SANTA CRUZ COUNTY HOMELESS ACTION PARTNERSHIP
Summary of 2016 HUD CoC NOFA

Background

The CoC Program (24 CFR part 578) is designed to promote a community-wide commitment to the goal of ending homelessness; to provide funding for efforts by nonprofit providers, States, and local governments to quickly re-house homeless individuals, families, persons fleeing domestic violence, and youth while minimizing the trauma and dislocation caused by homelessness; to promote access to and effective utilization of mainstream programs by homeless; and to optimize self-sufficiency among those experiencing homelessness.

Each year the U.S. Department of Housing and Urban Development (HUD) releases a Notice of Funding Availability (NOFA), signifying the beginning of a funding competition among approximately 450 Continuums of Care (CoC), the community stakeholder groups that guide local responses to homelessness. The 2016 CoC NOFA was released on June 29, 2016, opening the competition making available **approximately $1.9 billion** to serve homeless people nationally. The information in the NOFA sets forth the competition rules and processes for 2016. This summary includes the highlights of the NOFA; additional information will be shared as it is made available by HUD.

Before the application is submitted to HUD, our CoC, the Homeless Action Partnership (HAP), is required to hold a local competition to determine which projects will be included in the consolidated application, along with their relative priority. The results of the local competition dictate for which projects the CoC will seek funding. Additional information about project application requirements and standards will be available at the upcoming Applicant Technical Assistance Session. Additional details about anything in this summary can be found in the NOFA, available at: https://www.hudexchange.info/resource/5068/fy-2016-coc-program-nofa/.

Summary Available Funding for the Santa Cruz County CoC

HUD determines the maximum award for which each CoC is eligible, determined by a combination of factors. This year, in our CoC, our eligible application amounts are as follows:

- **Estimated Annual Renewal Demand (ARD):** $1,808,587
  (Can be used to fund eligible renewal projects, in whole or in part, or can be reallocated to new projects. More information about reallocated projects is provided below.)
- **Estimated Permanent Housing Bonus Funding: =** $90,429 (5% of ARD)
- **Estimated Planning Funding: =** $54,257 (3% of ARD)
- **Estimated Tier 1 Funding: =** $1,681,986 (93% of ARD)
- **Estimated Tier 2 Funding: =** $217,030 (7% of ARD + 100% of Estimated PH Bonus Funding).

Highlights of the 2016 CoC NOFA

- The CoC application is similar to last year's, focusing heavily on **HMIS** and other data, using **system level performance measures**. Again, the NOFA and scoring criteria are very focused on HUD's policy priorities, including making strong progress on **ending chronic, veteran, youth, and family homelessness** and **implementing Housing First system-wide**.
- This year the **Permanent Housing Bonus** is smaller (5% of ARD compared to 15% last year), but as with last year, is available to create multiple projects and can be used for either new:
    - **Permanent supportive housing** projects that will serve **100% chronically homeless** individuals and families, or
    - **Rapid re-housing** projects that will serve **individuals and families** coming directly from the streets, emergency shelters, or are fleeing domestic violence or other persons who meet the criteria of paragraph 4 of the definition of homeless.
- As in past years, the funding that CoCs can apply for is divided into **tiers**, with projects prioritized in Tier 1 being more likely to be funded than projects of lower priority that fall into Tier 2. Tier 1 is bigger than last year (**up from 85% to 93% of ARD**), so more projects can be protected.
- As detailed further below, projects in **Tier 2** will be selected based on a **100-point scale**:
    - The overall CoC score (up to **50 points**),
    - The project's ranking order (up to **35 points**),
    - The project type (up to **5 points**), and
    - Housing First implementation (up to **10 points**).
    But, the weighting of factors has changed, with an increased emphasis on local ranking.
- CoCs are expected to critically **evaluate projects** for ranking purposes.
- **Tier 2** will be equal to **7% of annual renewal demand** plus Permanent Housing Bonus amount (last year it was equal to 15% of annual renewal demand plus Permanent Housing Bonus amount).
- **Bonus projects** will be **ranked and reviewed** in the same way as other projects.

