Highlights, Priorities and Changes in FY16 NOFA

I.   **Priorities, p. 7**
1) Create a systemic response to homelessness (*new priority)*
2) Strategically allocate resources
3) End chronic homelessness
4) End family homelessness
5) End youth homelessness
6) End veteran homelessness
7) Using a Housing First Approach

II.   **Eligible Projects, p.20**

Renewal Projects. Awards made under the CoC Program, SHP, and S+C programs are eligible for renewal for FY 2016 funds if they are currently in operation and have an executed grant agreement that is dated no later than December 31, 2016 and expires in Calendar Year (CY) 2017 (the period from January 1, 2017 through December 31, 2017).

HUD will not select renewal projects for an award for FY 2016 funds in the FY 2016 CoC Program Competition unless the project meets one of the following additional eligibility requirements:
a. Any CoC Program, SHP, or S+C grants awarded in a preceding Competition that expire in CY 2017.
b. Any S+C grant awarded prior to FY 2002 for which funding is expected to run out in CY 2017, and which has never applied for renewal funding.
c. Any SHP or S+C grant originally awarded in the FY 2010 Homeless Assistance Programs Competition and, notwithstanding the expiration date, that has funds expiring in CY 2017 or later and has not been renewed in a previous competition. Funds for these grants will no longer be available after September 30, 2017. The electronic Line of Credit Control System (eLOCCS) requires that all draws for the grants awarded in the FY 2010 Homeless Assistance Programs Competition be made no later than September 22, 2017. Funds from these expiring grants will be recaptured and will no longer be available for expenditure, even if the end date established in the grant agreement is beyond September 30, 2017. Recipients are prohibited from accelerating their spending rate to spend down funds by September 22, 2017. Local HUD CPD Field Offices will monitor draws for affected grants to ensure that funds will be drawn only to reimburse the affected recipients for actual costs incurred in accordance with the project budget on, or before, the LOCCS availability of funds deadline. Grants awarded in the FY 2010 Homeless Assistance Competition are not eligible for renewal in the CoC Program Competition if they expired, or are expiring, in CY 2016 (time period from January 1, 2016, through December 31, 2016), were not renewed in a previous competition, or were not approved for extension into CY 2017. Grants awarded in the FY 2010 Homeless Assistance Programs Competition that have an expiration date beyond CY 2017 must apply for renewal in the FY 2016 funding process. The only exception is for any grant awarded as S+C grant that included rehabilitation that has a 10-year grant term, which will expire in FY 2019.

III. Tier 1 and Tier 2, Ranking and Scoring
They are again using a 2-tiered process, although the scoring has been revised. Tier 1 is 93% of your ARD, and the PH Bonus is 5% of the CoC's FPRN.

p. 13 - HUD will establish each CoC's Tier 1 and Tier 2 amounts based on the final HUD-approved GIW. A report that lists each CoC's ARD Tier 1 amount, CoC planning, and permanent housing bonus amount available will be posted to the HUD Exchange website no earlier than August 5, 2016. Section VIII. of this NOFA provides additional information regarding project selection.

a. Tier 1 is equal to 93 percent of the CoC's ARD amount approved on the final HUD-approved GIW and projects in this tier will be conditionally selected from the highest scoring CoC to the lowest scoring CoC, provided the project applications pass both eligibility and threshold review. Any type of new or renewal project application can be placed in Tier 1. However, in the event HUD is required to drastically reduce the total amount of funds available under this NOFA, 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. Therefore, CoCs should carefully determine the priority and ranking for all project applications in Tier 1 as well as Tier 2, which is described below.

b. Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for the permanent housing bonus (before adjustments are made to permanent housing leasing, operating, and rental assistance line items based on changes to FMR) as described in Section II.B.4. of this NOFA. This does not include the amounts available for CoC planning and UFA Costs. Project applications that are in Tier 2 will be selected for FY 2016 CoC Program funding using the process described in Section II.B.17. of this NOFA. Projects placed in Tier 2 will be assessed for eligibility and threshold requirements, and funding will be determined using the CoC Application score as well as the factors listed in Section II.B.17. of this NOFA.

