



SONOMA COUNTY
HOMELESS
COALITION

**Sonoma County Continuum of Care Board
Staff Report**

Item No: 6

Subject: Local Homelessness Services Notice of Funding (NOFA) Availability Recommendations

Meeting Date: April 23, 2025

Staff Contact: Michael Gause, Michael.Gause@sonoma-county.org

SUMMARY

In this item, staff present two scenarios for funding in the Fiscal Year 2025-2026 Local Homeless Services NOFA for funding of core projects in the upcoming fiscal year.

RECOMMENDED ACTION(S)

Approve Local Homeless Services NOFA recommendations for final approval at the Sonoma County Board of Supervisors meeting on June 3, 2025. Staff and an impartial Evaluation Panel provide two scenarios of funding and recommend the second scenario.

DISCUSSION

The Fiscal Year 2025-2026 Local Homelessness Services NOFA was released on December 11, 2024, with applications due February 7, 2025. This year's NOFA had approximately \$1.7 million less in funding available than the 2024-2025 NOFA, which will result in funding reductions across the continuum. The funding gap is due to one-time COVID funds under the Homeless Coalition's purview ending, as well as gaps in state funding, such as the 6th round of the Homelessness Housing Assistance and Prevention (HHAP) Program. HHAP-6 will not be available until 2026 and cannot be rolled into contracts. This year, \$6,035,152 is available in funding.

Funding sources for this NOFA include:

- Homeless Housing, Assistance and Prevention (HHAP) Round-5 funds allocated to the Homeless Coalition: \$1,200,392.99
- State Partnership HealthPlan (PHP) Homelessness Housing incentive Program (HHIP) funds allocated to Sonoma County and passed through to the Homeless Coalition: \$3,817,278.00.
- Local funds allocated by Sonoma County Board of Supervisors: \$1,017,480.00

In contrast, the Coalition Board had \$7.8 million available for FY 2024-2025. There is ongoing uncertainty with traditional State funding as well as federal funding beyond the coming fiscal year.

This year's NOFA included an option for allocating 100% of funding to renewing (or returning) projects or up to 20% for new projects (defined as not receiving funds in FY 2024-25) and 80% for renewing projects. This included 29 renewing projects and 7 projects new to the 25-26 funding process.

With Coalition Board approval, staff lead scoring efforts which were scored by category (rapid rehousing, permanent supportive housing, emergency shelter, street outreach, other project types (ie, safe parking or shared housing) as well as scoring specific for new projects. Renewing projects were scored based on past performance as well as qualitative information gleaned from questionnaires such as adherence to housing first, coordinated entry, fiscal information and budget, alignment with the strategic plan, and adherence with system performance. Equity and inclusion of individuals with lived experience of homelessness was also scored. New projects were scored on proposed outcomes as well as a similar qualitative questionnaire.

An impartial Evaluation Panel assisted staff in reviewing scores and proposed funding recommendations. The panel included a city representative, individuals with lived experience of homelessness (including a former Coalition Board member), and a healthcare representative.

FUNDING RECOMMENDATIONS

Staff and the Evaluation Panel met in several meetings to review funding recommendations and funding scenarios (Attachment 1 – Funding Scenarios) Given the factors of having less funding in the system of care and uncertainty with state and federal funding, staff and the panel were unanimous in providing a funding recommendation of funding only renewing projects with funding reductions of 17% across all projects (with the exception of two projects that have additional funding for next year explained more below) in Scenario 2 or funding renewing projects at a 19.5% reduction and funding the top scoring new project in Scenario 1. Staff and the Funding Panel were unanimous in recommending Scenario 2.

Scenario 1 (Not Recommended)

In this scenario, all but two renewing projects received funding at a 19% reduction and the highest scoring new project is awarded funding. The two exceptions for renewing projects are:

- TLC's Rapid Rehousing is funded at a lower rate due to receiving \$255,714 in funding from the Measure O/HHAP NOFA announced in early 2025. TLC applied for this project before knowing the result of the NOFA. This adjusts the project to the right size as it is duplicated in the other NOFA.
- SHARE's Community Shared Housing Project is funded at a lower rate due to having underspent funds in the previous fiscal year that resulted in a contract from January 2025-December 2025 in the amount of \$308,820 for the same project. As in the case with TLC, this results in a project that is right sized.

The new project included in this scenario is the Housing Navigation Project with the Sonoma County Community Development Commission in the amount of \$161,800. This was the highest scoring new project out of 7 received and would support individuals with Housing Choice Vouchers in locating housing.

Staff and the Evaluation Panel do not recommend this scenario as it causes a greater reduction in funds for all renewing projects.

Scenario 2 (Recommended)

In this scenario, all renewing projects are funded at a 17% reduction (with the same caveats for the other two projects mentioned above), and no new projects are recommended for funding. This keeps funding levels as close to FY 24-25 levels as possible. Staff and Evaluation Panel were unanimous in recommending this as the option going forward.

Upon your Board's approval, next steps include:

- Staff will bring recommendations to the Sonoma County Board of Supervisors for contract authorization on June 3, 2025.
- Concurrently, staff will develop contracts for the fiscal year starting July 1, 2025.

Final recommendations will be posted on the Homeless Coalition website upon approval by the Coalition Board.

ATTACHMENTS

Attachment 1 – 2025-2026 NOFA Recommendations