Key Changes From Last Year's NOFA

While the 2015 CoC NOFA and the 2016 CoC NOFA are similar in form and content, there are some changes, highlighted in this section.
- The FY 2016 Appropriations Act requires that for this NOFA:
    - CoCs cannot receive grants for new projects, other than through reallocation, **unless the CoC competitively ranks projects** based on how they **improve system performance**.
    - HUD must base an **increasing** share of the CoC score on **performance criteria**.
    - HUD must **prioritize funding** for CoCs that have demonstrated the ability to **reallocate resources to higher performing projects**.

- In accordance with the Appropriations Act, the NOFA has **a few changes in scoring** to the CoC application, with increased focus on review and rank processes and two new scoring factors:
  - Reallocation (**4 points**),
  - System Performance Measure reporting (**10 points**), and
  - A few others changed a bit.
- As noted above, **Tier 2** scoring was reconfigured to put less weight on CoC score and project type and **more weight on ranked order** within Tier 2.
- New this year, HUD will provide a **debriefing** to a requesting applicant after awards are announced. Details can be found in the NOFA.
- **New permanent housing** projects will be evaluated using the **same criteria** regardless of whether the CoC has identified them as bonus or reallocation projects. HUD may reclassify permanent housing projects if warranted.
- **Program income** may be used as a source of **match**.
- The NOFA included a note that HUD encourages all applicants to ensure public decision-making and meaningful **participation by residents** of affected areas and communities traditionally marginalized from planning. Applicants should ensure compliance with all relevant laws related to **disability** or **limited English proficiency**.

HUD's Homeless Policy & Program Priorities

CoCs and Project Applications will be evaluated based on the extent to which they further HUD's policy priorities. Aligned with *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness*, the policy priorities set forth in the NOFA are:

1. Creating a Systemic Response to Homelessness by developing systemic supports that assure homeless assistance is well coordinated, well managed, inclusive, transparent, and achieves positive outcomes, by:
- Measuring **system performance**
- Creating an effective **coordinated entry** system
- Promoting participant choice
- Planning as a system
- Making the delivery of homeless assistance more **open, inclusive, and transparent**.

2. Strategic Resource Allocation based on performance evaluation and data of all resources, including:
- Comprehensive review of projects & **reallocation** when it would **reduce homelessness**
- Maximizing the use of **mainstream resources**
- **Leveraging** resources through partnerships (PHAs, philanthropy, etc.)
- Reviewing the **efficacy of transitional housing**
- Administering programs in the most **integrated setting** appropriate for individuals with **disabilities** *(added since CoC Registration Notice).*

3. Ending Chronic Homelessness by:
- Targeting permanent supportive housing beds to chronically homeless people by prioritizing for entry within each project's structure consistent with **Notice CPD 14-012**
- **Increasing units** for chronically homeless people
- Improving outreach.

4. Ending Family Homelessness by:
- Ensuring access to housing resources for families, such as **rapid rehousing, affordable housing units, permanent supportive housing**.

5. Ending Youth Homelessness by:
- Understanding the unique needs of homeless youth and reaching out to youth-serving organizations to help them fully **participate in the CoC**
- Meeting the needs of homeless youth, including Lesbian, Gay, Bisexual, Transgender, and Questioning (**LGBTQ**) youth and **victims of trafficking**
- When evaluating the performance of youth programs, taking into account the **specific challenges faced by homeless youth**.

6. Ending Veteran Homelessness by:
- To the extent possible, **prioritizing veterans** and their families who cannot be effectively assisted with Department of Veterans Affairs (VA) services for CoC-funded services
- Coordinating CoC resources with VA-funded housing/services (e.g., HUD-VASH, SSVF).

7. **Using a Housing First Approach** through:
- Using data to quickly and stably house homeless persons
- **Engaging landlords** and property owners
- **Removing barriers** to entry, such as poor credit history, lack of income or employment, or sobriety
- Adopting **client-centered** service methods.

HUD Deadlines & Timeline

- **June 29, 2016:** 2016 CoC NOFA is released
- **On or after July 6, 2016**: applications will be made available in *e-snaps*
- **On or after July 8, 2016:** HUD will issue a Preliminary Annual Renewal Demand (ARD) Report that lists each CoC's Preliminary Pro Rata Need (PPRN) and ARD amounts
- **By July 22, 2016, 5:00 PM local time**: All changes to the FY2016 Grants Inventory Worksheet (GIW) after the final HUD approval process must be submitted for approval by the local HUD CPD Field Office, in consultation with HUD Headquarters
- **By August 1, 2016**: CoCs must submit 2016 System Performance data in HDX
- **On or after August 5, 2016**: HUD will issue a Final ARD Report that will include each CoC's PPRN, ARD, CoC Planning, and Permanent Housing Bonus amounts available
- **By August 15, 2016** (*30 days before application deadline*): All project applications must have

