SUMMARY OF THE 2018 CONTINUUM OF CARE NOTICE OF FUNDING AVAILABILITY (COC NOFA)

This summary includes highlights from the 2018 CoC NOFA, the HUD email announcement regarding its release, and a Change Log that HUD published the same day. Some relevant information is not included in the NOFA, but will be apparent once HUD opens *e-snaps* and releases the Detailed Instructions.

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, dating violence, sexual assault, and stalking, 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 2018 CoC NOFA was released on June 20, 2018, opening the competition making available **APPROXIMATELY $2.1 BILLION NATIONALLY** to serve people experiencing homelessness. The information in the NOFA sets forth the competition rules and processes for 2018. This summary includes the highlights of the NOFA -- additional guidance will be shared as it is made available.

Before the application is submitted to HUD, the CoC 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 which projects the CoC will seek to fund. Additional information about project application requirements and standards will be available at the upcoming Technical Assistance Workshop – July 16, 2018. Additional details about anything in this summary can be found in the NOFA, available at:

https://www.hudexchange.info/resource/5719/fy-2018-coc-program-nofa/

KEY THEMES IN THIS YEAR'S NOFA

As described in more detail below:
- CoCs may apply for DV Bonus Projects to serve survivors of domestic violence, dating violence, and stalking.
- Applicants may transition their project(s) from one CoC Program Component to another over a one-year grant cycle.
- Applicants may consolidate two, three, or four eligible renewal projects into one project during the application process.
- Applicants may apply for new funding to expand CoC-Program-funded or non-CoC-Program-funded projects.
- HUD had added a policy priority indicating that CoCs should work to develop partnerships with Public Housing Authorities (sometimes called PHAs) to work toward helping CoC Program

participants exit Permanent Supportive Housing through Housing Choice Vouchers (formerly Section 8 vouchers) and other available housing options.

- HUD has underscored that efforts to prevent and end homelessness should consider and address racial inequities to achieve positive outcomes for all persons experiencing homelessness.

IMPORTANT HUD-REQUIRED DATES

- **WEDNESDAY, JUNE 20, 2018**: 2018 CoC Program NOFA release date
- On or after **THURSDAY, JUNE 28, 2018**: *e-snaps* will be available.
- On or before **SUNDAY, AUGUST 19, 2018** (30 days prior to submission deadline): All project applications are required to be submitted to the CoC.
- On or before **MONDAY, SEPTEMBER 3, 2018** (15 days prior to submission deadline): The CoC is required to notify all project applicants who submitted their project applications to the CoC by the CoC-established deadline whether their project application(s) will be accepted and ranked on the CoC Priority Listing, rejected, or reduced by the CoC.
- On or before **SUNDAY, SEPTEMBER 16, 2018** (2 days prior to submission deadline): CoCs must post on their website (or a partner's website) all parts of the CoC Consolidated Application – including the CoC Application attachments, the completed Priority Listing, and the Project Applications – and notify community members and key stakeholders that the Consolidated Application is available.

SUBMISSION DEADLINE:
TUESDAY, SEPTEMBER 18, 2018 AT 8:00 PM EDT/6:00 PM CDT/5:00 PM PDT

- HUD may issue up to two conditional funding announcements.
- **SEPTEMBER 30, 2020**: All conditional funds awarded in this competition must be obligated.
- **SEPTEMBER 30, 2025**: Obligated funds must be expended.

