TO: Continuum of Care Board

FROM: Dena Fuentes, Director, RSG, Inc.
     Michele Watts, Chief Planning Officer, Sacramento Steps Forward

DATE: October 4, 2022

RE: FY2022 HUD Continuum of Care Special Notice of Funding Opportunity (SNOFO) Unsheltered Set-Aside Funding Recommendations- ACTION ITEM

Summary & Action Requested
This memo presents the Special Notice of Funding Opportunity (SNOFO) funding recommendations and the process by which the recommendations were developed. CoC Board approval of the recommendations are requested.

Background
On June 22, 2022, the US Department of Housing and Urban Development released a Special NOFO (SNOFO) to fund programs specifically targeted to reduce unsheltered homelessness. The SNOFO CoC Consolidated Application is due October 20, 2022. The Sacramento City and County Continuum of Care (CoC) is eligible to apply for up to $10,636,073 for a three-year initial term, after which funded projects will renew annually via the regular CoC NOFO competition. The SNOFO is a very competitive opportunity and Sacramento is not guaranteed funding. Of the total amount of funds available, $10,316,991 is available for permanent housing, supportive services, and Homeless Management Information System (HMIS) projects and $319,082 is earmarked for CoC system-level planning activities to address unsheltered homelessness.
Local Competition
Sacramento CoC Collaborative Applicant, Sacramento Steps Forward (SSF), sought the services of a neutral consultant to oversee and facilitate the local competition for these funds. The reason a third-party was hired is that SSF is eligible to apply for funds in the local competition. After contacting several consulting firms and requesting proposals from two interested parties, one proposal was received from RSG. The RSG proposal met the CoC’s needs and RSG was selected as the SNOFO review and rank consultant.

On August 10, 2022, the CoC Board met to set local competition priorities, including expectations for project types and service models. These priorities were developed with input from CoC committees, Partners with Lived Expertise (PLE) Workgroup, national experts familiar with Sacramento through their work on the gaps analysis and Local Homelessness Action Plan, and best practices for interventions addressing unsheltered homelessness. The CoC Board agreed to fund the following project types with requirements that project models adhere to Housing First principles as outlined in the attached memo:

- Permanent Supportive Housing
- Rapid Rehousing
- Transitional Housing- Rapid Rehousing
- Supportive Services Only- Outreach Connected to Coordinated Access System
- Homeless Management Information System

Following the August 10, CoC Board meeting, RSG developed the local Request for Applications (RFA), the scoring criteria for the eligible project types, and local application materials. RSG referred to the Sacramento CoC’s regular NOFO competition materials, the SNOFO itself, and HUD guidance on CoC competitions. Locally, input on proposed competition materials was provided by the CoC Performance Review Committee and the Partners with Lived Expertise Workgroup.

The SNOFO RFA was released on September 1, 2022 and application materials were due on September 19, 2022. A Mandatory Applicants Conference and two Technical Assistance Workshops were held to help providers prepare their application materials.
At the same time as applicants were preparing applications, a non-conflicted review and rank panel was recruited. Review and Rank panelists were recruited from the PLE working group and CoC Board. The panel consisted of six (6) PLE members and two (2) CoC Board members. A total of three (3) members of the panel had previous Review and Rank experience.

**PLE Engagement**
The Special NOFO Partners with Lived Expertise (PLE) Workgroup consisted of 10 members with diverse backgrounds, identities, and lived experiences of homelessness. The working group met every other week, sometimes more often to meet deadlines, to help provide critical thoughts, ideas, and leadership to the Sacramento CoC’s Special NOFO process and application. The PLE Workgroup contributed to the following essential elements:

1. Cohort identified that project applicants need to have PLE Engagement.
2. Developing the local definition of severe service need.
3. Defining the application types that could apply for this funding opportunity.
4. Scoring Tool – ensure training, equity, and PLE engagement were a part of designing the final tool.
5. Six PLE working group members participating in the Review and Rank Panel.
6. PLE Cohort will also help review the consolidated application.

All their time spent working on the Sacramento CoC’s Special NOFO was compensated. Without their contributions, the Sacramento CoC would not have been able to submit a competitive application for this opportunity.

**Local Competition Funding Recommendations**
Six applications were received by the October 19th due date. One (1) application was determined to be ineligible based on RSG’s review, confirmed by HUD through the Ask A Question (AAQ) portal. A second application award was declined by the recipient and subrecipient agency (see details on page 4 below). The four remaining eligible applications were recommended for funding as detailed below.
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**Project Applications Detail**

- **SHELTER, Inc.**’s proposed program, Thrive Sacramento, is a permanent supportive housing (PSH) program that will provide approximately 48 Sacramento County households with stable permanent housing and accompanying supportive services. SHELTER, Inc.’s intends to purchase two multi-unit properties in Sacramento that will become the primary permanent housing and service delivery site for participants. SHELTER, Inc. will center their programs on an intense and regular case management system to help clients obtain, adjust, and thrive in their new home. SHELTER, Inc. is deeply committed to delivering culturally competent services. Thrive Sacramento’s Program Manager and Program Director will regularly review the program’s ability to create an equitable environment for all participants and ensure all program staff is trained in doing so. All SHELTER, Inc. staff undergo significant Diversity, Equity, and Inclusion (DEI) training and are trained to help to create an equitable, inclusive, and diverse environment for our participants and other staff.

