



**Housing for Health Partnership Policy Board
Special Meeting Agenda
Virtual/Teleconference**

Zoom Link: <https://us06web.zoom.us/j/84366468818>

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September 14, 2022; 12-1 pm

1. Call to Order/Welcome
2. Additions and Deletions to the Agenda
3. Housing for Health Division Announcements/Information Sharing
4. Action Items (Vote Required)
 - A. Approve the rating, ranking, funding reallocation, and new project application recommendations of they FY 2022 Housing and Urban Development (HUD) Notice of Funding Opportunity (NOFO) subcommittee.
5. Policy Board Member Announcements
6. Next Meeting
7. Meeting Adjournment

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Housing for Health Partnership Policy Board Special Meeting Agenda – September 14, 2022



**Housing for Health Partnership (H4HP) Policy Board
Agenda Item #4A (Action Item – Requires Vote)**

Meeting Date: September 14, 2022

From:

H4HP Policy Board HUD FY 2022 Notice of Funding Opportunity (NOFO) Subcommittee with participants outlined below.

Staff:

- Tony Gardner, H4HP, Continuum of Care (CoC) Consultant
- Robert Ratner, County of Santa Cruz, Human Services Department, Housing for Health Division Director

Volunteer Rating/Ranking Participants:

- Anthony Jordan, County of Santa Cruz, Health Services Agency, Senior Behavioral Health Manager, Director Substance Use Disorder Treatment System of Care
- Carlos Landaverry, City of Watsonville, Housing Manager, Community Development Agency
- Heather Rogers, County of Santa Cruz, Public Defender
- Judy Hutchison, Association of Faith Communities (AFC), Chair
- Karen Kern, County of Santa Cruz, Health Services Agency, Senior Behavioral Health Manager, Director Adult Mental Health Services System of Care
- Larry Imwalle, City of Santa Cruz, Homelessness Response Manager, City Manager's Office

Subject:

Approve the rating, ranking, funding reallocation, and new project application recommendations of the FY 2022 Housing and Urban Development (HUD) Notice of Funding Opportunity (NOFO) subcommittee.

Subcommittee Recommended Action(s) for Policy Board:

1. Approve a \$83,603 funding reallocation from the County of Santa Cruz Health Services Agency permanent supportive housing MATCH leasing program to support a new permanent supportive housing project application submitted by Housing Matters and a new domestic violence rapid re-housing program submitted by Walnut Avenue Family and Women's Center.
2. Approve Tier 1 HUD project rankings totaling \$3,594,705 in HUD CoC grant project renewals plus one new permanent supportive housing project with Housing Matters for an 801 River St. expansion grant.
3. Approve Tier 2 HUD project rankings totaling \$548,221 that includes funding for a portion of one Families In Transition (FIT) Rapid Rehousing renewal grant, a new



domestic violence bonus project rapid rehousing proposal from Monarch Services, and a new domestic violence project rapid rehousing proposal from Walnut Avenue Family and Women's Center.

4. Approve direction to Housing for Health Division staff to work toward securing future funding for the proposed Monarch Services rapid rehousing proposal if the project does not receive funding from HUD through the FY 2022 NOFO process due to high subcommittee rankings and support for this proposed project.
5. Approve recommendation to decline submittal of a new CoC rapid rehousing bonus project application received from Community Bridges.
6. Approve the submittal of Non-Competitive YHDP Project renewal grants totaling \$1,285,268.
7. Approve the submittal of a Non-Competitive CoC Planning renewal grant totaling \$152,075.
8. Approve the submittal of a collaborative Supplemental Unsheltered Competitive NOFO application for \$1,055,676 for permanent supportive housing subsidies for 13 studio units at the Housing Matters Harvey West Studios permanent supportive housing project and up to \$31,670 in planning grant funds for the same project for the Housing for Health Division of the County of Santa Cruz Human Services Department. Direct Housing for Health Division staff to work collaboratively with Housing Matters to increase the competitiveness of their proposed project application through clearly described partnerships with the Public Defender, County Behavioral Health, Central California Alliance for Health, and the Housing Authority of the County of Santa Cruz. Direct staff to explore the possibility of a Public Defender client preference for the proposed 13 units at the site. Direct staff to explore the best uses of the proposed \$31,670 in planning funds and authorize staff to adjust the proposed use of this funding based on conversations with proposed project application partners.

