should take an integrated, multi-disciplinary approach relying on healthcare and other partners including mental health services, substance abuse services, physical health services, benefits assistance, life skills training, employment assistance, etc.</li> </ul>



<p>that help participants achieve housing stability, address developmental needs, and form connections with desired and needed community-based services and supports.</p>	
<p><b>Project Type- Rapid Rehousing</b></p> <p>Housing search/placement, financial assistance for move-in costs and time-limited rent assistance, and housing stabilization services that help people achieve housing stability and form connections with desired and needed community-based services and supports.</p>	<ul style="list-style-type: none"> <li>• Provision of flexible, needs-based financial assistance (arrears and deposits, utility assistance, short to medium-term rental assistance).</li> <li>• Broad array of landlord partners, including those willing to house people with high screening barriers.</li> <li>• Projects with landlord engagement components should commit to partnering with system level efforts underway, including the County’s LEAP.</li> <li>• Fidelity to national standards for rapid re-housing (<a href="#">Rapid Re-Housing Performance Benchmarks and Program Standards</a>).</li> <li>• Robust housing location and stabilization</li> <li>• Comprehensive whole person case management services that are intensive, flexible, tenant-driven, and voluntary</li> <li>• RRH case managers have caseloads that are reasonable and allow for individualized supports</li> <li>• Primary focus of services is on tenancy supports that help people access and remain in housing.</li> <li>• Service provision should take an integrated, multi-disciplinary approach relying on healthcare and other partners</li> <li>• Additional focus of services include mental health, substance abuse services, physical health services, benefits assistance, life skills training, employment assistance, etc</li> </ul>
<p><b>Project Type- Permanent Supportive Housing</b></p> <p>Long-term subsidy and long-term, wrap-around support services that help people with intensive service needs obtain and maintain housing stability.</p>	<ul style="list-style-type: none"> <li>• Single site options with communal features and on-site services; scattered site options with direct or master-lease options for participants with high landlord screening barriers.</li> <li>• Comprehensive whole person case management services that are intensive, flexible, tenant-driven and voluntary</li> <li>• Primary focus of services is on tenancy supports that help people access and remain in housing</li> <li>• Service provisions should take an integrated, multi-disciplinary approach relying on healthcare and other partners.</li> <li>• Additional focus of services include mental health, substance abuse services, physical health services, benefits assistance, life skills training, employment assistance, etc.</li> </ul>

**SUPPORTIVE SERVICES ONLY- COORDINATED ACCESS STREET OUTREACH PROJECTS**

Coordinated access street outreach services are provided for unhoused people with severe service needs in order to quickly resolve the crisis through immediate problem-solving, targeted prevention or by facilitating immediate access to shelter and re-housing services. Services are readily accessible, flexible, participant-centered, trauma-informed, and strengths-based.

<b>Project Type Description</b>	<b>Essential Elements</b> <i>(items below are in addition to the overarching principles, approaches and requirements stated above)</i>
<b>Supportive Services Only- Coordinated Access Street Outreach</b>	<ul style="list-style-type: none"> <li>• Provide street outreach services to support Coordinated Access System participants, including</li> <li>• Problem Solving</li> <li>• Support while awaiting emergency shelter placement</li> <li>• Support to transition directly from an unsheltered situation to permanent housing, including housing navigation/location and stabilization.</li> <li>• SSO-Coordinated Access Street Outreach projects should leverage resources for permanent housing or otherwise connect participants to permanent housing opportunities.</li> </ul>

Additional eligible project types include Supportive Services Only Coordinated Entry Projects, Homeless Management Information System Projects, and Planning Projects. Staff recommendations concerning these project types are as follows:

- SSF is not recommending the Coordinated Entry SSO project type because these services can be proposed under the regular SSO-Street Outreach and Permanent Housing project types.
- SSF recommends allowing applications for Homeless Management Information System (HMIS) Projects and Planning Grant (PG) Projects that propose activities that specifically seek to improve outcomes for people who are unsheltered with severe service needs. Any project submitted under this project type must demonstrate a clear connection to improving outcomes for the target population. As the HMIS Lead Agency and the Collaborative Applicant, SSF is the only entity eligible to submit a proposal for the HMIS and PG project types. Therefore, SSF further recommends that the independent consultant to be hired to oversee the review and ranking of project applications for the special NOFO include fair and objective criteria for the scoring of HMIS and PG projects as part of the overall projects competition.