- **TLCS/ Hope Cooperative**’s proposed program, Hope CalAim, will provide 32 permanent supportive housing (PSD) beds. Supportive Services are provided as Enhanced Case Management (ECM) as
defined by CalAim and mandated through a contract with Managed Care Plans. The services are designed to be provided to individuals with high service needs and are meant to use a “whatever it takes” model to connect people with any service they might need and to provide the coordination of that care. TLCS – Hope Cooperative is committed to hiring staff with lived experience with mental health challenges, substance use disorders, and homelessness. All staff also receive Cultural Humility training and mandatory Diversity, Equity, and Inclusion (DEI) training.

- **Sacramento Steps Forward** CAN Team Expansion is a Supportive Services Only-Outreach Connected to the Coordinated Access System (CAS) project type. The SSF CAN Team Expansion builds upon the allocation of local and state funding to create a CAS to improve front door access for people in crisis and in need of immediate support for diversion services to avoid entry to the homeless system or support for those who need a shelter bed while awaiting availability of that bed. These services will be provided by Elica Health, the provider recently selected through the competitive RFP process for selecting the CAN Team organization. The CAN Team staff funded through the SNOFO Expansion will prioritize those who are unsheltered and who have struggled to access shelter and crisis response services in the past.

- **Sacramento Steps Forward** Homeless Management Information System will fund HMIS Lead Agency staff responsible for improving data collection and analysis for people experiencing unsheltered homelessness in the CoC. This project will fund HMIS staff and infrastructure to improve the representation of unsheltered households in HMIS. This population is significantly underrepresented in HMIS, particularly those who are living in encampments. This project will provide Technical Assistance, Data Quality Monitoring, and Training for outreach efforts to collect information about local encampments and the individuals living within them. SSF has oversight of the CoC and is partnering with local Community-Based Organizations (CBOs) who will be providing the outreach staff for this project.

*Review and Rank Panel Process, Contingencies, and Appeals*
The Review and Rank Panel met on four occasions between September 21st and 27th. The first two meetings focused on reviewing the application tools and scoring matrix and answering any questions regarding the tools; September 21 and 23, 2022 respectively. The final two meetings were to conducted following panelists’ independent review, to jointly develop the ranking of the applications. The first meeting, September 26, 2022, resulted in questions associated with the respective applications. The final meeting, September 27, 2022, provided the answers to the questions and resulted in the final ranking and recommendation. On September 28, 2022, the applicants were notified of the panel’s preliminary ranking results and had until 5 p.m. September 29, 2022 to appeal.

The original ranking included allocating a portion of the funds, $444,231, to Sacramento Steps Forward and Bridging Initiatives International to implement a transitional housing and rapid rehousing proposal. However, based on the proposal submitted, the Review and Rank panel made the recommendation subject to the applicant adding an additional subrecipient who had more experience in scattered site housing model and operations. Because of the short timeframes to submit the application to HUD, the applicants were to meet this condition on or before October 7, 2022. If the applicant was unable to meet this condition, then the funds would be reallocated to Shelter Inc.’s Thrive Sacramento project.

On September 29, 2022, RSG received an email in which Sacramento Steps Forward and Bridging Initiatives International declined the grant based on the contingency of finding a third partner within the timeframe articulated. SSF and BII will rework the SNOFO application and apply again in the next regular NOFO competition next summer. Additionally, no appeals were received.

**Leveraging Healthcare Resources**

Sacramento Steps Forward worked closely with Sacramento Managed Care Plans (MCP) to secure system-level leveraged healthcare resources, to increase the Sacramento CoC’s SNOFO competitiveness and in recognition of the new opportunities afforded through the Cal-AIM initiative, and the MCPs committed $5M to this effort. As competing CoCs are awarded points based on the amount of healthcare resources they leverage, this commitment is a significant investment in the competitiveness of the CoC’s application. Additionally, the Hope
Cooperative Permanent Supportive Housing project also leverages healthcare resources from Managed Care Plan Anthem, to their project, further increasing the competitiveness of Sacramento’s overall application.

**Requested Action**
Approve the project funding recommendations of the Special NOFO (SNOFO) review and rank panel:

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**Next Steps**
Following today’s CoC Board approval of funding recommendations, each applicant will be informed of their application status individually by RSG, the funding list will be posted to the SSF website on the official FY2022 SNOFO webpage, and an eblast will be distributed widely to advise the community of the CoC Board’s decision.

Next week, on October 12, 2022, the CoC Board will convene to approve the other elements of the SNOFO Consolidated Application. Materials for this session will be distributed closer to the meeting date.