c. If a project application straddles the Tier 1 and Tier 2 funding line, HUD will conditionally select the project up to the amount of funding that falls within Tier 1 as stated above; and then, using the CoC score and other factors described in Section II.B.17. of this NOFA, HUD may fund the Tier 2 portion of the project. If HUD does not fund the Tier 2 portion of the project, HUD may award project funds at the reduced amount, provided the project is still feasible with the reduced funding (e.g., is able to continue serving homeless program participants effectively).

d. As previously stated, CoC planning and UFA Costs are not ranked and; therefore, will not be included in Tier 1 or Tier 2. CoC planning and UFA Costs projects that pass eligibility and review threshold will be conditionally selected using CoC scores from the highest scoring CoC to the lowest scoring CoC. While the CoC will determine the order in which projects are ranked, HUD will calculate the tiers based on all project applications that pass eligibility and threshold review.

p. 14 - HUD will award a point value to each new and renewal project application that is in Tier 2 using a 100-point scale:

a. *CoC Score*. Up to 50 points in direct proportion to the score received on the CoC Application rounded to the nearest whole point. CoCs must receive at least 198 points out of the 200 CoC Application points available to receive the full 50 points for the CoC Application score. For example, if a CoC received 100 out of 200 points on the CoC application, the project application would receive 25 out of 50 points for this criterion.

b. *CoC Project Ranking.* Up to 35 points for the CoC's ranking of the project application(s). In order to more evenly distribute funding across CoCs and take into account the CoCs ranking of projects, point values will be assigned directly related to the CoCs ranking of projects. The calculation of point values will be 35 times the quantity (1-x) where x is the ratio of 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 to the total amount of funding available in Tier 2. For example, if a CoC is eligible to apply for projects totaling $500,000 in Tier 2 and applies for 5 projects ranked in Tier 2 of $100,000 each: the highest ranked project would receive 31.5 points and then the subsequently ranked projects would receive 24.5, 17.5, 10.5, and 3.5 points.

c. *Project Type.* Up to 5 points will be based on the type of project application submitted and the population that will be served with the following points available for the following project types:

   i. 5 points for renewal and new permanent housing-permanent supportive housing and rapid rehousing, renewal safe haven, HMIS, SSO for centralized or coordinated assessment system, or transitional housing that exclusively serves homeless youth projects;

   ii. 3 points for renewal transitional housing, except those transitional housing projects that exclusively serve homeless youth which will be scored as discussed in paragraph (1); and

   iii. 1 point for renewal SSO project applications other than those for a centralized or coordinated assessment system.

d. *Commitment to Policy Priorities.* Up to 10 points for how the permanent housing project application commits to applying the Housing First model. Transitional housing projects, safe haven, and SSO projects that are not for centralized or coordinated assessment can receive up to 10 points for 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). HMIS projects and SSO projects for a centralized or coordinated assessment system will automatically receive 10 points.

III. **Systemic Performance – p. 38 and 40**
HUD will award up to 40 points based on CoC system-wide performance related to reducing homelessness within the CoC's defined geographic area as reported to HUD via HDX. HUD will award:

Reducing the Number of Homeless Individuals and Families. Up to 7 points to CoCs that demonstrate an overall reduction in the number of individuals and families who experience homelessness. The information provided for both sheltered and unsheltered homeless based on the criteria below will be verified against the information submitted to the HDX. To receive maximum points:

- the CoC will receive up to 2 of the 7 points for demonstrating a decrease in the number of sheltered homeless individuals and families in the 2016 PIT count compared to the 2015 PIT count and for FY 2015 (October 1, 2014 through September 30, 2015)

3

compared to FY 2014 (October 1, 2013 through September 30, 2014) as recorded in HDX; and,

- the CoC will up to 5 of the 7 points for demonstrating a decrease in the number of unsheltered homeless individuals and families in the 2016 PIT count (or the 2015 PIT count if one was conducted in 2016) compared to the previous PIT count as recorded in HDX.

Reduction in the Number of First Time Homeless. Up to 2 points for a CoC that demonstrates how it is working to reduce the number of individuals and families who become homeless for the first time. Maximum points will be awarded to CoCs that identify the process by which risk factors are identified in its community for becoming homeless for the first time and clearly describe the strategies and partnerships in place to address individuals and families at risk of becoming homeless.

