

COUNTY OF SAN LUIS OBISPO

NOTICE OF FUNDING AVAILABILITY 2027 ACTION PLAN

**Community Development Block Grant (CDBG)
Emergency Solutions Grant (ESG)
HOME Investment Partnership Program (HOME) including
HOME Tenant-Based Rental Assistance (HOME-TBRA)
Title 29 Affordable Housing Fund
County General Fund Support (GFS)
Permanent Local Housing Allocation (PLHA)
Homeless Housing, Assistance and Prevention Program
Round 6 (HHAP-6)**



County of San Luis Obispo
Department of Social Services
Homeless Services Division
September 28, 2026

The County of San Luis Obispo (County) will begin accepting applications for the 2027 Action Plan and FY27/28 Funding Programs starting on **September 28, 2026**, and prior to the **5:00 pm submission deadline on Friday, October 30, 2026**.

This Notice of Funding Availability (NOFA) is posted on the County's Department of Social Services – Homeless Services Division (Homeless Services Division) website at slocounty.gov/HomelessServicesGrants.

Any changes, additions, or deletions to this NOFA will be in the form of written addenda issued by the County. Any addenda will be posted on the website. Prospective applicants must check the website for addenda or other relevant new information during the response period. The County is not responsible for the failure of any prospective applicant to receive such addenda. All addenda so issued shall become a part of this NOFA.

If your firm is interested and qualified, please complete the application for the appropriate category (Affordable Housing, Housing Rehabilitation, HOME-TBRA, HHAP, PLHA, Public Facilities, Public Services, State ESG, CDBG Administration and Capacity Building) in the Neighborly software portal (Neighborly). Neighborly is located on the Homeless Services Division website at slocounty.gov/HomelessServicesGrants. Applications must be submitted not later than **5:00 pm on Friday, October 30, 2026**.

If you have any questions about the application process, please contact the Homeless Services Division directly.

Homeless Services Division
HSDgrants@co.slo.ca.us



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SCHEDULE AND SUBMITTAL

A. NOFA SCHEDULE

The following represents the anticipated schedule for this NOFA. Any change in the scheduled dates for the Deadline for Final Questions, or Application Submission Deadline will be advertised in the form of an addendum to this NOFA. The schedule for other milestones dates may be adjusted without notice. Any updates to the schedule for this NOFA will be made available on the Homeless Services Division website, slocounty.gov/HomelessServicesGrants

Anticipated NOFA Schedule	Date
Community Development Needs Assessment Online Survey Posted	August 13, 2026
NOFA Issued	September 28, 2026
Neighborly Software Portal open for applications	September 28, 2026
Last day to respond to the Community Development Needs Assessment	October 13, 2026
Applicant Training Workshop (<i>information below</i>)	October 14, 2026
Application Submission Deadline	October 30, 2026
Evaluation of Applications	November – December 2026
Participating Jurisdiction City Council Meeting – <i>Establish Draft Funding Recommendations</i>	November 2026
Community Development Needs Assessment Hearing – Board of Supervisors	December 8, 2026
Homeless Services Oversight Council approval of Public Services funding recommendations	January 20, 2027
Draft Funding Recommendations Posted	January 2027
Participation Jurisdiction City Council Meeting – <i>To Approve Final Funding Recommendations</i>	February 2027
2027 Draft Affordable Housing Funding Recommendations Hearing – Board of Supervisors	February 2027
2027 Action Plan Draft Funding Recommendations Hearing – Board of Supervisors	April 2027
2027 Action Plan submitted to the Department of Housing & Urban Development	May 2027
2027 Program Year	July 1, 2027 – June 30, 2028

B. APPLICATION INFORMATION

Applications are accepted electronically via Neighborly Software only. All projects must have an application in Neighborly to be considered for funding. Applicants can access the application portal at <https://portal.neighborlysoftware.com/SANLUISOBISPOCOUNTYCA/participant>.

The Neighborly Software portal will begin accepting applications starting on Monday, September 28, 2026.

New users must first register their account before accessing the participant portal.

After creating a username and password, applicants may begin work on their applications.

NOTE: Applicants may add multiple users (each with a unique user name and password) to an application.

Neighborly doesn't have automatic saving, so please make sure to save your work before logging off. Applicants may log off and log on again at any time and from any computer to continue working on their applications. Applications will be locked for editing at 5:00 p.m. on the deadline listed in the NOFA Schedule. Click "Complete" and "Submit" to submit applications.

Caution: Applicants will not be able to submit their application unless all required fields are completed prior to submission. The application will indicate which required questions are missing. Applicants may correct errors until 5:00 p.m. on the application deadline listed in the NOFA Schedule.

Applicants are strongly encouraged to submit applications in advance of the deadline to allow time to correct errors. (Note that Neighborly only checks for empty fields: acceptance of an application by Neighborly does not ensure that the application is complete.) In addition to checking that all responses are complete, please check that all required documents have been uploaded. The application in Neighborly including all required documents must be submitted by **5:00 pm** on **Friday, October 30, 2026.**

If applicants have technical difficulties, they can email Neighborly Technical Support at support@neighborlysoftware.com.

C. 2027 ACTION PLAN NOFA WORKSHOP

An applicant workshop for all prospective applicants will be offered via Zoom on Wednesday, October 14, 2026, from 1:30 pm – 3:00 pm. The training will be recorded; however, applicants are strongly encouraged to attend the live training session.

To attend the workshop via Zoom link:

You can join this meeting from your computer, tablet, or smartphone.

<https://us06web.zoom.us/j/89646518236?pwd=t0oDQ8KvAt8YHjhtQyiV9o12o8OE5d.1>

Meeting ID: 896 4651 8236

Passcode: 123196

D. APPLICANT QUESTIONS

All questions (requests for interpretations or corrections) pertaining to the content of this NOFA must be made in writing through the Homeless Services Division email (HSDgrants@co.slo.ca.us).

E. COMMUNITY DEVELOPMENT NEEDS ASSESSMENT SURVEY

The Community Development Needs Assessment Survey is available on the Homeless Services website on the [Community Development](#) page. The survey is an opportunity to help establish funding priorities based on the priorities established for the 2025-2029 Consolidated Plan. Interested community members are encouraged to complete the Community Development Needs Assessment Survey by October 13, 2026.

I. INTRODUCTION

I. PURPOSE

The purpose of this Notice of Funding Availability (NOFA) is to solicit applications from qualified entities for the County to establish grant funding recommendations for the 2027 Action Plan and other FY27/28 funding programs using competitive projects that support the [2025-2029 Consolidated Plan's](#) Countywide goals and the [San Luis Obispo Countywide Plan to Address Homelessness \(2022-2027\)](#). The U.S. Department of Housing and Urban Development (HUD) requires that each entitlement jurisdiction develop and implement an annual Action Plan in accordance with its Consolidated Plan that will best serve the community.

Funding sources available for 2027 Action Plan include HUD programs: Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships Program (HOME). State programs include Homeless Housing, Assistance and Prevention Program (HHAP), Permanent Local Housing Allocation (PLHA), and Emergency Solutions Grant (ESG). Local funding includes County General Funds and Title 29.

NOTE: The City of Grover Beach is the only city in the county that is not part of the Urban County of San Luis Obispo. Services offered to residents of the City of Grover Beach are eligible to benefit from a CDBG funded project/program as long as the majority of the project/program participants, 51% or more, can

be documented as a resident of one of the participating jurisdictions of the Urban County. CDBG funded projects/programs must also meet the Low – Moderate Clientele benefit National Objective criteria where at least 51% of ALL project/program participants are documented as low-moderate income.

II. 2027 FUNDING ESTIMATES

I. HUD Estimates

Funding estimates for 2027 are established by averaging the last 3 years' allocations and reducing that average by 5%. Final funding allocation amounts are typically announced by HUD in the spring prior to the start of the upcoming Action Plan Year.

