

Highlights of the 2019 Continuum of Care NOFA

A. Overview and General Requirements

- HUD is making available approximately \$2.3 billion in Fiscal Year 2019 for the CoC Program, an increase from approximately \$2.1 billion in Fiscal Year 2018.
- Fiscal Year 2019 scoring places increased emphasis on System Performance (+4 pts. from 2018) and CoC Coordination and Engagement (+8 pts. from 2018). These increases offset decreases in HMIS (-4 pts. from 2018) and Performance and Strategic Planning (-8 pts. from 2018). Total points available for CoC Application score remain constant at 200 points.
- CoCs will be required to place projects into Tier 1 and Tier 2. This year Tier 1 is equal to 100 percent of the combined Annual Renewal Amounts for all projects eligible for renewal for the first time plus 94 percent of the combined Annual Renewal Amounts for all other projects eligible for renewal. Tier 2 is the difference between Tier 1 and the CoCs Annual Renewal Demand (ARD) plus any amount available for CoC Bonus projects (not including amounts available for DV Bonus projects) and before adjustments are made to permanent housing leasing, operating, and rental assistance budget line items based on changes to Fair Market Rent (FMR). Our estimated ARD is \$12,409,563 so the Tiers are:
 - Tier 1 = \$11,681,215
 - Tier 2 = \$1,348,826 (includes \$620,478 for bonus project)

Last year Tier 1 was 94% of ARD. In addition to the DV Bonus project renewal amount that is calculated in at 100%, the overall ARD has also gone up so Tier 1 amounts have increased.

- Bonus funding may be requested for new Rapid Re-Housing (RRH) or Permanent Supportive Housing (PSH) projects serving single adults, families or youth. Bonus funds can also be used for Transitional Housing/Rapid Re-Housing (TH/RRH), HMIS, or Supportive Services Only projects to develop coordinated entry. We can apply for up to \$620,478 for new permanent housing projects. Bonus project eligibility is conditioned on the CoC ability to demonstrate that it ranks projects based on how they improve system performance
- Again, this year, the federal budget included a \$50 million set aside for bonus projects serving survivors of domestic violence, dating violence, sexual assault, or stalking. San Mateo County can receive up to \$270,788 for a DV bonus project. DV bonus funds can be used for Rapid Re-Housing (RRH), Transitional Housing/Rapid Re-Housing (TH/RRH), or Support Services Only (SSO) for Coordinated Entry to implement policies to ensure CES meets the needs of domestic violence survivors. See below for more information.
- CoCs are required to rate and rank projects based on objective assessment of performance and are strongly encouraged to re-allocate projects to create new projects that improve their overall performance and better respond to their needs.
- Re-allocated funds may be used to create new RRH, PSH or TH/RRH projects. Re-allocated funds may also be used to create HMIS or Coordinated Entry projects operated by the Collaborative Applicant (HSA).

B. HUD Policy Priorities

This year HUD's policy priorities are similar to last year, but include a few new elements:

1. Ending Homelessness For all Persons

- Identify, engage, and effectively serve all persons experiencing homelessness.
- Measure performance based on local data that takes into account the challenges faced by all subpopulations experiencing homelessness in the geographic area
- Have a comprehensive outreach strategy to identify and continuously engage all unsheltered individuals and families.
- Use local data to determine the characteristics of individuals and families with the highest needs and longest experiences of homelessness to develop housing and supportive services tailored to their needs.
- Use the reallocation process to create new projects that improve their overall performance and better respond to their needs.

2. Creating a Systemic Response to Homelessness

- Use system performance measures such as the average length of homeless episodes, rates of return to homelessness, and rates of exit to permanent housing destinations to determine how effectively the CoC is serving people experiencing homelessness.
- Use the Coordinated Entry process to promote participant choice, coordinate homeless assistance and mainstream housing and services, and make homelessness assistance open, inclusive, and transparent.

3. Strategically Allocating and Using Resources

- Use cost, performance, and outcome data to improve how resources are utilized to end homelessness.
- Review project quality, performance and cost effectiveness
- Maximize the use of mainstream and other community-based resources when serving persons experiencing homelessness.
- Work to develop partnerships with Public Housing Authorities (PHAs) to work toward helping CoC Program participants sustainably exist permanent supportive housing through Housing Choice Vouchers and other available housing options.
- Review all projects eligible for renewal in FY 2019 to determine their effectiveness in serving people experiencing homelessness as well as their cost effectiveness.

4. Using an Evidence-Based Approach

- Prioritize projects that employ strong use of data and evidence.
- Review cost-effectiveness and impact of homelessness programs on positive housing outcomes, recovery, self-sufficiency, and reducing homelessness. Sample measures may include reduced length of time homeless; reduced rates of return to homelessness; improvements in employment and income; and improvements in overall well-being, such as improvements in mental health, physical health, connections to family, and safety.

