SUMMARY of the FY 2016 Notice of Funding Availability (NOFA)

for the HUD Continuum of Care (CoC) Program

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 (CoCs), the community stakeholder groups that guide local responses to homelessness. The FY 2016 CoC NOFA was released on June 28, 2016, opening the competition and making available **approximately $1.9 billion** to serve people experiencing homelessness. The information in the NOFA sets forth the competition rules and processes for FY 2016. This summary includes the highlights of the NOFA.

Before the CoC's Consolidated Application is submitted to HUD, the CoC is required to hold a CoC-level competition to determine which Project Applications will be included, along with their relative priority, as evidenced by the ranking. The results of the CoC-level competition determine the projects for which the CoC will seek funding**.** Additional details about anything in this summary can be found in the NOFA, available at: https://www.hudexchange.info/resource/4688/fy-2015-coc-program-nofa/

APPLICATION STRUCTURE

The CoC Consolidated Application is made up of three parts:

1) FY 2016 CoC Application: Includes information about the CoC planning body, governance structure, overall performance, and the strategic planning process. This part of the application is scored and will determine the order in which CoCs across the country are funded.

2) FY 2016 Project Applications: Applications from entities applying for CoC Program funds to operate certain types of housing and services projects.

3) FY 2016 CoC Priority Listing: Ranks projects in order of priority, based on the CoC-level competition results

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• As expected, the NOFA and scoring criteria are focused on HUD's policy priorities, including making strong progress on ending chronic, veteran, youth, and family homelessness and implementing Housing First system-wide, across the CoC.

• The CoC Application has been restructured to be more cohesive and useful to CoCs for managing projects, building relationships, and being strategic. It will rely heavily on HMIS and other data, using system level performance measures.

• For FY 2016 the Permanent Housing Bonus is available and can be used for either (1) new permanent supportive housing (PSH) projects that will exclusively serve chronically homeless individuals and families, or (2) new rapid re-housing (RRH) projects that will serve individuals and families coming directly from the streets or emergency shelters and include persons fleeing domestic violence situations and other persons meeting 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, based on the CoC-level competition scoring, that fall into Tier 2.

- • Projects in Tier 2 will be selected and funded based on a score related to: the overall CoC score, the project's ranked order, project type, and Housing First implementation. This change is intended to reduce incentives for CoC's to "game the system" and instead, encourages CoCs to simply rank projects in priority order.

- • CoCs are expected to critically evaluate projects and carefully determine the priority and ranking for all Project Applications.

- • Tier 1 is equal to 93% of the CoC's Annual Renewal Demand (ARD) – the amount of funds needed to renew all currently-funded projects. For the TX BoS CoC, that amount is approximately $4,477,000.

- • Tier 2 will be equal to 7% of the ARD plus the amount available for the Permanent Housing Bonus (up to 5% of the CoC's Final Pro Rata Need (PPRN) amount). For the TX BoS CoC, 7% of the ARD is approximately $313,000. The bonus amount available is approximately $1.8 million.

HUD'S HOMELESS POLICY AND 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. Create a systemic response to homelessness

- Measure system performance
- Create an effective Coordinated Entry process
- Promote participant choice
- Plan as a system
- Make the delivery of homeless assistance more open, inclusive, and transparent

2. Strategically allocate resources
- Comprehensively review project quality, performance and cost effectiveness
- Maximize the use of mainstream and other community-based resources
- Review transitional housing projects
- Integration

3. End chronic homelessness
- Target persons with the highest needs and longest histories of homelessness for existing and new permanent supportive housing
- Increase units
- Improve outreach

4. End family homelessness

5. End youth homelessness

6. End veteran homelessness

7. Use a Housing First approach
- Use data to quickly and stably house homeless persons
- Engage landlords and property owners
- Remove barriers to entry
- Adopt client-centered service methods

HUD recognizes that there may be some instances where the Housing First approach is not appropriate for a particular permanent or transitional housing project. For example, this may include projects where residents are focused on obtaining support to recover from substance use disorders, and such projects may be alcohol and drug free to support their continued sobriety. However, in general**, Housing First approaches are encouraged across all types of projects**. For the FY 2016 competition, the TX BoS CoC requires that all projects applying for CoC Program funds will use a Housing First model.

APPLICATION THRESHOLD REQUIREMENTS

Eligible Project Applicants will need to meet certain Threshold requirements:

1. **Project Eligibility Threshold**
2. **Project Quality Threshold**
3. **Project Renewal Threshold**
4. **Certification of Consistency with the Consolidated Plan**
5. **Environmental Requirements**

COC SCORING CRITERIA

Each CoC Application will be scored on the following factors this year, competing for a total of 200 points and 3 bonus points. Overall, the application will be more quantitative, and less narrative than past years. 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)
   - 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/Entry (3 points)
   - Housing First and reducing barriers (12 points)
   - Outreach (3 points)
   - Criminalization (2 points)
   - Rapid Re-housing (4 points)
   - Mainstream benefits and other assistance (2 points)