Funding Source	Estimated 2027 Allocation	Program Income	Estimated Funds Available
CDBG	\$1,773,619	\$ 0.00	\$1,418,895*
ESG	\$ 149,968	\$ 0.00	\$ 138,720*
HOME	\$ 767,667	\$ 0.00	\$ 690,900*

* Estimated Funds Available exclude Administration allocations

a. CDBG Funding Estimates per Jurisdiction

CDBG Funding Estimates per Jurisdiction					
Jurisdiction	Total Estimated Allocation	City Admin Portion (35%)*	County Admin Portion (65%)*	Public Services Funds Available (15%)	Remaining Funds Available for 2026 Project Applications
Arroyo Grande	\$63,771	\$4,464	\$8,290	\$9,566	\$41,451
Atascadero	\$176,928	\$12,385	\$23,000	\$26,539	\$115,003
Morro Bay	\$52,554	\$3,679	\$6,832	\$7,883	\$34,160
Paso Robles	\$295,492	\$20,684	\$38,414	\$44,324	\$192,070
Pismo Beach	\$46,516	\$3,256	\$6,047	\$6,977	\$30,236
San Luis Obispo	\$571,078	\$39,975	\$74,240	\$85,662	\$371,200
County	\$567,280	\$0.00	\$113,456	\$85,092	\$368,732

**CDBG allows 20% total for administration funds. Cities retain 35% of the administration allocation, and the County retains 65% of the administration allocation from the cities. All numbers have been rounded.*

II. State Programs

a. HHAP

Homeless Housing, Assistance and Prevention (HHAP) Round 6 Remainder disbursement funding available. HHAP funding may be utilized on evidence-based solutions that prevent, reduce and end homelessness. Grantees may not use HHAP grant funding to supplant existing local funds for homeless housing, assistance, or prevention, and funds must be expended in compliance with Housing First requirements per Health and Safety Codes Section 50241(f).

HHAP-6 Funding

Total HHAP-6 Remainder Disbursement	7% Reserved for CoC/County Admin*	1% Reserved for HMIS***	10% Set Aside to Serve Homeless Youth**	Total Available for Application
\$1,386,379.00	\$97,046.53	\$13,863.79	\$138,637.90	\$1,275,468.68

HHAP-6 funds must be fully expended by 5/31/2029.

**Administrative funds refer to the cost of the County to administer the CoC and County grants. This does not include staff costs or other costs directly related to implementing or carrying out activities funded by the program allocation.*

***A minimum of 10% of total funding is reserved for activities assisting homeless and at-risk youth. Applicants may request more than the minimum amount to assist youth.*

**** A maximum of 1% of the total funding will be utilized by the County for the administration of the Homeless Management Information System (HMIS).*

b. HCD Emergency Solutions Grants Program (ESG) – 2026 Continuum of Care. Administrative Entity Allocation

The California Department of Housing and Community Development (HCD) receives funding from the United States Department of Housing and Urban Development (HUD) for the ESG program and allocates funds to eligible Continuum of Care (CoC) service areas, of which the San Luis Obispo CoC is an eligible applicant.

CoC #	CoC Name	FY26 CA CoC ESG Allocation	40% Minimum for Rapid Rehousing	Emergency Shelter
614	San Luis Obispo County CoC	\$190,735	\$76,294	\$112,322

Grant agreement term: 7/1/2027-6/30/2028.

1% of the total funding (\$1,903.00) is reserved for the County to administer the grant.

c. Permanent Local Housing Allocation

		Activity Description	Amount Available
2021 PLHA	Activity #2	Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, of 150 percent of AMI in high-cost areas.	\$149,238.80

III. County Funding

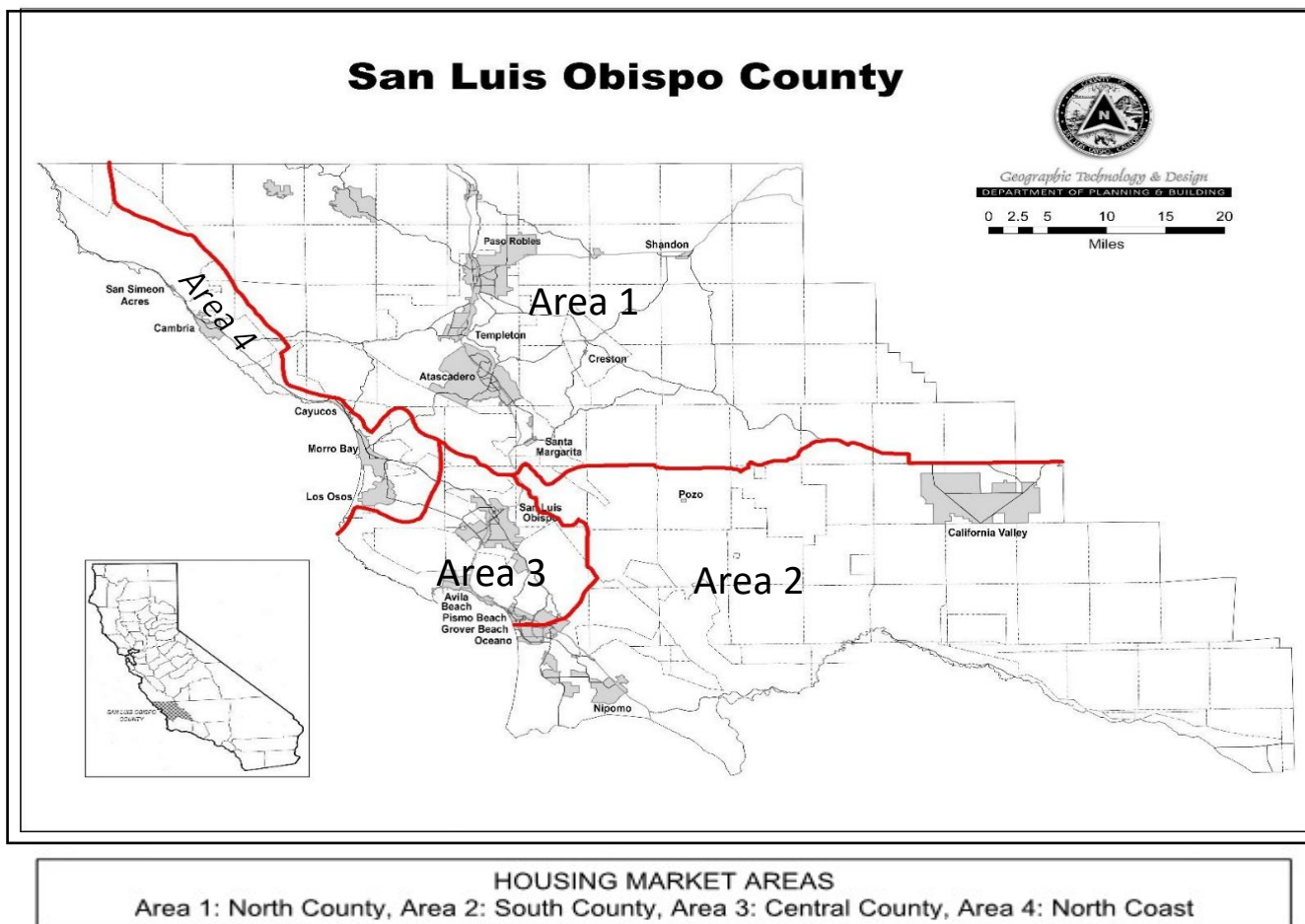
a. General Fund Support

\$379,000: Emergency Shelters and homelessness related programs

The actual amount (if any) depends on approval of the budget in June 2027 by the Board of Supervisors. These funds must be used on eligible activities and expended during the fiscal year of the award (FY27/28 program year: July 1, 2027 - June 30, 2028).

b. Title 29 Affordable Housing Funds

Open to All	\$56,199.01
Central County	\$13,251.59
South County	\$124,427.55



III. BACKGROUND

(Not an explicit list of requirements. The applicant is responsible for researching program regulations.)

I. Environmental Review

24 CFR Part 58 prohibits the commitment or expenditure of HUD funds until the environmental review process has been completed, and the grant recipient receives an "Ability to Obligate and Incur Costs" notice from the County. Applicants/Subrecipients may not commit or spend either public or private project funds (HUD, other Federal, state and private funds) or execute a legally binding agreement for any federally funded project until environmental clearance has been achieved. Applicants/Subrecipients must avoid all actions that would preclude the selection of alternative choices before a final decision is made – that decision being based upon an understanding of the environmental consequences and actions that can protect, restore, and enhance the human environment (i.e., the natural, physical, social, and economic environment). Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the subrecipient's or other project participant's own funds, prior to obtaining environmental clearance.

Obligated and/or incurred project funds prior to the completion of all required local, state, and federal environmental laws will jeopardize the project's eligibility to receive federal funds. Under federal law, the County of San Luis Obispo is not responsible for the award of funds nor the reimbursement of any project funds to the applicant/subrecipient and the County will reallocate the funds to another eligible project and applicant.

II. Reallocation of Awarded Funds

Any request to reallocate over \$200,000 of a HUD funded award will trigger a substantial amendment of the Annual Action Plan. A substantial amendment is required to be approved by the Board of Supervisors and could put the funds at risk of not being re-programmed into the requesting entity's project/program.