been submitted to CoCs, in accordance with their local timelines

- **By August 30, 2016** (*15 days before application deadline*)**:** CoCs must notify all project applicants, in writing outside of e-snaps, regarding whether their project applications would be accepted (and ranked on the CoC Priority Listing), rejected, or reduced. When a project application is rejected or reduced, the CoC must indicate the reason(s)
- **By September 12, 2016:** For full points, each CoC must post the CoC Consolidated Application (i.e., the CoC Application and CoC Priority Listing) on its website (or a partner website) and notify community members that it is available, in a manner that is accessible for persons with disabilities and persons with limited English proficiency
- **By September 14, 2016, 7:59:59 p.m. eastern time:** Deadline for submission to HUD.

Ranking & Tiering

CoCs are required to **rank all projects** submitted by project applicants in e-snaps, except CoC planning projects. Ranked projects must include renewal projects, new projects created through reallocation, and permanent housing bonus projects. CoCs should consider the **policy priorities** established in the NOFA in conjunction with local priorities to determine the ranking of projects. The Collaborative Applicant will be required to certify that there is a demonstrated need for all ranked permanent housing renewal projects on the Renewal Project Listing. The CoC must place all accepted projects into **Tier 1 or Tier 2** as described below.

Tier 1

The amount of funding available for Tier 1 is equal to **93 percent** of the CoC's ARD. HUD will conditionally award projects from the highest scoring CoC to the lowest scoring CoC. Projects should be placed in **priority order**, as in the event that HUD is require to drastically reduce the total amount of funds available, the Tier 1 amount per CoC will be reduced proportionately among all CoCs, which could result in some Tier 1 projects falling into Tier 2.

Tier 2

The amount of funding available for Tier 2 is equal to the **difference between Tier 1 and the CoC's ARD** *plus* **any amount available for the permanent housing bonus**. Funding will be determined by the point value of each project application based on a **100-point scale**. All Tier 2 projects will be funded in point order starting with the highest scoring CoCs. As summarized earlier, Tier 2 points are awarded as follows:

- **CoC Score**: Up to **50 points** in direct proportion to the CoC score
- **CoC Ranking**: Up to **35 points** for the CoC's ranking of the project application(s), with the 35 points spread evenly across the Tier 2 funding amount. Higher ranked projects get more points, however the formula used to award points gives a disincentive to large projects.
  - Calculation- Points for a given projects= 35 * (1- (the cumulative funding requests for all projects or portions of projects ranked higher by the CoC in Tier 2 plus one half of the funding of the project of interest/ Tier 2 amount).
- **Project Type:** Up to **5 points** will be based on type of project and the population served.

- o 5 points for renewal and new Permanent Housing, renewal Safe Haven, Homeless Management Information System, Supportive Services Only for Coordinated Entry System, or Transitional Housing that exclusively serves homeless youth
  - o 3 points for other renewal Transitional Housing
  - o 1 point for other renewal Supportive Services Only project applications.
- **Commitment to Policy Priorities**: Up to **10 points** for **Housing First** commitment.
  - o For Permanent Housing: Will receive points based on how the project commits to applying the Housing First model
  - o Homeless Management Information System and Supportive Services Only for Coordinated Entry System projects: Will automatically receive 10 points
  - o Transitional Housing and other Supportive Services Only projects: Will receive points based on how the project demonstrates that it is low-barrier, prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions to entry (such as sobriety or a minimum income threshold).

Projects Straddling Tiers 1 & 2

For any projects that straddle the two tiers, the process for funding them is the same as last year. The Tier 1 portion will be funded in accordance with Tier 1 processes and the Tier 2 portion will be funded in accordance with Tier 2 processes. HUD may award project funds for just the Tier 1 portion, provided the project is still feasible with the reduced funding (e.g., is able to continue serving homeless program participants effectively).