Length of Time Homeless. Up to 7 points to CoCs that provide information to HUD on the length of time individuals and families remain homeless and specifically describe how the length of time individuals and families remain homeless has been reduced in the CoC's geographic area and the ongoing efforts that the CoC will carry out to continue to reduce the length of time individuals and families remain homeless. To receive maximum points, a CoC must provide a narrative that describes specific efforts currently used to track and record the length of time individuals and families have remained homeless and the planning process to reduce the length of time individuals and families remain homeless. The narrative must indicate how data from CoC- and ESG-funded projects are considered, particularly in relation to the identification of and provision of housing for individuals and families with the longest length of time homeless.

Successful Permanent Housing Placement or Retention. Up to 7 points to CoCs based on the extent to which projects exit program participants into permanent housing (subsidized or non-subsidized) or the retention of program participants in CoC Program-funded permanent supportive housing. To receive maximum points, a CoC must demonstrate that 80 percent of persons who exit transitional housing and rapid re-housing projects exit to a permanent housing destination and that 80 percent of people in CoC program-funded permanent supportive housing remain for at least 12 months.

Returns to Homelessness. Up to 4 points to CoCs that provide information to HUD on the extent to which individuals and families leaving homelessness experience additional spells of homelessness and specifically describe how the number of individuals and families who return to homelessness will be reduced in the community. In order to receive maximum points, CoCs will be assessed on the strategies that have been implemented to identify individuals and families who return to homelessness and the strategies that will reduce the number of additional returns to homeless. Additionally, CoCs must demonstrate the use of HMIS, or a comparable database, within the CoC to monitor and record returns to homelessness by program participants who exit rapid re-housing, transitional housing, and permanent supportive housing.

Jobs and Income Growth. Up to 4 points to CoCs that demonstrate specific strategies in place to assist its CoC Program-funded projects that increase program participants' incomes from employment and non-employment sources and whose CoC-funded projects have increased program participants' income from employment and non-employment sources. To receive maximum points, CoCs must describe the strategies that have been implemented to access employment and mainstream benefits, how CoC Program-funded projects have been assisted to implement the strategies, and the CoC Program-funded projects' success at increasing program participant income from employment and mainstream benefits.

For project applicants that plan to use funding for construction and/or rehabilitation, in order for the CoC to receive the maximum points, the CoC must include information that describes the actions that will be taken by project applicants that receive CoC funding to comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) and HUD's implementing rules at 24 CFR part 135 to provide employment and training opportunities for low- and very low-income persons, as well as contracting and other economic opportunities for businesses that provide economic opportunities to low- and very low-income persons. This does not affect the applicants' existing responsibilities to provide training, employment, and other economic opportunities pursuant to Section 3 that result from their receipt of other HUD funding.

System Performance Measures. Up to 10 points for CoCs that attach a report generated from HDX that provides information for each of the required system performance measures as found in the System Performance Measures Introductory Guide:

> i. length of time persons remain homeless;
> ii. extent to which persons who exit homelessness to permanent housing destinations return to homelessness within 6 months and between 6 and 12 months;
> iii. extent to which persons who exit homelessness to permanent housing destinations return to homelessness within 2 years;
> iv. number of homeless persons;
> v. employment and income growth for homeless persons in CoC Program-funded projects;
> vi. number of persons who become homeless for the first time;
> vii. homelessness prevention and housing placement of persons defined by Category 3 of HUD's homeless definition in CoC Program-funded projects;
> viii. preventing returns to homelessness within 6 and 12 months among the subset of families and youth;
> ix. preventing returns to homelessness within 24 months among this subset of families and youth;
> x. successful housing placement among the subset of families and youth;
> xi. successful placement from street outreach measure; and,
> xii. successful placement in or retention of permanent housing.subject to availability and applicants must apply for additional funds at such time and in such manner as HUD may require.

IV.   Matching and Leverage, 24 CFR 578.73, p. 22

The applicant must match all grant funds, except for leasing funds, with no less than 25% of funds or in-kind contributions from other sources. 24 CFR 578.73 provides detailed information about cash and in-kind match requirements. If selected, the applicant will be responsible for gathering match commitment letters for the proposal.

There is no leverage required for FY16 projects.

V.   **Project Ranking, Review and Capacity, p. 36**
The NOFA says this is worth 30 points, although the points add up to 29 so I've submitted an AAQ. These factors will be important in the local Ranking and Review.

Objective Criteria and Past Performance – 18 points
Reallocating Projects – 4 points
Ranking and Selection Process – 3 points
Recipient Performance Monitoring – 4 points