III. Monitoring

The County will monitor the performance of the Subrecipient against the project/program's goals and performance standards. Substandard performance as determined by the County, the state Department of Housing and Community Development (HCD) or HUD, will constitute noncompliance against the project Agreement. If action to correct such substandard performance is not taken by the Subrecipient within the time prescribed by the County, HCD or HUD, agreement suspension or termination procedures will be initiated.

Onsite visits may be required to complete monitoring efforts. Typical monitoring reviews consist of the following:

- Desk top monitoring. (Review of application for funding, written agreement, progress reports, draw-down requests, Integrated Disbursement and Information System (IDIS) reports, correspondence, previous monitoring reviews, and copies of audits.)
- Onsite monitoring. (Notice of visit will be issued; entrance conference will be held; documentation, data gathering, and analysis will occur; an exit conference will be held to present preliminary results of the monitoring.)
- Follow-up will occur by issuing a letter identifying the results of the visit and the subrecipient will have an opportunity to clear any concerns or findings identified with satisfactory documentation of requirements being met. Corrective Action may be required.

IV. Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Federal grant programs are administered in accordance with 2 CFR Part 200, 24 CFR Part 570.502 (CDBG Program), and 24 CFR Part 92.505 (HOME Program) requirements.

V. Section 3

The Section 3 Final Rule took effect on November 30, 2020. Updates were implemented to create more effective incentives for employers to retain and invest in their low- and very low-income workers, streamline reporting requirements by aligning them with typical business practices,

provide for program-specific oversight, and clarify the obligations of entities that are covered by Section 3. These changes are intended to increase Section 3's impact on low- and very low-income persons, increase compliance with Section 3's requirements, and reduce regulatory burden. HUD will continue to work with grantees and state and local agency partners to implement the new requirements and assess its ongoing effectiveness.

Training or employment arising in connection with a HUD-funded housing rehabilitation, housing construction, or other public construction project are subject to compliance with Section 3 when assistance to the project exceeds \$200,000, or when assistance from HUD's Lead Hazard Control and Healthy Homes (LHCHH) programs exceeds \$100,000.

Additionally, agreement opportunities arising in connection with both public housing and other Section 3 projects are, to the greatest extent feasible, required to be given to business concerns that provide economic opportunities to low- or very low-income persons consistent with the Section 3 statute and regulations.

The benchmarks for Section 3 projects (housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance where the amount of assistance to the project exceeds *a threshold of \$300,000*) are:

- 25 percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and
- 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined in 24 CFR section 75.21.

VI. Build America, Buy America Act (BABA) 41 USC 8301

The Build America, Buy America Act (BABA) requires that all iron, steel, manufactured products, and construction materials used for federally funded infrastructure projects are produced in the United States, unless otherwise exempt or subject to an approved waiver.

Infrastructure projects include the structures, facilities, and equipment for projects traditionally considered infrastructure including buildings and real property. Infrastructure projects include construction, alteration, maintenance, or repair of any infrastructure in the United States as defined in the Act. This may include, but is not limited to, the following:

- road and sidewalk improvement projects;
- water, sewer, and other utility projects;
- broadband infrastructure;
- housing construction and rehabilitation;
- community facility construction and rehabilitation;
- homeless shelter construction and rehabilitation;
- and other CPD-funded activities that are defined as infrastructure according to BABA (section 70912(5)).

The requirements of this Act were phased in and for are fully applicable for all projects using these materials for the 2025 Action Plan. More information can be found at : [Build America, Buy America Act - HUD Exchange](#) and [BABA Quick Guide for CDBG](#)

VII. Reporting Requirements

Progress Reports are required to be submitted quarterly via Neighborly, identifying the demographics of beneficiaries served, milestones reached, any barriers encountered, and accomplishments achieved to ensure reimbursement of funds and project completion.

A Final Report is also required to ensure reimbursement of funds. Reporting details vary depending on the activity funded and are subject to change depending on HUD and HCD regulations and guidance.

Homeless Serving Projects

Homeless Serving projects shall maintain a record of all persons receiving benefits from the program, collect data, and directly enter this data into the HMIS, or for Domestic Violence Providers, a comparable database. This data must include all required HMIS data elements per the most current HMIS Data Standards from the US Department of Housing and Urban Development.

The Proposer shall also be in compliance with San Luis Obispo County HMIS Policies & Procedures located on the Homeless Management Information System webpage located here [HMIS](#). If the proposer has not previously entered information into HMIS, they are required to establish a separate Agency Agreement with the HMIS Lead Agency - DSS Homeless Services Division - as outlined in the HMIS Policies and Procedures Manual. New HMIS Agency Agreements should be in place no later than 90 days before activities begin. If any proposer will not be able to meet the above requirements, applicants shall detail an alternative action within their proposal.

VIII. HUD NSPIRE Requirements

Beginning April 14, 2027, all new HOME-assisted rental housing, tenant-based rental assistance, and acquisition/rehabilitation project must comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE), as extended in HUD's April 2026 Federal Register notice. These standards require participating jurisdictions, developers and property owners to adopt updated written property standards and inspection protocols aligned with NSPIRE to ensure health, safety, functionality, energy efficiency, broadband readiness, and other key quality measures. Detailed standards, inspection tools, and supplemental guidance are available on HUD's webpage: [HUD NSPIRE – National Standards for the Physical Inspection of Real Estate](#). Applicants are strongly encouraged to review and incorporate these updated standards in their project planning, design, and compliance strategies.

IV. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) OVERVIEW

I. Program Description

CDBG funds are intended to assist in the development of viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Regulatory citation: 24 CFR Part 570.

II. Federal Award Information

- Federal awards are issued as grants for non-housing related activities;
- No cost sharing or match requirement;
- ***A maximum of 15% of funds are available for Public Service activities.***

III. Eligible Applicants

Open to all types of domestic applicants other than individuals.

IV. Eligible Activities

- Acquisition of Real Property - CDBG funds may be used for acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of § 570.207. A property appraisal must be submitted to determine the fair market value for the property. *Subject to site visit during application review.*
- Disposition - CDBG funds may be used to pay costs incidental to disposing of real property acquired with CDBG funds, including its disposition at less than fair market value, provided the property will be used to meet a national objective of the CDBG program. Reference: § 570.201(b).
- Public Facilities and Improvements - CDBG funds may be used by the grantee or other public or private nonprofit entities for the acquisition (including long term leases for periods of 15 years or more), construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility), emergency shelters, transitional housing, or installation of public improvements or facilities (except for buildings for the general conduct of government). Reference: § 570.201(c). *Subject to site visit during application review.*
- Clearance - CDBG funds may be used for the demolition of buildings and improvements, removal of demolition products (rubble) and other debris, physical removal of environmental contaminants or treatment of such contaminants to render them harmless, and the movement of structures to other sites. Reference: § 570.201(d). Note: the demolition of HUD-assisted housing may be undertaken only with prior approval by HUD.

- Public Services - CDBG funds may be used to provide public services (including labor, supplies, materials, and other costs), including but not limited to those concerned with employment, crime prevention, childcare, health, drug abuse, education, fair housing counseling, energy conservation, welfare, direct homeownership assistance, or recreational needs. Emergency grant payments of subsistence-type grant payments such as food, clothing, housing (rent or mortgage), or utilities made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family. Public Services funds are subject to a 15% cap of the total program year's allocation. Reference: § 570.201(e). *NOTE: Program Income can only be used for Public Services in the program year following the year in which the program income was earned.*
- Interim Assistance - CDBG funds may be used for certain activities on an interim basis, provided that the activities meet a national objective. There are two subcategories of interim assistance activities. The first subcategory covers limited improvements to a deteriorating area as a prelude to permanent improvements. The second subcategory covers activities to alleviate an emergency condition. References: § 570.201(f)(1), § 570.200(e), § 570.201(f)(2), and § 570.200(e).
- Relocation - CDBG funds may be used for costs associated with the Uniform Relocation Assistance and Real Property Acquisition Policies Act for optional relocation payments and assistance to persons (individuals, families, businesses, non-profit organizations, and farms) displaced by an activity that is not subject to the requirements described above. This may include payments and other assistance for temporary relocation (when persons are not permanently displaced). Reference: § 570.201(i). *Subject to site visit during application review.*
- Loss of Rental Income - CDBG funds may be used to pay housing owners for the loss of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG-assisted activities. The statutory requirements concerning displacement require certain replacement housing to be made available. Reference: § 570.201(j).
- Privately-Owned Utilities - The grantee, other public agencies, private nonprofit entities, and for-profit entities may use CDBG funds to acquire, construct, reconstruct, or install the distribution lines and related facilities for privately-owned utilities. Reference: § 570.201(l).
- Rehabilitation - CDBG funds may be used to finance the costs of rehabilitation in eligible types of property and under certain eligible types of assistance. Eligible types of property include residential, commercial/industrial, and other nonprofit-owned nonresidential buildings. *Subject to site visit during application review.*
- Construction of Housing - Under this category, CDBG funds may be used in certain specified circumstances to finance the construction of new permanent residential structures. Grantees may use CDBG funds in a housing construction project that has

received funding through a Housing Development Grant (a HODAG). Reference: § 570.201(m).

