Highlights of the 2018 Continuum of Care NOFA

A. Overview and General Requirements

- CoCs will be required to place projects into Tier 1 and Tier 2. This year Tier 1 is 94% of Annual Renewal Demand (ARD) and Tier 2 is 6%. Our ARD is $11,566,92 so the Tiers are:
  - Tier 1 = $10,872,916
  - Tier 2 = $694,016

  Last year Tier 1 was also 94% of ARD. However, our overall ARD has gone up so our Tier 1 amount has also gone up.

- 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), a new project type that was introduced by HUD last year (see below for more details). We can apply for up to $694,016 for new permanent housing projects.

- *New this year*. The 2018 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 $264,125 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 lower performing projects.

- 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 (H.S.A.).

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.
- *New: Review project quality, performance and cost effectiveness*
- Maximize the use of mainstream and other community-based resources when serving persons experiencing homelessness.
- *New: Work to develop partnerships with Public Housing Authorities (PHAs) to work toward helping CoC Program participants exit permanent supportive housing through Housing Choice Vouchers and other available housing options.*
- Review all projects eligible for renewal in FY 2018 to determine their effectiveness in serving people experiencing homelessness as well as their cost effectiveness.

4. Use a Housing First Approach
- Prioritize rapid placement and stabilization in permanent housing
- No service participation requirements or preconditions
- Measure and help projects reduce the length of time people experience homelessness.
- Engage landlords and property owners
- Remove barriers to entry
- Adopt client-centered service methods

C. Important Changes Since 2017

HUD is in the process of "re-imagining" the CoC program, including identifying ways to streamline and simplify the application process. Some improvements were implemented in 2017 and new ones are being rolled out this year.

1. New Flexibility for Renewal Projects

Some new options for renewal projects include:

- Transition 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. 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.). See below for more details.

2.   New Options for New Projects

There are three main changes for new projects this year:

- Project Expansion: Last year HUD allowed CoC to use either bonus or re-allocation funding to create new projects that are expansions of existing CoC-funded projects. This option is available again this year. New this year, HUD will allow new projects that are expansions of *non-CoC-funded* projects. This means that applicants can add CoC-funded activities to a non-CoC-funded homeless program. However, CoC funds cannot be used to replace state and local funds.

- New Project Type: DV Bonus. As noted above, the 2018 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 $264,125 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:
  - CoC's may submit one project in each of the three categories, but only one will be funded
  - 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 may be selected as a regular bonus project, depending on where it is placed on the Project Priority List.

- Commingling of bonus and re-allocation funding. New this year, applicants may combine bonus and re-allocation funding in a single project.