Eligible New Projects

Eligible PH Bonus Projects
- New permanent supportive housing projects that will serve 100 percent chronically homeless families and individuals
- New rapid re-housing projects that will serve individuals and families who come directly from the streets, emergency shelters, or are fleeing domestic violence or other persons who meet the criteria of paragraph (4) of the definition of homeless

Eligible Reallocation Projects
- New permanent supportive housing projects where all beds will be dedicated for use by chronically homeless individuals and families
- New rapid re-housing to serve homeless individuals and families coming directly from the streets or emergency shelters or persons fleeing domestic violence and persons meeting the criteria of paragraph (4) of the definition of homelessness
- New Supportive Services Only (SSO) project specifically for a centralized or coordinated assessment system
- New dedicated Homeless Management Information System (HMIS) project.

Eligible Planning Project

As with last year, applications for CoC planning costs will be unranked. CoCs may only submit one application for CoC planning costs. Planning projects that pass threshold review will be conditionally selected from the highest scoring CoC to the lowest scoring CoC.

Selected Reminders & Hints for Project Applicants

- **DUNS/SAM Registration:** Project applicants are required to register with Dun and Bradstreet to obtain a DATA Universal Numbering System (DUNS) number, if they have not already done so, and complete or renew their registration in the System for Award Management (SAM)
- **Required Reading:** Project applicants should read the CoC NOFA, CoC Program Interim Rule, and the General NOFA.
- **Up for Renewal**: All CoC-funded projects (1) that expire in Calendar Year 2017 or (2) that were originally awarded in the FY 2010 Homeless Assistance Programs Competition and, notwithstanding the expiration date, have not renewed in a previous competition, should be on the GIW and be applying for renewal funding this year.
- **Match**: Program income may now be used as a source of match.
- **Adjustments to Housing Line Items:** As has occurred in recent years, after submission, HUD is required to adjust awards for leasing, operating, and rental assistance budget line items based on changes to the Fair Market Rents (FMR).
- **Consolidation**: HUD encourages the consolidation of renewal grants when the grants are with the same recipient, have the same component and expire in the same year, however, projects that have not yet been consolidated must submit separate project applications. Consolidation can typically occur at grant agreement execution.
- **CoC Technical Review**: Again this year, HUD expects each CoC to implement a thorough review and oversight process at the local level for both new and renewal project applications. Specifically, HUD requires that each CoC review all applications to ensure that: program participants and proposed activities are eligible, each project narrative is fully responsive, the data in the application is internally consistent, and all required attachments are accurate, complete and dated correctly.
- **Indirect Costs:** Applicants may charge indirect costs to the award. Applicants with an approved federally negotiated indirect cost rate must submit with their application a copy of their approved Indirect Cost Rate Proposal. Applicants without an approved indirect cost rate may charge a maximum rate of 10 percent of modified total direct costs.
- **Prioritization:** Renewal projects that indicated they would prioritize chronically homeless persons in beds that become available through turnover in non-dedicated permanent supportive housing projects must continue to do so.
- **Clarification about Category 4 Eligibility:** Persons who are fleeing or attempting to flee human trafficking, including sex trafficking, may qualify as homeless under paragraph 4 of the "homeless" definition (fleeing domestic violence).

CoC Scoring Criteria

Each CoC will be scored on the following factors this year, competing for a total of 200 points. CoCs will need to gather information from project applications, APRs, project monitoring reports, HMIS, PIT Count, HIC, and local PHAs to respond to the questions.

1. **CoC Coordination and Engagement** (43 points (49 points in 2015))
   - Inclusive structure and participation (5 points)
   - Coordination with the Consolidated Plan, Emergency Solutions Grants (ESG), and other organizations (4 points)
   - Addressing the needs of victims of domestic violence (3 points)
   - Public housing agencies (3 points)
   - Discharge planning (2 points)
   - Centralized or coordinated assessment system (3 points)
   - Housing First and Reducing barriers to housing (12 points)
   - Outreach (3 points)
   - Criminalization (2 points) – *Change from 2015*
   - Increase in rapid re-housing on HIC (4 points)
   - Mainstream benefits and other assistance (2 points).

2. **Project Ranking, Review & Capacity** (30 points (26 points in 2015)) *The numbers don't add up.*
   - Objective criteria and past performance (18 points)
   - Attach written documentation to application showing objective criteria (10 points)
   - Consider past performance (4 points)
   - Consider severity of needs (4 points)
   - Reallocating Projects (since FY2013 competition) (4 points)—*New factor*
   - Ranking and selection process (3 points)
   - Recipient performance monitoring (4 points).