- Code Enforcement - Code enforcement involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. Reference: § 570.202(c).
- Special Economic Development Activities - CDBG funds may be used for commercial or industrial improvements carried out by the grantee or a nonprofit subrecipient, assistance to private for-profit entities for an activity determined by the grantee to be appropriate to carry out an economic development project, and economic development services in connection with the before mentioned subcategories. Reference: § 570.203(a), (b) and (c).
- Microenterprise Assistance - Under this category, grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization, and expansion of microenterprises. This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. Reference: § 570.201(o).
- Special Activities by Community Based Development Organizations (CBDO) - This category authorizes a grantee to designate certain types of entities to carry out a range of activities that may include activities the grantee may otherwise not carry out itself. While the "otherwise ineligible" activities covered by this authority may take many forms, the most frequent use of this provision in the CDBG program has been to carry out new construction of housing.
- Homeownership Assistance - The specific purposes for which financial assistance using CDBG funds may be provided under this category are to subsidize interest rates and mortgage principal amounts, finance the cost of acquiring property already occupied by the household at terms needed to make the purchase affordable, pay all or part of the premium (on behalf of the purchaser) for mortgage insurance required up-front by a private mortgagee, pay any or all of the reasonable closing costs associated with the home purchase on behalf of the purchaser, and pay up to 50% of the down payment required by the mortgagee for the purchase on behalf of the purchaser.
- Planning and Capacity Building - CDBG funds may be used for studies, analysis, data gathering, preparation of plans, and identification of activities that will implement plans. Such funds may also be used under this category for activities designed to improve the applicant's capacity to plan and manage programs and activities for the grantee's CDBG program. *Limited to City Jurisdictions.*

- Program Administration Costs - CDBG funds may be used to pay reasonable program administration costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under the CDBG or the HOME or Urban Development Action Grants (UDAG) programs. Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, and evaluation, as described at § 570.206(a)(1). *Limited to City Jurisdictions. Program administration funds are subject to a 20% cap of the total program year's allocation.*

V. Eligible Beneficiaries

A minimum of 51 percent of program participants are required to be low/moderate-income, defined as families, households, and individuals whose incomes do not exceed 80 percent of San Luis Obispo County's median income, adjusted for family or household size. Proof of income eligibility is required for each participant and must be retained in the project file to be made available for review at time of reimbursement request and during monitoring for not less than 5 years after the complete draw down of a federal award. Department of Housing and Urban Development (HUD) grants must serve predominately low-moderate income individuals or households.

V. EMERGENCY SOLUTIONS GRANT (ESG) OVERVIEW

I. Program Description

ESG funds are intended to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. Funds may be used to fund eligible activities that benefit either people who are homeless or those at risk of homelessness. Regulatory citation: 2 CFR Part 576.

II. Federal Award Information

- Federal awards are issued as grants;
- 100% match required; proof of matching funds sources and amounts are required to be documented and provided to the County within this application and again at agreement execution.
- Total amount of Federal ESG funds that may be used for street outreach and emergency shelter activities cannot exceed 60 percent of the total HUD ESG grant.

III. Eligible Applicants

Open to all types of domestic applicants other than individuals.

IV. Eligible Activities

- Homeless Management Information System (HMIS) - ESG funds may be used for HMIS activities associated with contributing data derived from ESG-funded programs. HMIS activities must comply with HUD's standards on participation, data collection, and reporting, as well as state defined regulations.
- Rapid Re-Housing Assistance - ESG funds may be provided to support program participants who meet the criteria under paragraph (1) of the "homeless" definition in § 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition.
- Emergency Shelter - ESG funds may be used for cost of providing essential services to homeless individuals and families in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.
- Street Outreach - ESG funds may be used for the costs of providing essential services necessary to reach out to unsheltered homeless people; connect these individuals with emergency shelter, housing, or critical services; or provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Eligible activities include engagement, case management, emergency health and mental health services, transportation, and services

for special populations, as defined in the federal regulations. ESG-funded street outreach activities must operate for at least as long as the term of the ESG grant.

- Homelessness Prevention - ESG funds may be used to provide housing relocation and stabilization services and short- or medium-term rental assistance to individuals or families to prevent an individual or family moving into an emergency shelter, or another place described in paragraph (1) of the “homeless” definition in § 576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in § 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD.

V. Eligible Beneficiaries

Providers must only serve “homeless” or “at risk of homelessness” individuals and families as defined in 24 CFR 576.2.

Department of Housing and Urban Development (HUD) grants must serve predominately low-moderate income individuals or households.

VI. HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) OVERVIEW

I. Program Description

Please note: HUD revised the HOME regulations under 24CFR Part 92. Please consult the Electronic Code of Federal Regulation's link at: eCFR: 24 CFR Part 92 – HOME Investment Partnerships Program.

HOME funds are intended to assist the implementation of local housing strategies designed to increase homeownership and affordable housing opportunities for low- and very low-income households.

HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent of the units must be rented to very low-income families (at or below 50% of the Area Median Income (AMI)). HOME-rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. HOME-assisted homebuyer housing is also subject to resale or recapture requirements. Regulatory citation: 24 CFR Part 92.

II. Federal Award Information

- Interest-bearing or non-interest-bearing loan or advance, deferred payment loan, or grant;
- 25 percent HOME-match required;
- 15 percent of allocation set-aside for housing to be owned, developed, or sponsored by Community Housing Development Organizations.

III. Eligible Applicants

Open to all types of domestic applicants other than individuals.

Community Housing Development Organizations (CHDOs):

As defined by 24 CFR Part 92.2 (Definitions) of the HOME regulations, CHDOs are special types of non-profit housing developers that are accountable to the low-income communities they serve. Congress and HUD have recognized the role that CHDOs play in housing development by setting aside a minimum of 15 percent of each jurisdiction's annual HOME allocation for qualified CHDOs. HUD regulations on CHDOs may be found at 24 CFR 92.300-303.

The purpose of CHDO set-aside funds is to (1) promote partnerships between states, units of general local government and nonprofit organizations and (2) expand nonprofit organizations' capacity to develop and manage decent and affordable housing.

Eligible CHDO Activities:

- Acquisition and/or rehabilitation of rental housing
- New construction of rental housing
- Acquisition and/or rehabilitation of homeownership properties
- New construction of homeownership properties
- Direct homeownership assistance to purchasers of HOME-assisted housing sponsored or developed by the CHDO with HOME funds

Ineligible CHDO Activities:

- Tenant-Based Rental Assistance (TBRA)
- Homeowner rehabilitation
- Brokering or other real estate transactions

CHDOs may apply for these funds for eligible projects.

IV. Eligible Activities

- New Construction - HOME funds may be used for the new construction of both homeownership and rental housing. New construction is any project that includes the addition of housing units outside the existing walls of a structure.
- Rehabilitation - This includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure. However, adding a housing unit is considered new construction. *Subject to site visit during application review.*
- Reconstruction - HOME funds may be used to rebuild a structure on the same lot where housing is standing at the time of project commitment. Funds can be used to build a new foundation or repair an already existing one. Reconstruction also includes replacing a substandard manufactured house with a new manufactured house. During reconstruction, the number of rooms per unit may change, but the number of units may not. *Subject to site visit during application review.*
- Conversion - Usually classified as rehabilitation, conversion is the changing of an existing structure from another use into affordable residential housing. If conversion involves additional units beyond the walls of an existing structure, the entire project is considered a new construction. The conversion of a structure to commercial use is not eligible under HOME. *Subject to site visit during application review.*
- Site Improvements - Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements where none are present or the repair of existing infrastructure when it is essential to the development. Building new, off-site utility connections to an adjacent street is also eligible. Otherwise, off-site infrastructure is not eligible as a HOME expense but may be eligible for match credit.
- Acquisition of Property - Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible as part of either a homeownership program or a rental housing project. After acquisition, rental units must meet HOME rental occupancy, affordability, and lease requirements. *Subject to site visit during application review.*