5. Increasing Employment

- Work with local employment agencies and employers to prioritize training and

- employment opportunities for people experiencing homelessness.
- Promote partnerships with public and private organizations that promote employment.

6. Providing Flexibility for Housing First with Service Participation Requirements

- Emphasize rapid placement and stabilization of individuals in permanent housing without any preconditions regarding income, work effort, sobriety or any other factor to ensure that federal funds are allocated to providers that serve the most vulnerable homeless individuals.
- Allow communities flexibility when opting to use service participation requirements after people have been placed in housing. ***San Mateo County local policy does not permit service participation requirements as a condition of an individual retaining their housing.***

C. Continuity of 2018 NOFA Elements

HUD continues the process of “re-imagining” the CoC program, including identifying ways to streamline and simplify the application process. Improvements implemented in 2017-2018 have been extended and new ones are being rolled out this year.

1. Continued Flexibility for Renewal Projects

Options for renewal projects include:

- Transition Grants. HUD is encouraging consolidation of eligible renewal grants. Applicants that want to transition one of their existing projects to a new project component (e.g. TH becomes RRH or RRH becomes PSH) can do so by voluntarily re-allocating their existing grant and creating a new project. Unlike regular re-allocation, with Transition Grants there will be no “lag time” between the end of the old project and the beginning of the new project. Some other restrictions apply (see NOFA).
- Consolidation Grants. Applicants may consolidate multiple grants into a single grant as part of the application process. Consolidated grants must be of the same program type.
- Project Expansion. As in 2018, CoCs may use either bonus or re-allocation funding to create new projects that are expansions of existing CoC-funded projects. Existing CoC-funded projects that wish to expand by adding additional beds and units may apply for a new project under the “expansion” option. The expansion units must operate identically to the existing project (same target population, service model, etc.). This year, however, the NOFA additionally allows expansion project applicants to expand an existing renewal project that is not currently dedicated to serving survivors of domestic violence, dating violence, or stalking to dedicate additional beds, units, persons served, or services provided to existing program participants to this population.
- DV Bonus. As noted above, the 2019 federal budget continued to set aside \$50 million for bonus projects serving survivors of domestic violence, dating violence, sexual assault, or stalking. San Mateo County can receive up to \$270,788 for a DV bonus project. DV bonus funds can be used for Rapid Re-Housing (RRH), Transitional Housing/Rapid Re-Housing (TH/RRH), or Support

Services Only (SSO) for Coordinated Entry to implement policies to ensure CES meets the needs of domestic violence survivors. Additional requirements:

- Although a CoC may only submit one project application for an SSO-CE project, A CoC may apply for any number of PH-RRH and Joint TH and PH-RRH projects provided that each application is for at least \$25,000. So long as the DV Bonus funds for expansion are solely for additional units, beds, or services dedicated to persons eligible to be served with DV Bonus funding, the CoC may also apply to expand an existing renewal project, including one that was previously funded with DV Bonus funding.
- All DV bonus projects must be ranked on the Project Priority List
- HUD will select DV projects for funding based on the overall CoC score, need for the project, and quality of the project applicant.
- DV bonus projects selected for funding will be funded from the DV bonus pot and removed from the Priority List. All remaining projects will move up in Rank.
- DV bonus projects not selected for funding by HUD will remain in its ranked position and will be considered for funding as a new project.

D. Important Changes Since 2018

1. New Options for New Projects

There are two main changes for new projects this year:

- New projects may request an initial grant term between 12 and 18 months. HUD will allow new projects to request a 1 year of funding with a longer initial grant term not to exceed 18 months. HUD has determined that most new projects requesting 1 year of funding normally take approximately 3 to 6 months to begin fully operating the new project (e.g., hiring staff, developing partnerships with landowners if leasing or renting). Therefore, a new project requesting 1 year of funding may request a grant term of 12 months to 18 months that will allow for the additional start-up process. See NOFA for additional details and restrictions.
- Revised scoring for new RRH and TH-RRH DV Bonus. Scoring for the 2019 NOFA places a premium on the quality of the project applicant (50 pts.) and decreases value of CoC score (25 pts.). The 2018 NOFA heavily weighted CoC score (50 pts.) with lower value assigned to the quality of the project (25 pts.).

2. Expanded Definition

- Homeless Youth definition is expanded if served by “youth-serving” provider. Any youth-serving provider funded under this NOFA may serve unaccompanied youth aged 24 and under (or families headed by youth aged 24 and under) who have an unsafe primary nighttime residence and no safe alternative to that residence. HUD interprets “youth-serving provider” as a private nonprofit organization whose primary mission is to provide services to youth aged 24 and under and families headed by youth aged 24 and under. HUD interprets “living in unsafe situations” as having an unsafe primary nighttime residence and no safe alternative to that residence. CoCs may also request up to 10 percent of funding to serve homeless households with children and youth as defined under other federal statutes who are unstably housed. See NOFA for additional details and caveats.