Executive Summary

Each year the U.S. Department of Housing and Urban Development (HUD) releases a Notice of Funding Opportunity (NOFO), signifying the beginning of a funding competition among more than 450 Continuums of Care (CoC), the community stakeholder groups that guide local responses to homelessness. The 2022 CoC NOFO was released on August 1, 2022, opening the competition making available **approximately \$2.794 billion** to serve homeless people nationally. Consolidated applications for CoC funds are due to HUD **September 30, 4:59PM Pacific**.

Before the CoC application is submitted to HUD, our CoC, the Housing for Health Partnership (H4HP), is required to hold a local competition to determine which projects will be included in the two consolidated applications, along with their relative priority. The results of the local competition dictate for which projects the CoC will seek funding. The Housing for Health Partnership Policy Board authorized the creation of a subcommittee to support the management of the local competition and to make recommendations for action to the full



Policy Board. This memo outlines those recommendations and associated background information.

Background

On July 11, 2022, the H4HP released information about the HUD FY 2022 unsheltered competitive Notice of Funding Opportunity (NOFO) and on August 1, 2022, released information about the general HUD CoC NOFO. On August 8, 2022 a combined local public solicitation of applications for both opportunities was released to stakeholders in Santa Cruz County via an email distribution list and public posting about the opportunity on the H4HP [website](#). Virtual workshops were held on August 10th and 12th for interested applicants and recordings of the sessions were made available to interested parties unable to attend the sessions. Local funding applications were due on August 31, 2022 by 5 pm.

H4HP staff received renewal applications from all current grant recipients, one new unsheltered NOFO proposed application, two new domestic violence bonus rapid rehousing applications, a new permanent supportive housing bonus project application, and a new rapid rehousing bonus project application.

At the H4HP Policy Board meeting on August 17, 2022, the Board approved the formation of a subcommittee of 4-6 individuals to complete the local review process including at least one individual with lived experience of homelessness in the committee. The committee was formed and received instructions on how to rate and rank applications. The committee met on September 7th to review individual rankings and comments and to make final recommendations for action to the Policy Board. This memo contains those recommendations. **Attachment 4A1** summarizes the recommendations and grant amounts for each renewal project and proposed new projects.

Analysis

Subcommittee members received a briefing report on the availability of HUD FY2022 funding (**Attachment 4A2**) prior to completing their review. Committee members utilized a scoring rubric to rate and comment on project applications received. Ranking of renewal grants was conducted based on a structured scoring framework with opportunities for comments from subcommittee members. New project applications were independently rated and ranked by members with consolidated average scores tabulated by staff. In addition to this information, review committee members received background information on the spending patterns of current grant recipients.

Based on the spending information received, the committee learned that the Health Services Agency MATCH permanent supportive housing leasing program underspent their grant by close to \$300,000 in the prior grant year. Staff from the Health Services Agency reported challenges with spending leasing grant funds due to challenges securing leasing of units. Other permanent



supportive housing projects also experienced underspending due to difficulty with securing permanent units in the private housing market.

Subcommittee members recommended a reallocation of \$83,603 from the MATCH grant program to a building-based supportive housing program proposed by Housing Matters and to cover a portion of a proposed domestic violence rapid rehousing program from Walnut Avenue. As a building-based supportive housing program, the committee felt there was a great likelihood of funding getting used at a designated supportive housing site as opposed to in the private market. The final overall MATCH grant award reduction will likely be less than the \$83,603 proposed due to expected grant adjustments from HUD based on fair market rent adjustments including in housing subsidy program budgets each funding cycle.

Tier 1 proposed project rankings were based on overall project score except for one new project. Tier 1 projects have consistently received funding from HUD as part of their national competition. Subcommittee members recommended including the proposed 801 River St. permanent supportive housing project among Tier 1 projects to ensure it receives funding. New projects generally score higher than renewal projects due to a lack of project operational data for new projects. The new River St. expansion project was ranked above a Families In Transition (FIT) rapid rehousing project to ensure that the total budget for the River St. project was included as a Tier 1 project. The FIT renewal grant project straddles both Tier 1 and Tier 2. Based on prior funding cycles, the CoC consultant for the County indicated the FIT project was likely to receive full renewal funding based on prior funding cycle patterns.