- Acquisition of Vacant Land - HOME funds may be used for the acquisition of vacant land only if the construction of a HOME project begins within 12 months of purchase. Land banking is prohibited.
- Demolition - Demolition of an existing structure may be funded through HOME only if construction begins on the HOME project within 12 months.
- Relocation Costs - The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (known as the "Uniform Relocation Act" or "URA") and Section 104(d) of the Housing and Community Development Act of 1974, as amended (known as "Section 104(d)") apply to HOME-assisted properties. Both permanent and temporary relocation assistance are eligible costs for all those relocated, regardless of income. Staff and overhead costs associated with relocation assistance are also eligible.
- Refinancing - HOME funds may be used to refinance existing debt on single family, owner-occupied properties in connection with HOME-funded rehabilitation. The refinancing must be necessary to reduce the owner's overall housing costs and make the housing more affordable. Refinancing for the purpose of taking out equity is not permitted. HOME may be used to refinance existing debt on multifamily projects being rehabilitated with HOME funds, if refinancing is necessary to permit or continue long-term affordability and is consistent with the County's established refinancing guidelines, as outlined in the County's five-year Consolidated Plan.
- Capitalization of Project Reserves - HOME funds may be used to fund an operating deficit reserve for rental new construction and rehabilitation projects for the initial rent-up period. The reserve may be used to pay for project operating expenses, scheduled payments to a replacement reserve, and debt service for a period of up to 18 months.
- Project-Related Soft Costs - Must be reasonable and necessary. Examples of eligible project soft costs include finance-related costs; architectural, engineering, and related professional services; tenant and homeownership counseling, provided the recipient of counseling ultimately becomes the tenant or owner of a HOME-assisted unit; project audit costs; affirmative marketing and fair housing services to prospective tenants or owners of an assisted project; and County staff costs directly related to projects (not including TBRA).
- Tenant-Based Rental Assistance (TBRA) - The TBRA program shall only help individual households (rather than subsidizing a particular rental project). TBRA moves with the tenant—if the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property. The level of TBRA subsidy varies and is based upon the income of the household, the particular unit the household selects, and the County's rent standard (rather than being tied to the County's high and low HOME

rents). Eligible activities include but are not limited to rental/deposit assistance, eviction prevention, and utility deposits. The subrecipient must perform annual on-site inspections or accept another funding source's inspection pursuant to 92.251(f)(4)(ii) of rental housing occupied by tenants receiving HOME-assisted TBRA to determine compliance with the property standards of Sec. 92.251.

Please note the HOME Program Final Rule changed portions of the TBRA Program. Changes include, but are not limited to, the following: on-site inspections and income verification changes. Recent changes to 92.20 through 92.222 apply to the HOME-TBRA program. Applicants should carefully review these changes prior to applying for HOME-TBRA.

Funds MAY NOT be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance, nor may they be used to provide non-federal matching contributions for other federal programs (92.214).

V. Eligible Beneficiaries

- For rental housing, at least 90 percent of the households benefited must have incomes at or below 60 percent of the area median income; the remaining 10 percent of the households benefited must have incomes at or below 80 percent of area median income.
- Homeownership assistance must be provided to families with incomes at or below 80 percent of the area median income.
- Each year, HUD publishes the applicable HOME income limits by area, adjusted for family size.
- Department of Housing and Urban Development (HUD) grants must serve predominately low-moderate income individuals or households.

Underwriting requirements:

- Current market demand assessment (for the neighborhood in which the project will be located)
- Assessment of developer's capacity and experience
- Examination of sources and uses statement
- Assessment of operating pro forma for the period of HOME affordability
- Analysis of profit and returns to developer
- Review of written financial commitments
- If a partnership, the partnership agreement and equity letters indicating the general and limited partner contributions
- Rent and utility allowance schedule for rental housing project
- Number of bedrooms, baths, and net rentable square feet of all rental units
- Subsidy layering review / determination of HOME amount
- HOME-eligible costs / HOME-prohibited costs
- Cost allocation
- Minimum HOME investment = \$1,000 per HOME unit
- Maximum per-unit HOME subsidy (publish by HUD each year)

- Number of HOME-assisted rental units above the minimum, up to 11 units (more than 12 HOME-assisted units trigger the federal prevailing wage requirements)

Affordability requirements:

- Income limit, income targeting and rules for determining income
- HOME rent restrictions (high/low rents), County to approve rents
- Applicability of income and rent restrictions, and property standards during Period of Affordability
- Period of Affordability based on type of activity and amount of HOME investment
 - Secured with deed of trust or use restriction and covenant running with land

Periods of Affordability

HOME Assistance	Length of Period of Affordability
Rehab or acquisition of EXISTING housing per unit amount of HOME funds: Less than \$25,000 <i>per unit</i>	5 years
\$25,000 - \$50,000 <i>per unit</i>	10 years
Over \$50,000 <i>per unit</i> or rehab involving refinancing	15 years
New construction of rental housing or acquisition of new constructed rental housing	20 years

- Monitoring Schedule and Sample Size for Rental Housing and Housing Occupied by Tenants Receiving HOME-TBRA (92.251(f))
 - Annual examination of financial condition for HOME projects with 10 or more HOME-assisted units (92.251(f)(3)(iv))
 - Annual owner certification for rental housing (92.251(f)(3)(ii))
 - Sample size of units to be inspected for a HOME project with 1-20 HOME-assisted units is four (4) HOME-assisted units (92.251(f)(3)(iii)), unless an alternative inspection standard is acceptable to the County under the HOME Program rules
 - Table 4, below, demonstrates the frequency of on-site monitoring required

On-site Monitoring Frequency

HOME <i>ONSITE</i> MONITORING REQUIREMENTS	
Activity	Required Frequency of <i>Onsite</i> Monitoring Visits
Tenant-based rental assistance	Annually (unit inspection or acceptance of an inspection of another funding source and income verification only)
Project development activities during all phases of project prior to occupancy/ project completion	Annually, recommended throughout development process (ex. Upon submission of payment voucher)
Rental housing post completion	Every 3 years

Property standards (24 CFR Part 92.251):

Project must meet applicable standards upon completion. Site visits will be scheduled to ensure standards are met.

- New Construction
 - State/local codes, zoning requirements or national codes – upon completion
 - Construction progress and final inspections
 - Accessibility requirements of Section 504 (24 CFR Part 8)
 - Energy Efficiency Standards
 - Disaster mitigation, if applicable
 - Written cost estimates, construction contracts and construction documents
 - Broadband infrastructure, unless infeasible
 - Carbon monoxide and smoke detection
 - Green building standards, if applicable per § 92.251(a)(3)(vii)
 - Site must meet site and neighborhood standards per § 983.57(e)
 - HOME-assisted units must be dispersed throughout the project and not congregated in one area of the project or one building in multi-building projects
 - County ensures compliance with scope in construction documents and by conducting progress and final inspections
- Rehabilitation
 - State/Local codes, zoning requirements, or national codes
 - Correction of minimum deficiencies/Uniform Physical Condition Standard (UPCS)
 - Health and safety/life threatening deficiencies if home is occupied
 - Lead-based paint requirements per 24 CFR part 35
 - Accessibility requirements of Section 504 (24 CFR Part 8)
 - Disaster mitigation, if applicable

- Broadband infrastructure (after 1/19/2017), unless infeasible – for projects with 4+ units
- Carbon monoxide detection
- Green building standards, if applicable per § 92.251(b)(1)(xii)
- Assessment of the remaining useful life of major systems (If 26+ units, capital needs assessment)
- County ensures compliance with scope in construction docs and by conducting initial, progress and final inspections
- Acquisition
 - Use new construction standards if constructed within 12 months of commitment
 - Use rehab standards if rehabilitated within 12 months of commitment or acquired in standard condition
- Ongoing Property Standards
 - State/Local codes or HUD-identified inspectable areas of UPCS
 - Health and safety standards
 - Lead-based paint requirements per 24 CFR Part 35
 - Carbon monoxide and smoke detection

Other Federal Requirements:

- Nondiscrimination (92.350)
- Affirmative marketing and minority outreach (92.351)
- Environmental review (92.352)
- Relocation, if project involves acquisition, demolition and/or rehabilitation (92.353)
- Davis-Bacon and labor requirements for projects with 12 or more HOME-assisted units (92.354)
- Section 3 direct employment, training and contracting opportunities (24 CFR Part 75)
- Lead-based paint (92.355)
- Conflict of interest (92.356)
- Violence Against Women Act (VAWA) (92.359)

Leasing and Tenant Protections:

- Tenant selection policies
- Lease term = 1 year, unless mutually agreed
- Prohibited lease terms
- VAWA requirements
 - Notice requirements
 - Bifurcation of lease requirements
 - Obligations under emergency transfer plan

VII. HOMELESS HOUSING, ASSISTANCE AND PREVENTION (HHAP) PROGRAM OVERVIEW

I. Program Description

The HHAP Program is administered by the California Department of Housing and Community Development (HCD) in the Business, Consumer Services and Housing Agency (Agency). HHAP provides flexible block grant funds to Continuums of Care, large cities (population of 300,000+) and counties to build on the regional coordination created through previous HCD grant funding and support local jurisdictions in their unified regional responses to reduce and end homelessness.