3. **Homeless Management Information System** (18 points, no changes since 2015)
   - HMIS governance (2 points)
   - HMIS policy and procedures (3 points)
   - Housing Inventory Count (HIC) (1 point)
   - Bed coverage (4 points)
   - Data quality (4 points)
   - Required HMIS reports (4 points).

4. **Point-in-Time Count** (9 points, same points in 2015)
   - PIT Count and data submission (3 points)

- Methodology for sheltered PIT Count (2 points).
- Methodology for unsheltered PIT Count (2 points).
- Conducting an Effective Youth Count in 2016 (2 points). – *Change from 2015*

5. System Performance (40 points (38 points in 2015)) *The numbers don't seem to add up.*
- Reduction in the number of homeless individuals and families (7 points)
- Demonstrated decrease in sheltered count (2 points)
- Demonstrated decrease in unsheltered count (5 points)
- Reduction in the number of first time homeless (2 points)
- Length of time homeless (7 points)
- Successful permanent housing placement or retention (7 points)
    - 80 percent of persons who exit CoC program-funded transitional housing, supportive services only, and rapid re-housing projects exit to a permanent housing destination
    - 80 percent of people in CoC program-funded permanent supportive housing remain for at least 12 months.
- Returns to homelessness (4 points)
- Jobs and income growth (4 points)
- Generate a System Performance Measures report (10 points). – *New Factor*

While HMIS is only 18 points, most of the CoC Application points rely on quality HMIS data.

6. Performance and Strategic Planning (60 points)
- Ending Chronic Homelessness (15 points)
    - Adopting the order of priority described in Notice CPD 14-012 (3 points)
    - Increased total number of PSH beds for chronically homeless people (10 points)
    - Reducing chronic homelessness (2 points)
- Ending Homelessness among Households with Children (15 points)
    - Prioritizing households with children based on need (3 points)
    - Having a local plan to rapidly re-house households with children within 30 days of those families becoming homeless (3 points)
    - Implementing a rapid re-housing model that will reduce the number of homeless households with children and CoCs that demonstrate an increase in the number of rapid re-housing units available to serve families (5 points)
    - Ensuring projects within the CoC do not deny admission to or separate family members when they enter shelter or housing (2 points)
    - Demonstrating the total number of homeless households with children and youth has decreased (2 points)
- Ending Youth Homelessness (15 points)
    - Having strategies that address the unique needs of unaccompanied homeless

youth and for the existence of a proven strategy that addresses homeless youth trafficking and other forms of exploitation (5 points)

- o Demonstrating an increase, as recorded in HMIS, in the number of unaccompanied homeless youth (up to age 24) served who were residing on the streets or in places not meant for human habitation prior to entering a homeless project (5 points)
- o Demonstrating a proposed plan to increase funding for unaccompanied youth homeless programs in Calendar Year 2017 (3 points)
- o Specifically describing how the CoC collaborates with local education authorities and school districts in the geographic area (1 point)
- o Demonstrating the extent in which youth service and education representatives and CoC representatives have participated in each other's meetings over the past 12 month (1 point)
- Ending Veteran Homelessness (15 points)
  - o Demonstrating the total number of homeless veterans in the CoC has decreased (8 points)
  - o Demonstrating a 75 percent reduction in the total number of homeless veterans and unsheltered homeless veterans as reported in the 2015 PIT count, compared to 2010 (4 points)
  - o Demonstrating the CoC identifies, assesses, and refers homeless veterans who are eligible for Veterans Affairs services and housing to appropriate resources such as HUD-VASH and SSVF (3 points).

Resource Information

- **2015 CoC NOFA:**

  https://www.hudexchange.info/resource/5068/fy-2016-coc-program-nofa/.
- **CoC Program Interim Rule (24 CFR part 578):** https://www.hudexchange.info/resource/2035/coc-program-interim-rule-formatted-version.
- **Training Resources**: www.hudexchange.info/homelessnessassistance/.
  - o Application Instructional Guides
  - o Application Detailed Instructions
  - o FAQs
- **Broadcast Information**: www.hud.gov/offices/adm/grants/fundsavail.cfm.
- **HUD Exchange e-snaps AAQ**: https://www.hudexchange.info/get-assistance/.
- **To join the HUD listserv**: www.hudexchange.info/mailinglist.