AVAILABLE FUNDING FOR OUR COC

This year, in our CoC, the eligible application amounts are as follows:

- CoC's estimated Annual Renewal Demand: **$19,599,048**
  - Estimated Tier 1 (94% of Annual Renewal Demand): $18,423,105
  - Estimated Tier 2 (remainder of Annual Renewal Demand + Bonus amount): $2,351,885.88
    - Estimated Bonus amount (6% of Final Pro Rata Need): $1,175,943
- Estimated DV Bonus amount (10% of Preliminary Pro Rata Need or a minimum of $50,000, whichever is greater, or maximum of $5 million, whichever is less): $825,144
- Estimated CoC Planning amount (3% of Final Pro Rata Need or $1,250,000, whichever is less): $587,971
  - Planning grants are not ranked again in 2018

2018 HUD COC POLICY PRIORITIES

CoCs will be evaluated based on the extent to which they further HUD's policy priorities. The policy priorities listed this year are:

1. **ENDING HOMELESSNESS FOR ALL PERSONS**

2. **CREATING A SYSTEMIC RESPONSE TO HOMELESSNESS**

3. **STRATEGICALLY ALLOCATING AND USING RESOURCES**

4. **USING A HOUSING FIRST APPROACH**

APPLICATION STRUCTURE

The CoC Consolidated Application is made up of three parts:

1. **CoC Application** provides 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 are funded.
2. **Project Applications**
3. **CoC Priority Listing** ranks all project applications in order of priority.

REVIEW AND RANK CHANGES AND REMINDERS

HUD requires CoCs to review and rank projects submitted by project applicants, except CoC planning projects, having them fall into two Tiers based on a financial threshold. All projects must pass HUD's eligibility and threshold requirements to be funded, no matter their priority.

TIER 1

- In 2018, Tier 1 is equal to 94% of the CoC's FY 2018 Annual Renewal Demand.
- Tier 1 projects will be conditionally selected from the highest-scoring CoC to the lowest-scoring CoC, provided the project applications pass both eligibility and threshold review. In the event insufficient funding is available under this NOFA to award all Tier 1 projects, Tier 1 will be reduced proportionately, 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.

TIER 2

- Projects in Tier 2 are less likely to be funded, and every Tier 2 project will be scored using a 100-point scale based on three factors that have not changed since last year's competition:
  - **COC SCORE.** Up to 50 of 100 points will be awarded in direct proportion to the score received on the CoC Application.
  - **COC PROJECT RANKING.** Up to 40 of 100 points for the CoC's ranking of the project application(s). To more evenly distribute funding across CoCs and take into account the

CoC's ranking of projects, point values will be assigned directly related to the CoC's ranking of projects. Additional details are available in the NOFA.

- o **COMMITMENT TO HOUSING FIRST.** Up to 10 of 100 points for:
    - How the permanent housing project commits to applying the Housing First model;
    - How the Transitional Housing project, Joint Transitional Housing and Rapid Rehousing Component project, safe haven project, or Supportive Services Only project that is not for centralized or coordinated assessment 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); or
    - HMIS project or Supportive Services Only project for a centralized or coordinated assessment system will automatically receive 10 points.

IMPORTANT COC STRATEGY REMINDERS

- 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 is increasing the share of the CoC score that is based on performance criteria.
- HUD will prioritize funding for CoCs that have demonstrated the ability to reallocate resources to higher performing projects.

NEW HUD POLICIES RELATED TO PROJECT APPLICATIONS IN 2018

TRANSITION GRANTS

- Applicants may transition renewal projects from one CoC Program component (e.g., Transitional Housing to Rapid Rehousing, Rapid Rehousing to Permanent Supportive Housing) to another using the CoC Program Competition.
- Transition grants conditionally awarded in the FY 2018 CoC Program Competition will have one year to fully transition from the original component to the new component and this will take place during the transition grant's normal operating year.

CONSOLIDATED PROJECTS

- Eligible renewal project applicants may consolidate two, three, or four eligible renewal projects into one project application during the application process.
- This means that a CoC Program recipient no longer must wait for a grant agreement amendment to be executed to consolidate two or more grants before it can apply for a single consolidated project in the CoC Program Competition

EXPANSION PROJECTS

- A renewal project applicant may submit a new project application to expand its current operations by adding units, beds, persons served, services provided to existing program participants, or in the case of HMIS, increase the current HMIS grant activities within the CoC's geographic area.
- There are two types of expansions: (1) Expanding a CoC-Program-funded Project AND (2) Expanding a non-CoC Program funded project.