II. Award Information

Awards are issued as grants.

III. Eligible Applicants

Open to all types of domestic applicants other than individuals. Applicants must agree to comply with Housing First and Low Barrier Requirements as defined in the California Welfare and Institutions Code section [8255\(b\)](#) and ensure proposed project aligns with the Promising and Evidence Based Practices (<https://endhomelessness.org>) or promising, evidence-informed, or evidence-based practices identified as such by the U.S. Interagency Council on Homelessness, the U.S. Department of Health and Human Services, or other federal agencies.

IV. Eligible Activities

HHAP funding may be utilized on evidence-based solutions that prevent, reduce and end homelessness. Grantees may not use HHAP grant funding to supplant existing local funds for homeless housing, assistance, or prevention, and funds must be expended in compliance with Housing First requirements per Health and Safety Codes Section 50241(f).

Homeless Services Oversight Council (HSOC) Priorities

On March 18, 2026, the HSOC approved the prioritization of the following activities to align with the San Luis Obispo Countywide Plan to Address Homelessness:

HHAP-6 Funding Priorities

Approved Activity for Application	Estimated Funding Amount
Capital for Permanent Housing	\$100,000
Permanent Housing Services and Services Coordination	\$116,049
Interim Housing Services and Services Coordination	\$849,419
Rapid Rehousing/Rental Assistance	\$210,000

HHAP-6 Eligible Uses

As stated in Health and Safety Code Section 50243(e), HHAP-6 funds must be expended on one or more of the following eligible uses:

- Capital for permanent housing that serves people experiencing homelessness, such as conversion of underutilized buildings or existing interim or transitional housing into Permanent Housing.
- Permanent housing services and services coordination, for people in permanent housing, so long as the services are trauma-informed and practice harm reduction, such as:
 - Intensive case management services,
 - Assertive community treatment services,
 - Critical time intervention services,
 - Other tenancy support services,
 - Evidence-based employment services,
 - Coordinating mental health, substance use, and primary care treatment, or
 - Other evidence-based supportive services to increase housing retention.
 - Services coordination, which may include access to workforce education, and training programs, or other services needed to promote housing stability in permanent supportive housing.
- Interim housing services and services coordination, services provided to people in interim housing, so long as the services are trauma-informed and practice harm reduction, such as:
 - Intensive case management,
 - Housing navigation,
 - Connecting people to substance use or mental health treatment,
 - Public benefits advocacy, and
 - Other supportive services to promote stability and referral into permanent housing
 - Youth-focused services in transitional housing.
- Rapid rehousing/rental subsidies, such as:
 - Rental subsidies, including rental subsidies in rapid rehousing programs or longer-term rental subsidy programs.
 - CARE Act petitioning activities and support for placement and related services for individuals in the CARE Act process.
 - Landlord incentives, such as security deposits, holding fees, funding for needed repairs, and landlord relationship management costs.
 - Move-in expenses.

Additionally, HSC 50241(e) requires a program recipient to use at least 10 percent of its allocation for services for homeless youth populations, which are defined as unaccompanied youth between 12 and 24 years old and experiencing homelessness (50216(l)). Funds spent under this provision must still comply with the eligible use requirements of Health and Safety Code Section 50243(e) for HHAP-6.

Health and Safety Code Section 50218.5(e-f) allows funds to be spent for the following:

- No more than 5 percent of an applicant's program allocation may be expended on a strategic homelessness plan (as defined in Section 578.7(c) of Title 24 of the CFR) and/or infrastructure development to support coordinated entry systems (CES) and Homeless Management Information Systems (HMIS).
- No more than 7 percent of program allocations may be used for a jurisdiction's administrative costs incurred by the city, county, or CoC to administer the program allocation. "Administrative Costs" does not include staff costs or other costs directly related to implementing or carrying out activities funded by the program allocation.

VIII. PERMANENT LOCAL HOUSING ALLOCATION (PLHA) OVERVIEW

I. Program Description

PLHA provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Eligible activities included in the County's PLHA 5-Year Plan are the funding priorities and are indicated below (Section IV).

II. Award Information

Awards are issued as loans

III. Eligible Applicants

Open to all types of domestic applicants other than individuals.

IV. CY2021 Approved Activities per County's PLHA 5-Year Plan

- Activity #2 - The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent AMI. ADUs shall be available for occupancy for a term of no less than 30 days.
- **Please note: Multi-family rental projects are not eligible under Activity #2**

V. Eligible Beneficiaries

- Households at or below 120 percent of AMI

IX. TITLE 29 OVERVIEW

I. Program Description

Title 29 of the County Code, Affordable Housing Fund, supports affordable housing by granting subsidies to eligible affordable housing projects throughout San Luis Obispo County.

The provision of this Title remains in effect only to the extent that they allow the County to allocate and expend Affordable Housing Fund and Housing Impact Fee account balances that existed prior to June 7, 2022, when the Inclusionary Housing Ordinance was repealed. Table 4 shows the market areas within the County where fees were collected.

II. Award Information

- Awards are issued as grants; or
- If the affordable housing project is TCAC funded, the Title 29 award cannot be a grant. It must be a loan (typically 3% simple interest).
- Fees collected are restricted to use within the market area where the fees were originally collected.

III. Eligible Applicants

Open to all types of domestic applicants other than individuals.

IV. Eligible Activities

- New Construction- Funds may be used for the new construction of both ownership and rental housing. New construction is any project that includes the addition of dwelling units outside the existing walls of a structure.
- Rehabilitation- This includes the alteration, improvement, or modification of an existing structure. *Subject to site visit during application review.*

Underwriting requirements:

- Current market demand assessment (for the neighborhood in which the project will be located)
- Assessment of developer's capacity and experience
- Examination of sources and uses statement
- Assessment of operating pro forma for the period of affordability
- Analysis of profit and returns to developer
- Review of written financial commitments
- If a partnership, the partnership agreement and equity letters indicating the general and limited partner contributions
- Rent and utility allowance schedule for rental housing project
- Number of bedrooms, baths, and net rentable square feet of all rental units
- Subsidy layering review
- Cost allocation

Affordability requirements:

- Income limit, income targeting and rules for determining income
- Applicability of income and rent restrictions, and property standards during Period of Affordability
- Affordability period: 45 years for ownership units, 55 years for rental units
 - Secured with deed of trust or use restriction and covenant running with land

V. Eligible Beneficiaries

Households served must be income eligible based on the County's Affordable Housing Standards (80% of AMI or below).

X. GENERAL FUND SUPPORT (GFS)

I. Award Information

Awards are issued as grants

II. Eligible Applicants

Open to all types of domestic applicants other than individuals.

III. Eligible Activities

- Emergency Shelters
- Warming / Cooling Centers
- Safe Parking
- Street Outreach
- Essential services for persons experiencing homelessness

GFS awards are dependent on the approval of the County budget in June 2027 by the Board of Supervisors.

II. GENERAL INSTRUCTIONS

A. COUNTY RIGHTS AND OPTIONS

1. All applications must be submitted to the Homeless Services Division via Neighborly no later than **5:00 pm on Friday, October 30, 2026**. Late applications will not be considered.
2. The County reserves the right to request any missing information in an application submitted in response to this NOFA. Applicant shall have 24 hours to provide the information to the requesting County staff.
3. All costs incurred in the preparation and submission of application and related documentation will be borne solely by the applicant.
4. This NOFA does not constitute an offer of employment or to agreement for services.
5. The County may, in its sole and absolute discretion, accept or reject any and all applications, in whole or in part, with or without cause, in response to this NOFA, and make more than one award, or no award, or postpone or cancel, at any time, during this NOFA process, as which the County determines to be in its best interests.
6. The County reserves the right to remedy technical errors, modify the published scope of services, and approve or disapprove the use of all sub-consultants.
7. The issuance of this NOFA does not constitute an agreement by the County that any subsequent selection process will occur, or that any agreement will be entered into by the

County. Application and other materials will not be returned.