Tier 2 proposed project rankings include the aforementioned FIT project in the top of Tier 2 followed by the highest-ranking proposed renewal project, a domestic violence rapid rehousing project proposed by Monarch Services. The last project identified in Tier 2 is a new domestic violence rapid rehousing bonus project from Walnut Avenue Family and Women's Center. Subcommittee members identified the Monarch project as a high-quality proposal to support Monarch's permanent Housing Program Work that includes serving victims of domestic violence and women exiting county jail. Concerns were expressed about including this project in Tier 2 given its high score relative to other projects. However, given the HUD scoring rules it was felt that the project was likely to receive funding in Tier 2 without jeopardizing the renewal of existing grants. Subcommittee members recommended Housing for Health Division staff and the H4HP explore ways to support the Monarch Services Housing Program, particularly its re-entry work, if the proposed HUD funding is not secured. The Walnut Avenue domestic violence rapid rehousing project was placed on the bottom of Tier 2 due to its lower ranking score. Community Bridges submitted a proposal for a new rapid rehousing project that was ranked the lowest among all proposals received. Subcommittee members recommended declining this project for inclusion in the HUD application package.



Subcommittee members recommended submission of all YHDP renewal grants and the CoC planning grant. These projects were not competitively ranked per HUD guidance. All these projects are expected to receive renewal grants from this funding cycle.

Only one application was received for the Supplemental Unsheltered Competitive NOFO. Housing Matters requested ongoing housing subsidy funding for 13 permanent supportive housing studio units at the proposed Harvey West Studios development on the Housing Matters campus. The proposal references targeting units to unsheltered individuals with significant barriers to securing and retaining housing without support. Housing Matters requested \$1,024,006 over three years for their project. An additional \$31,670 for planning funding for this project is also available from HUD. The Housing for Health Division of the County of Santa Cruz Human Services Department proposed being the recipient of this funding to support planning and implementation of this proposed project.

The Unsheltered Competitive NOFO process and application requires a plan for serving individuals and families with severe service needs along with written commitment(s) of mainstream housing units, healthcare resources, and public housing authority involvement. A letter of support signed by a working group of persons with lived experience of homelessness is also required. Subcommittee members recommend that Housing for Health Division staff work with Housing Matters and other local partners to make the application submission as strong as possible. Specific recommendations include exploring the possibility of creating a housing unit preference for eligible clients of the Public Defender's office, partnering with County Behavioral Health and Central California Alliance for Health for health care resources, and establishing a HUD Stability Vouchers partnership plan with the Housing Authority of the County of Santa Cruz.

The proposed target population focus reflects increasing rates and numbers of people experiencing homelessness with histories of criminal justice system involvement and behavioral health issues. A copy of the full CoC application for the Unsheltered Competitive NOFO must be publicly posted no later than October 18, 2022 and is due to HUD by October 20, 2022.

Financial Impact

The subcommittee recommendations seek to expand the total HUD CoC funding available to the Santa Cruz County CoC. The attached recommendations reallocate \$83,603 of underutilized funding from one project to two new proposed projects. One rapid rehousing renewal grant project straddles Tier 1 and Tier 2 status with \$178,556 of the \$570,228 placed in Tier 2. The proposed recommendations are intended to help the CoC increase its FY 2022 HUD allocation compared to its FY 2021 allocation of \$5,207,237.

Housing for a Healthy Santa Cruz Strategic Framework Elements

The proposed recommendations will likely result in increased rapid rehousing and building-based permanent supportive housing units, both key elements of the Strategic Framework. The



Unsheltered NOFO proposal is intended to increase collaboration and coordination among public and nonprofit agencies to expand housing and services for a high-need unsheltered population within the County.

Attachments:

- 4A1 - H4HP - FY 2022 HUD CoC NOFO Subcommittee Recommended Approvals and Ranking Summary Chart
- 4A2 - H4HP - FY 2022 HUD CoC NOFO Subcommittee Briefing Materials

Santa Cruz County CoC 2022 Project Approvals, Ranking, and Tiers							
Rank	Score	Applicant Name	Project Name	New or Renewal	Grant Term	Project Component	Total HUD Budget
Tier 1 - \$3,594,705							
1	90	Housing Matters	801 River Street	Renewal	1 Year	PH	\$159,911
2	90	Walnut Avenue Family & Women's Center	Walnut Avenue Housing & Employment Program	Renewal	1 Year	PH	\$266,274
3	90	Encompass Community Services	Freedom Cottages	Renewal	1 Year	PH	\$15,645
4	86.5	Housing Authority of the County of Santa Cruz	Shelter+Care Consolidate	Renewal	1 Year	PH	\$1,342,434
5	86.5	Encompass Community Services	Housing for Health 3	Renewal	1 Year	PH	\$90,429
6	85.5	County of Santa Cruz Health Services Agency	MATCH	Renewal	1 Year	PH	\$945,315
7	84	Santa Cruz County HSD	County of Santa Cruz Homeless Management Information System	Renewal	1 Year	HMIS	\$91,699
8	79	County of Santa Cruz	Coordinated Entry Expansion	Renewal	1 Year	SSO	\$228,362
9	88.5	Housing Matters	801 River Street Expansion	New - Reallocation	1 Year	PH	\$62,964
10	75.5	Families In Transition of Santa Cruz County, Inc.	First Step-Scattered Site Housing for Families with Children	Renewal	1 Year	PH	\$391,672