2. **Project Ranking, Review, and Capacity** (*30 points)
   - Objective criteria and past performance (18 points)
     i. Attaching written documentation that clearly demonstrates the CoC uses objective criteria in the review, ranking, and selection process for the FY 2016 CoC Program competition (10 points)
     ii. Demonstrating the consideration of past performance with CoC Program funds (4 points)
     iii. Extent to which the CoCs consider the severity of needs and vulnerabilities experienced by program participants (4 points)
   - Reallocating projects (4 points)
     i. Demonstrate the CoC actively encourages new and existing providers to apply for new projects through reallocation
     ii. Demonstrate that the CoC has cumulatively reallocated at least 20 percent of the CoC's ARD in the FY 2013, FY 2014, and FY 2015 CoC Program competitions

- Ranking and Selection Process (3 points)
- Recipient Performance Monitoring (4 points)

3. **Homeless Management Information System (HMIS)** (18 points)
   - HMIS governance (2 points)
   - HMIS policies and procedures (3 points)
   - Housing Inventory Count (HIC) (1 point)
   - Bed coverage (4 points)
   - Data quality (4 points)
   - Required HMIS reports (4 points)

NOTE: While the HMIS section is only 18 points, most of the CoC Application points rely heavily on HMIS data.

4. **Point-in-Time (PIT) Count** (9 points)
   - 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)

5. **System Performance** (*40 points)
   - Reducing the number of homeless individuals and families (7 points)
   - Reduction in the number of first-time homeless persons (2 points)
   - Length of time homeless (7 points)
   - Successful permanent housing placement or retention (7 points)
   - Returns to homelessness (4 points)
   - Jobs and income growth (4 points)
   - System performance measures (10 points)

6. **Performance and Strategic Planning** (60 points)
   - Ending chronic homelessness (15 points)
     - i. 3 points will be awarded to CoCs that have adopted the order of priority in Notice CPD 14-012.
     - ii. Up to 10 points to CoCs that increase the total number of PSH beds (from any funding source) dedicated to ending chronic homelessness.
     - iii. Up to 2 points to CoCs for reducing the number of chronically homeless individuals and families in the CoC.

   - Ending homelessness among households with children (15 points)
     - i. Up to 3 points to CoCs that prioritize households with children based on need.
     - ii. Up to 3 points to CoCs based on the local plan to rapidly re-house households with children within 30 days of those families becoming homeless.
     - iii. Up to 5 points to CoCs for the implementation of a rapid rehousing model that will reduce the number of homeless households with children and demonstrated an increase in the number of rapid rehousing units available to serve families.
     - iv. Up to 2 points to CoCs for ensuring emergency shelters, transitional housing, and permanent housing (PSH and RRH) projects within the CoC do not deny admission to or separate family members when they enter shelter or housing.

     v.   Up to 2 points to CoCs that demonstrate the total number of households with children and youth has decreased.

- Ending youth homelessness (15 points)
    - i. Up to 5 points to CoCs for strategies that address the unique needs of unaccompanied youth and the existence of a proven strategy that addresses homeless youth trafficking and other forms of exploitation.
    - ii. Up to 5 points to CoCs that demonstrate an increase 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.
    - iii. Up to 3 points to CoCs that demonstrate a proposed plan to increase funding for unaccompanied youth homeless programs in Calendar Year 2017.
    - iv. Up to 1 point to CoCs that specifically describe how they collaborate with local education authorities and school districts in the geographic area to assist in the identification of individuals and families who become or remain homeless and are informed of the eligibility of services under subtitle B of title VII of the Act (42 U.S.C. 11432, *et seq*.). This includes demonstrating that the CoC has established policies that require homeless providers, funded by both the CoC and ESG programs, to ensure all children are enrolled in early childhood programs or in school and connected to appropriate services in the community.
    - v. Up to 1 point to CoCs that demonstrate the extent to which youth service and education representatives and CoC representatives have participate in each other's meetings over the past 12 months. Additionally, the CoCs will describe how the CoC collaborates with the McKinney-Vento local education liaisons and State education coordinators.

- Ending veteran homelessness (15 points)
    - i. Up to 8 points to CoCs that demonstrate the total number of homeless veterans in the CoC has decreased.
    - ii. Up to 4 points to CoCs that demonstrate a 75 percent reduction in the total number of homeless veterans and unsheltered homeless veterans.
    - iii. Up to 3 points to CoCs that demonstrate they identify, assess, and refer homeless veterans who are eligible for Veterans Affairs (VA) services and housing to appropriate resources such as HUD-VASH and SSVF.

APPEALS PROCESS

Details about the process for four kinds of appeals are described:
1. **Solo Applicants**
2. **Denied or decreased funding**
3. **Consolidated Plan certification**
4. **Competing CoCs**

* We recognize that the total point values for the "Project, Ranking, Review and Capacity" section, as well as the "System Performance" section, are each off by one point and do not add up to the total indicated for each section. Request for clarification has been submitted to the HUD AAQ. This document will be updated once a response has been received.