8. The County has the right to use any or all ideas or concepts presented in any application or interview without restriction, without conversation with all applicants.
 9. All documents submitted to the County in response to this NOFA will become the exclusive property of the County.
 10. All applications shall remain firm for 180 days following closing date of receipt of application.
 11. The County reserves the right to award the agreement to the firms who present the application which, in the judgment of the County, best accomplishes the desired results.
 12. The terms of the agreement will be dependent on the grant program. Award amounts will remain unchanged throughout the term of the agreement.
 13. Any agreement awarded pursuant to this NOFA will incorporate the requirements and specifications contained in this NOFA. All information presented in an applicant's application will be considered binding upon selection of the successful applicant, unless otherwise modified and agreed to by the County during subsequent negotiations.
 14. Under the provisions of the California Public Records Act (the "Act"), Government Code section 6252 et seq., the County may be obligated to provide a copy of any and all records that the applicant provides County relating to this NOFA (hereafter "Records from Applicant"), including those records which the applicant believes constitute confidential information. If the County determines (in its sole discretion) that (i) a person/entity has requested a copy of records that would include Records from Applicant, and (ii) the County does not have sufficient direct, first-hand knowledge to independently conclude that such Records from Applicant are exempt from disclosure under the Act, and (iii) the requester is not willing to accept the applicant's claim that the Records from Applicant are exempt from disclosure under the Act, the County will provide the applicant written notice thereof (via mail and/or email). If the applicant does not, within seven court business days thereof, file the appropriate papers in San Luis Obispo County Superior Court ("Court") seeking a court order preventing the County from disclosing any such Records from Applicant to the requester, and have its request heard by the Court within 30 days thereof, the applicant shall be deemed to have waived any claim that the Records from Applicant are exempt under the Act. (The County reserves the right to issue a written extension of time if it determines (in its sole discretion that one is appropriate.) Under no circumstances shall the applicant be entitled to recover from County any of its court costs, attorney's fees, or other litigation expenses that are related in any way to whether any Records from Applicant are exempt under the Act. If any applicant believes that information contained in its response to this NOFA should be protected from disclosure, the applicant MUST specifically identify the pages of the response that contains the information by properly marking the applicable pages and inserting the following notice in the front of its response:
- II. The County will not honor any attempt by applicant to designate its entire application as proprietary. If there is any dispute, lawsuit, claim, or demand as to whether information within the response to the NOFA is protected from disclosure under the Act, applicant shall

indemnify, defend, and hold harmless, the County arising out of such dispute, lawsuit, claim, or demand.

15. The applicant warrants that no official or employee of the County has an interest, has been employed or retained to solicit or aid in the procuring of any agreement resulting from this NOFA, if any, and further warrants that such person will not be employed in the performance of the agreement without immediate written notice to the County.
16. Firms submitting application shall warrant that their offer is made without any previous understanding, agreement, or connection with any person, firm, or corporation submitting a separate application for the same project and is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action. This condition shall not apply to applications which are submitted by firms who have partnered with others to submit a cooperative application that clearly identifies a primary agreement and the associated sub-agreements.
17. Agreement shall comply with all laws and regulations governing nondiscrimination in employment, including the Americans with Disabilities Act of 1990, the Fair Employment and Housing Act (California Government Code §§ 12900, et seq.), and the applicable regulations promulgated thereunder (2 California Code of Regulations §§ 7285, et seq.).
 - 17.1. **Nondiscrimination:** The Agreement, with regard to the work performed by them during the Agreement, shall not discriminate on the grounds of race, color or national origin or other legally protected criteria in employment or the selection and retention of sub-agreements, including procurement of materials and leases of equipment. The Agreement shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulation.
 - 17.2. **Solicitation for Sub-agreements, Including Procurement of Materials and Equipment.** In all solicitation, either by competitive bidding or negotiation, made by the Agreement for work to be performed under a sub-agreement, including procurement of materials or leases of equipment, each potential sub-agreement or supplier shall be notified by the Agreement of the Agreement's obligations under this Agreement and the regulations.
18. Unforeseen additional items and/or services may be required. The County therefore reserves the right to negotiate with the successful applicant for additional items and/or services beyond what is included in the final agreement.
19. **Executive Order N-6-22 – Russia Sanctions:** On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid or proposal, applicant represents that it is not a target of Economic Sanctions. Should the State or County determine proposer is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the proposer's bid/proposal any time prior to

contract execution, or, if determined after contract execution, shall be grounds for termination by the County.

B. FEDERAL PREVAILING WAGE AND PROCUREMENT REQUIREMENTS

Davis-Bacon Act & Related Acts

The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

The Agreement Work Hours and Safety Standards Act (CWHSSA) requires time and one-half pay for overtime (O/T) hours (over 40 in any workweek) worked on the covered project. The CWHSSA applies to both direct Federal agreements and to indirect Federally assisted agreements except where the assistance is solely in the nature of a loan guarantee or insurance. CWHSSA violations carry a liquidated damages penalty (\$10/day per violation). Intentional violations of CWHSSA standards can be considered for Federal criminal prosecution.

The Copeland Act (Anti-Kickback Act) makes it a federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally assisted project) to kickback (i.e., give up or pay back) any part of their wages. The Copeland Act requires every employer (agreements and sub-agreements) to submit weekly certified payroll reports (CPRs) and regulates permissible payroll deductions.

The Fair Labor Standards Act (FLSA) contains Federal minimum wage rates, overtime (O/T), and child labor requirements. These requirements generally apply to any labor performed. The Department of Labor has the authority to administer and enforce FLSA. HUD will refer to the Department of Labor any possible FLSA violations that are found on HUD projects.

Federal Procurement Process

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of section 2 CFR 200.320 and 200.317, 22.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

C. CHANGES TO THE NOFA

This NOFA is posted on the Homeless Services Division website at slocounty.gov/HomelessServicesGrants. Any changes, additions, or deletions to this NOFA will be in the form of written addenda issued by the County. Any addenda will be posted on the website. Prospective applicants must check the website for addenda or other relevant new information during the response period. The County is not responsible for the failure of any prospective applicant to receive such addenda. All addenda so issued shall become a part of this NOFA.

D. COMMUNICATIONS

All communications concerning this NOFA shall be directed to the Homeless Services Division at HSDgrants@co.slo.ca.us. All other communication is not binding and shall in no way modify the NOFA or the obligations of the County.

E. INSURANCE

The selected applicant will be required to provide insurance coverage in the amount of Two Million Dollars (\$2,000,000) Commercial General Liability (CGL) Insurance and Two Million Dollars (\$2,000,000) Professional Liability Insurance. Additional insurance may be required depending on the scope of the project.

Table 5 – Minimum Insurance Requirements

INSURANCE REQUIRED	AMOUNT
CGL & Property Damage	\$ 2.0 Million per occurrence
Professional Liability	\$ 2.0 Million per occurrence / \$ 4.0 Million aggregate
Auto Liability /Property Damage/Bodily Injury	\$ 1.0 Million per occurrence
Workers' Compensation & Disability Benefits	\$ 1.0 Million per occurrence

The selected applicant shall provide within five (5) days after the Notice of Award is issued a certificate of liability insurance naming the County of San Luis Obispo and its employees and officers as additionally named insured. This shall be maintained in full force and effect for the duration of the agreement and must be in an amount and format satisfactory to the County.

F. EXCEPTIONS AND DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this NOFA must be declared in the application submitted by the applicant. The County may waive any immaterial deviation or defect in an application.

G. AWARDS

Draft recommendations will be announced in the Spring of 2027 but are subject to the approval of the Board of Supervisors, and HUD. The County reserves the right to make awards once HUD announces final allocation amounts and approves the annual Action Plan, *approximately* eight (8) – ten (10) months after application submittal. Awards are subject to adjustments per HUD allocation announcements.

III. APPLICATION SELECTION and AGREEMENT AWARD

A. SELECTION PROCEDURES

Non-conflicted grant review committees will be convened to review and score project applications. County staff will meet with applicants to ask for additional information as requested by the committees. Applicants will be informed of date / time to be available for additional questions.

The grant review committees will consider the completeness of an application and how well the application meets the needs of the County per the priorities developed for the [2025-2029 Consolidated Plan](#) and the [San Luis Obispo Countywide Plan to Address Homelessness \(2022-2027\)](#). Evaluations will be based on criteria as outlined in **Section C (Selection Criteria)** below. All applications in response to this NOFA will be evaluated using the same criteria.

The proceedings of the Grant Review Committees and their members are confidential. Any questions and requests for information must be addressed to County staff.

The sole purpose of the selection procedure is to determine, from among the proposed projects and programs, the project / program and applicant that best meets identified needs, fiscal capacity to successfully complete the project / program within the allowed timeframe and meet the required national / state objectives. Any final analysis or weighted score does not imply that one applicant is superior to another, but simply that, in the grant review committee's judgment, the selected applicant appears to be best qualified for the County's current and anticipated needs.

B. PUBLIC SERVICE APPLICATIONS APPROVAL

The Homeless Services Oversight Council (HSOC) will convene on January 20, 2027, to review Public Service applications recommended for funding by the grant review committee. The HSOC will vote to submit recommended projects for approval by the Board of Supervisors in April 2027.