\$3,594,705 Total

Recommend approving Tier 1 as shown

Reduced by \$83,603 and reallocated to Housing Matters and Walnut Ave.

Tier 2 - \$442,654 Estimated Likely							
10	75.5	Families In Transition of Santa Cruz County, Inc.	First Step-Scattered Site Housing for Families with Children	Renewal	1 Year	PH	\$178,556
11	95.25	Monarch Services	Monarch DV Bonus	New - DV Bonus	1 Year	PH	\$105,567
12	83.25	Walnut Avenue Family & Women's Center	Walnut Avenue DV Bonus	New - CoC Bonus + Reallocation	1 Year	PH	\$264,098

\$548,221 Total

Recommend approving Tier 2 as shown

Changed to CoC Bonus, Amount Increased to maximize Tier 2 possibility

Supplemental Unsheltered NOFO - \$1,055,676							
1	89	Housing Matters	Harvey West Studios	New - Unsheltered	3 Years	PH	\$1,024,006
2	83	Santa Cruz County HSD	Unsheltered CoC Planning Grant	New - Unsheltered	3 Years	Planning	\$31,670

\$1,055,676 Total

Recommend approving Supplemental Unsheltered funding as shown

Prioritize or set aside the units for Public Defender Office referral of CH persons with disabilities coming out of jail; leverage CalAIM

Non-Competitive YHDP Projects - \$1,285,268 (not ranked)							
N/A	N/A	Bill Wilson Center	Santa Cruz County Shared Housing	Renewal	1 Year	TH	\$137,767
N/A	N/A	Community Action Board of Santa Cruz County, Inc.	YHDP - Youth Homeless Response Team (YHRT)	Renewal	1 Year	PH	\$99,175
N/A	N/A	County of Santa Cruz	Youth CES	Renewal	1 Year	SSO	\$60,000
N/A	N/A	Encompass Community Services	Drop-In Center	Renewal	1 Year	PH	\$296,903

Recommend approving YHDP as shown

Santa Cruz County CoC 2022 Project Approvals, Ranking, and Tiers							
Rank	Score	Applicant Name	Project Name	New or Renewal	Grant Term	Project Component	Total HUD Budget
N/A	N/A	Families In Transition of Santa Cruz County, Inc.	Y.A.A.S. (Young Adults Achieving Success)	Renewal	1 Year	PH	\$263,387
N/A	N/A	Covenant House	YHDP New Roots RRH	Renewal	1 Year	PH	\$197,505
N/A	N/A	Covenant House	Youth Rapid Rehousing	Renewal	1 Year	PH	\$230,531

\$1,285,268 Total

Non-Competitive CoC Planning Grant - \$152,075 (not ranked)							
Rank	Score	Applicant Name	Project Name	New or Renewal	Grant Term	Project Component	Total HUD Budget
N/A	N/A	County of Santa Cruz	CoC Planning Grant	New	1 Year	Planning	\$152,075

Recommend approving Planning Grant as shown

Total

Competitive CoC New Project - Declined							
Rank	Score	Applicant Name	Project Name	New or Renewal	Grant Term	Project Component	Total HUD Budget
73.5	N/A	Community Bridges	Community Bridges RRH	New - CoC Bonus	1 Year	PH	\$253,459

Recommend declining as shown in favor of Walnut Ave. CoC Bonus above

Attachment 4A2 - September 14, 2022 H4HP Special Meeting



Review and Ranking Committee Briefing on 2022 CoC Funding

Expected Funding Available and Allowable Project Types

CoC NOFO

\$5,580,269 is the possible total (before FMR adjustments) for Santa Cruz County projects. This includes:

- **\$3,783,900** is our Annual Renewal Demand (ARD), the amount needed for one-year *renewal* of all expiring CoC grants and/or for **reallocation** to eligible new projects that will better meet our needs.
- **\$1,285,268** is for expiring YHDP grants and/or for **replacement** with new YHDP projects that better meet youth needs (not competitively ranked).
- **\$253,459** is our total possible amount for **new CoC bonus** projects (5% of ARD). Eligible types of CoC bonus projects: permanent supportive housing (PSH), rapid rehousing (RRH), joint TH and RRH (TH-RRH), Homeless Management Information System (HMIS, and Coordinated Entry (CES).
- **\$105,567** is our total possible amount for nationally competitive **Domestic Violence (DV) bonus** projects. Eligible types of DV bonus projects: RRH, TH-RRH, and CES.
- **\$152,075** for one **CoC planning** project (not competitively ranked).

Tiering: CoCs must rank projects that are subject to competition into two tiers. Tier 1 projects are most likely to be funded, while Tier 2 are less likely. Tier 1 is 95% of the ARD amount. Tier 2 is the value of CoC bonus funds. DV bonus projects aren't included in the tiering thresholds, but they must be ranked and tiered (more about that below). YHDP and CoC Planning projects do not need to be ranked or tiered.

- **\$3,594,705** is our Tier 1 amount
- **\$442,654** is our likely possible maximum Tier 2 amount
\$4,037,359 total of Tier + Tier 2

Renewal projects do not have to be ranked and placed in Tier 1. The CoC can decide to put one or more renewals into Tier 2, while elevating new CoC or DV bonus projects into Tier 1.

Supplemental Unsheltered NOFO

\$1,055,676 is the possible total for Santa Cruz County projects as listed in NOFO Appendix A. This includes:

- **\$1,024,006** over *three years* (\$341,335 per year) for **new** projects of following allowable project types: PSH, RRH, TH-RRH, CES, and/or supportive services only (SSO).
- **\$31,670** for a three-year (\$10,557 per year) CoC planning project.

Summary of the Review and Ranking Subcommittee Role

CoCs must **review, approve (or reject), rank, and place into Tiers 1 and 2** all competitive CoC renewal, reallocation, and bonus projects submitted. This year, CoCs must also review, approve (or reject), and rank projects submitted for the separate Supplemental Unsheltered Notice of Funding Opportunity (NOFO). The Review and Ranking Subcommittee's role is to **develop recommendations** regarding the above for approval by the Housing for Health (H4H) Policy Board at its September 14, 2022 meeting. The Review and Ranking Subcommittee composed of 4 H4H Board members and 2 volunteers, selected because they (1) lack of conflict of interest, (2) have strong knowledge of local homelessness issues, and (3) represent persons with lived experience.

Review and Ranking Subcommittee members engage in a fair, objective decision process that includes:

1. Reviewing staff rating of local applications using publicly announced objective criteria.
2. Reviewing project proposals and noting comments, issues for discussion, and project recommendations.
3. Proposal question and answer with applicants (*this year not conducted*).
4. Discussion of the local applications in the context of HUD priorities and needs, local 3-year plan strategic priorities and action strategies, and performance metrics, etc.
5. Reaching consensus on recommendations for the approval (or rejection), rank order, and tier placement of each new and renewal project. If the subcommittee does not reach a consensus, it will use a quorum majority voting process as detailed in the CoC Charter.
6. The H4H Policy Board will review the subcommittee's recommendations and make the final decisions.
7. All applicants will receive final decisions regarding project approval (or rejection), rank order, and tier placement at least 15 days before the HUD application deadline. Minutes of the rating and ranking decisions, and bonus selection, will be made available to all H4H Members, and will be posted online, along with the Project Priority listings.

Overview of Project Types

CoC Renewal Projects

Any projects that have existing CoC grants that are expiring in calendar year 2023 can apply for a continuation (renewal) grant. They can request one year of funding to continue their term activities, i.e., rental assistance, leasing, supportive services, operations, HMIS and Admin. The request cannot exceed the amount approved by HUD in the Grant Inventory Worksheet.

Consolidating Renewals-

Renewal project applicants may consolidate up to 10 renewal projects into one project application during the application process. Each project has to be submitted separately for ranking, but if they are all funded they will receive a single, consolidated contract. To be eligible for consolidation, projects must have the same recipient and be for the same Component (e.g., PSH).

Transitioning Renewals From One Component to Another-

Applicants may transition renewal projects from one CoC Program component (e.g., TH) to an eligible new project type, i.e., PSH, RRH, joint TH and RRH, CES, or HMIS. A transition grant is a new program and the renewal grant is eliminated. For a new project to be considered a transition grant, the applicant for the new project must be the same recipient for the eligible renewal grant(s) being eliminated.