REALLOCATION

- CoCs may only reallocate eligible renewal projects that have previously been renewed under the CoC Program.

ELIGIBLE NEW PROJECTS

- ****NEW THIS YEAR**** CoCs may submit new projects created through reallocation, bonus, or a combination of reallocation and bonus; new DV Bonus projects; and CoC planning project.
  - Because new project applications may be created through the reallocation or bonus processes, if HUD determines that a project applicant or a CoC incorrectly classified one or more new projects as reallocation or bonus, HUD may reclassify the project(s) as either reallocation or bonus if the CoC exceeded either its reallocation or bonus amount.
  - If a project applicant uses both reallocation and bonus amounts to create a single new project but did not have sufficient amounts available from either source, HUD will reduce the project to the amount available, if any.

DOMESTIC VIOLENCE (DV) BONUS

- Due to up to $50 million set aside in the FY2018 HUD Appropriations Act, CoCs will be able to apply for a DV Bonus for Rapid Rehousing projects, Joint Transitional Housing and Rapid Rehousing Component projects, and Supportive Services Only projects for Coordinated Entry. A CoC may apply for up to 10% of its PPRN, or a minimum of $50,000, whichever is greater, or a maximum of $5 million, whichever is less, to create up to three DV Bonus projects with 1-year grant terms.
- A CoC may apply for **ONE OF EACH** of the following types of projects:
  - Rapid rehousing projects that must follow a housing first approach.
  - Joint Transitional Housing and Rapid Rehousing component projects that must follow a housing first approach.
  - Supportive Services Only Projects for Coordinate Entry to implement policies, procedures, and practices that equip the CoC's Coordinated Entry to better meet the needs of survivors of domestic violence, dating violence, sexual assault, or stalking.
- A CoC can only submit one project application for each of the project types above. If a CoC submits more than one project application for each project type, HUD will only consider the highest ranked project that passes eligibility and quality threshold review for the DV Bonus and will consider any other project for funding as a regular bonus project.
- A CoC may apply to expand an existing renewal project that is not dedicated to serving survivors of domestic violence, dating violence, sexual assault, or stalking to dedicate additional units, beds, persons served, or services provided to existing program participants to this population.
- CoCs are required to rank all DV Bonus projects on the New Project Listing of the CoC Priority Listing with a unique rank number. If a project application designated as DV Bonus is conditionally selected by HUD with DV Bonus funds, HUD will remove the ranked DV Bonus project from the New Project Listing and all other project applications ranked below the DV Bonus project will slide up one rank position. If the DV Bonus project application is not conditionally selected with DV Bonus funds, the project application will remain in its ranked position and will be considered for conditional award under the regular bonus amount available to the CoC.
- For projects the CoC indicates it would like considered as part of the DV Bonus, HUD will award a point value to each project application combining both the CoC Application score and responses to the DV-Bonus-specific questions in the CoC Application using the following 100-point scale:

- o For Rapid Rehousing and joint Rapid Rehousing and Transitional Housing component projects:
  - **COC SCORE.** Up to 50 points in direct proportion to the score received on the CoC Application.
  - **NEED FOR THE PROJECT.** Up to 25 points based on the extent the CoC is able to quantify the need for the project in its portfolio, the extent of the need, and how the project will fill that gap.
  - **QUALITY OF THE PROJECT APPLICANT.** Up to 25 points based on the previous performance of the applicant in serving survivors of domestic violence, dating violence, sexual assault, or stalking, and their ability to house survivors and meet safety outcomes.
- o For Supportive Services Only projects for Coordinated Entry:
  - **COC SCORE.** Up to 50 points in direct proportion to the score received on the CoC Application.
  - **NEED FOR THE PROJECT.** Up to 50 points based on the extent to which the CoC is able to demonstrate the need for a Coordinated Entry system that better meets the needs of survivors of domestic violence, dating violence, sexual assault, or stalking, and how the project will fill this need.