C. SELECTION CRITERIA

The County will evaluate the application based on, but not limited to, the following criteria:

HOUSING APPLICATIONS

Selection Criteria – NOFA	Points Available
Understanding of scope of work	20
Applicant's Demonstrated Expertise and Understanding	20
Funding Readiness	15
Cost Effectiveness (maximum per unit subsidy)	10
Number of New Grant Supported Units	10
Permitting/Entitlement Readiness	10
Site and Neighborhood Standards	5
Vulnerable Populations Targeting	5
Alignment with the San Luis Obispo Countywide Plan to Address Homelessness	5
Total Points Available Per Application	100

PUBLIC FACILITY APPLICATIONS

Selection Criteria – NOFA	Points Available
Understanding of scope of work	25
Performance Outcomes and Improved Capacity	25
Applicant's Demonstrated Expertise and Understanding	20
Cost Effectiveness	10
Permitting Readiness	10
Financial Feasibility and Long-Term Sustainability	5
Alignment with the San Luis Obispo Countywide Plan to Address Homelessness	5
Total Points Available Per Application	100

PUBLIC SERVICES APPLICATIONS

Selection Criteria – NOFA	Points Available
Performance Outcomes and Improved Capacity	25
Applicant's Demonstrated Expertise and Understanding	25
Understanding of scope of work	15
Cost Effectiveness	10
Project Feasibility	10
Financial Feasibility and Long-Term Sustainability	10
Alignment with the San Luis Obispo Countywide Plan to Address Homelessness	5
Total Points Available Per Application	100

D. PERFORMANCE METRICS BY PROGRAM TYPE

Grant application performance criteria was approved by the HSOC Executive Committee on February 19, 2025, and approved by the County of San Luis Obispo Board of Supervisors on April 8, 2025.

The following performance criteria shall be requested from entities applying for funding through the HSOC grant application processes as a standard, when applying for one of the types of homeless services listed below. All data will be gathered from the County's Homeless Management Information System (HMIS) or an HMIS-compliant database, unless otherwise noted, and provided to the Grant Review Committee as part of the scoring process. The metrics will measure performance over the prior grant period. When needed to comply with grant requirements and direction from the funding agency or to ensure competitiveness for the grant, County staff may alter the criteria.

For projects serving individuals at risk of or experiencing homelessness:

Please upload the HUD Annual Performance Report (APR) or CE APR generated from HMIS for the previous 12-month period with your application. The report should be run for a single project type and correspond to the project type (Emergency Shelter, Street Outreach, etc.) for which you are applying. This information will be used by the grant review committee to assess past performance, outcomes, and alignment with funding priorities. Please be sure to not include any Client PII, including Clarity ID, along with the reports. Many review committee members will not be HMIS users.

If you do not currently have a project in HMIS, please provide a comparable performance report that includes outcome data and performance metrics relevant to your project type.

For guidance on how to run reports in HMIS please visit the [HMIS Knowledge Base](#).

Emergency Shelter (ES)

- Number of persons or households^a enrolled in project over the previous grant year
- Bed Utilization Rate (percentage of shelter beds filled)
- Number of persons or households experiencing chronic homelessness
- Number of successful exits of persons or households into housing and number of persons or households experiencing chronic homelessness placed
- Percentage of housed persons or households who returned to homelessness over the previous grant year

Street Outreach (SO) and Overnight Supportive Parking

- Number of persons or households enrolled in project over the previous grant year
- Number of successful exits of persons or households and number of persons or households experiencing chronic homelessness with successful exits

Supportive Services Only (SSO)

- Number of persons or households enrolled in project over the previous grant year

Permanent Supportive Housing (PSH)

- Number of persons or households placed into permanent supportive housing in the previous grant year
- Percentage of persons or households with total income increases from time of exit to either one year (for stayers) or at exit (for persons or households who have left in the previous grant year)
- Percentage of total persons or households who exited back to homelessness in the previous grant year (exits to homelessness divided by total participants housed in the program)
- Median number of years that persons or households were homeless prior to entering into housing
- Percentage of persons or households who entered with a score 11 or higher on the VISPDAT (organizations with 75% or higher will get the highest number of points; organizations with 40-70% would get the second highest score; 20-39% would get the third highest; organizations that serve 0-19% would get the lowest).
- Bed utilization rate (percentage of PSH beds being filled)

Transitional Housing (TH)

- Number of persons or households served
- Percentage of persons or households exiting to permanent housing
- Bed utilization rate
- Number of persons or households within the previous grant year who exited to homelessness

^a As determined by grant funder requirement.

Rapid Rehousing (RRH)

- Number of persons or households served, and percentage of households enrolled over the previous grant year who have a Housing Move In Date

Homelessness Prevention (HP)

- Number of persons or households enrolled in homelessness prevention the project within the previous grant year
- Percentage of persons or households who were exited from a homeless prevention program and subsequently became homeless within one year of exiting from the prevention program

Affordable Housing (all of these measures from sources other than HMIS)

- Number of units created in the last five years
- Populations served – more credit for units set aside for households experiencing homelessness and extremely low-income households according to RHNA (Regional Housing Needs Allocation) definitions. 2 points for each unit set aside for people experiencing homelessness and 1 point for each unit set aside for extremely low-income households
- Experience leveraging tax credits or similar financing
- Experience providing services proposed
- Number of units proposed to be built

Cost Effectiveness

- Measure cost effectiveness based on the same measures used in performance metrics, e.g. for street outreach projects, calculate the average cost per placement into housing or other positive destinations and cost per number of persons or households experiencing chronic homelessness placed, using requested grant amount and proposed outcomes.

E. FINAL SELECTION

The grant review committees will formulate funding recommendations for the grants listed in this NOFA for approval by the County of San Luis Obispo Board of Supervisors in February 2027 for Affordable Housing Recommendations and April 2027 for the 2027 Action Plan Draft Funding Recommendations.

F. AGREEMENT AWARD AND EXECUTION

The County reserves the right to enter into an agreement without further discussion of the submitted application. Therefore, the application should be initially submitted on the most favorable terms the applicant can offer.

The County reserves the right to withdraw the NOFA in whole or in part, at any time and for any reason. Submission of an application confers no rights upon an applicant and does not obligate the County in any manner. The County reserves the right to award no agreement and to solicit additional offers at a later date.

Each applicant, by submitting an application, agrees that if the County accepts its application, such applicant will furnish all items and services upon the terms and conditions in this NOFA and subsequent agreement. Applications that do not meet the mandatory requirements set forth in this NOFA will be considered non-compliant. Applicants may be disqualified, and the application may be rejected by the County for any of, but not limited to, the following reasons:

- Failure to properly respond to the NOFA;
- Evidence of collusion among the applicants submitting the application;
- Failure to comply with the specification requirements of the NOFA.

Terms, conditions, prices, methodology, or other features of the Agreement's application may be subject to negotiation and subsequent revision. As part of the negotiations, the Agreement may be required to submit additional financial information and other data to allow for a detailed evaluation of the feasibility, reasonableness, and acceptability of the application.

The NOFA document and the successful applicant's application response, as amended by agreement between the County and the successful applicant, including email or written correspondence relative to the NOFA, may become part of the agreement documents. Additionally, the County may verify the successful applicant's representations that appear in the application. Failure of the successful applicant to perform as represented may result in elimination of the successful applicant from competition or in agreement cancellation or termination.

The requirements listed in this NOFA are not negotiable and will remain unchanged unless the County determines that a change in such requirements is in the best interest of the County.

The County expressly reserves the right, in its sole judgment, to accept or reject any or all application, with or without cause, modify, alter, waive any technicalities or provisions, or to accept the application which, in its sole judgment, is determined to be the best evaluated offer resulting from negotiation and taking into consideration other evaluation factors set forth in the NOFA. The successful applicant will be expected to enter into an agreement with the County. If the successful applicant fails to sign an agreement within fifteen (15) business days following the delivery of the agreement documents, the County may elect to negotiate an agreement with the next-highest ranked applicant.

The County shall not be bound, or in any way obligated, until both parties have executed an agreement. The selected applicant may not incur any chargeable costs prior to final agreement execution. The foregoing should not be interpreted to prohibit either party from proposing additional agreement terms and conditions during the negotiation of the final Agreement.

The supplies and services are to be provided in compliance with all applicable state and federal standards, rules, and regulations. The County reserves the right to request additional written and/or oral information from applicants at any time before the agreement award to obtain clarification of their responses.

G. PROTEST OF AWARD

Any objection to the County's final decision will be handled according to applicable state and local procurement laws.