CoC New Projects

The following chart summarizes allowable new project types:

Eligible New Projects from Reallocation, CoC Bonus, or Combination Funding	Eligible DV Bonus Projects	Eligible New Projects for Supplemental Unsheltered NOFO
1. New PSH projects that will serve 100 percent chronically homeless or the DedicatedPLUS population 2. New RRH projects that will serve individuals and families 3. Joint TH/RRH projects 4. New CES project 5. New HMIS project.	1. RRH following Housing First 2. Joint TH/RRH projects following Housing First 3. CES projects focused on DV survivors.	1. New PSH projects 2. New RRH projects 3. Joint TH/RRH projects 4. New CES project 5. New SSO projects 6. New HMIS project. <i>All projects should serve people with severe service needs and histories of unsheltered homelessness</i>

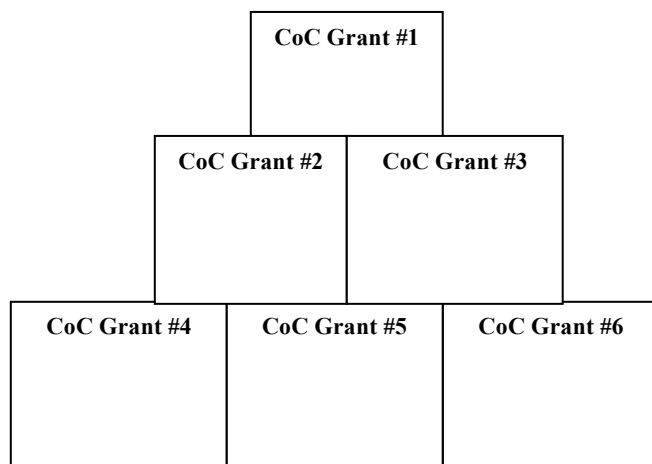
Stand Alone vs. Expansion Grants -

New **stand-alone vs. expansion** grants - a new project can be either a stand-alone project or an expansion of an existing renewal in order to increase the numbers served, beds/units provided, services provided, HMIS services, etc. The new expansion applications must be submitted separately from the renewal application being expanded, although if both are funded HUD will issue a single contract. The expansion grant can be funded only if the underlying renewal is also funded.

Some Key CoC Funding Concepts

Annual Renewal Demand Amount

The total amount needed to renew each CoC grant expiring between January 1, 2023 and December 31, 2023 is the Annual Renewal Demand (ARD) amount. The CoC grant annual renewal amounts are the building blocks of ARD. Bigger and more building blocks = a higher ARD amount.



Calculating the Santa Cruz County CoC ARD:

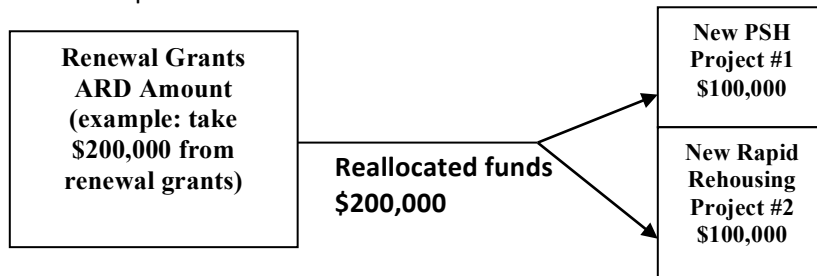
1. HSA MATCH: \$1,028,918
2. FIT First Step RRH: \$560,228
3. ECS Freedom Cottages: \$15,645
4. ECSH4H 3: \$90,429
5. Cty Planning CES: \$228,362
6. Cty Planning HMIS: \$91,699
7. HM River St: \$159,911
8. HA S+C: \$1,342,434
9. Walnut Ave. Housing & E: \$266,274

Santa Cruz CoC ARD = \$3,783,900

Reallocation of ARD Funds

Communities can use the Reallocation Process to move money from one or more renewal projects to one of more eligible new projects,

Here's an example:



H4H Policy Encouraging Voluntary Self-Reallocation-

In order to encourage projects to voluntarily align themselves with HUD priorities and local priorities, existing transitional housing projects, or other projects components that are no longer needed, that no longer match the agency's mission, or that are underperforming, wishing to convert their project to one of the eligible new reallocation project types described above, will be given priority in accessing the funds reallocated from their existing project.