ELIGIBLE TYPES OF NEW PROJECTS CREATED THROUGH REALLOCATION AND/OR BONUS

- **PERMANENT HOUSING-PERMANENT SUPPORTIVE HOUSING PROJECTS** that meet the requirements of DedicatedPLUS or where 100% of the beds are dedicated to individuals and families experiencing chronic homelessness, as defined in 24 CFR 578.3.
- **PERMANENT HOUSING-RAPID REHOUSING PROJECTS** that will serve homeless individuals and families, including unaccompanied youth.
- **JOINT TRANSITIONAL HOUSING AND RAPID REHOUSING COMPONENT PROJECTS** to better serve homeless individuals and families, including individuals or families fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking who meet specific criteria.
- **DEDICATED HMIS PROJECTS** for the costs at 24 CFR 578.37(a)(2) that can only be carried out by the HMIS Lead, which is the recipient or subrecipient of an HMIS grant, and that is listed on the HMIS Lead form in the CoC Applicant Profile in *e- snaps*.
- **SUPPORTIVE SERVICES ONLY PROJECTS FOR COORDINATED ENTRY** to develop or operate a centralized or coordinated assessment system.

IMPORTANT POINTS FOR RENEWAL PROJECTS

- **DEDICATED PLUS PROJECTS.** A renewal project that is Permanent Supportive Housing 100% dedicated to chronically homeless people may either become a DedicatedPLUS project or may continue to dedicate 100% of its beds to chronically homeless individuals and families. If a renewal project that has 100% of its beds dedicated to chronically homeless individuals and families elects to become a DedicatedPLUS project, the project will be required to adhere to all fair housing requirements at 24 CFR 578.93.
  - o ****NEW THIS YEAR**** Projects that were awarded as DedicatedPLUS in the FY 2017 CoC Program Competition are required to include households with children to qualify as a DedicatedPLUS project in the FY 2018 CoC Program Competition.

- **RENEWAL GRANTS PER UNIT COST.** Applicants requesting renewal of grants for rental assistance are permitted to request a per-unit amount less than the Fair Market Rent (FMR), if the actual rent per unit under lease is less than the FMR. This will help reduce the number of projects receiving rental assistance that have large balances of unspent funds remaining at the end of the operating year. Renewal project applicants must ensure the amount requested will be sufficient to cover all eligible costs as HUD cannot provide funds beyond the amount awarded through this Competition.
  - o ****NEW THIS YEAR**** The Applicants must provide copies of the leases to establish the actual rents.

IMPORTANT POINTS FOR ALL PROJECT APPLICANTS

- **DUNS/SAM REGISTRATION.** All project applicants must have a DUNS number and an active SAM registration. ****NEW THIS YEAR**** SAM registration requires additional steps this year, and applicants should begin their registration process immediately.
- **NO LEVERAGE.** No leverage again this year!
- **CODES OF CONDUCT.** All applicants must have a current HUD-approved Code of Conduct. Be sure to review the Code of Conduct for HUD Grant Programs page on HUD's website to ensure your organization is listed (which means you have submitted an approved Code of Conduct). If you do not see your organization on the list, be sure to attach a current and complete Code of Conduct to your Project Applicant Profile in *e-snaps*.
- **2018 FMRS WILL APPLY.** Because the CoC Consolidated Application is due prior to the publication of the final FY 2019 FMRs, the FY 2018 FMRs will be used for funding amounts.
- ****NEW THIS YEAR** ELIGIBILITY REQUIREMENTS FOR APPLICANTS OF HUD'S GRANTS PROGRAMS.** Evidence of the following issues may prevent an award from being granted to otherwise successful applicants. Detailed information on each requirement is posted on HUD's Funding Opportunities Page
  - o Resolution of Civil Rights Matters
  - o Outstanding Delinquent Federal Debts
  - o Debarments and/or Suspensions
  - o Pre-selection Review of Performance
  - o Sufficiency of Financial Management System
  - o False Statements
  - o Mandatory Disclosure Requirement
  - o Conducting Business in Accordance with Ethical Standards/Code of Conduct
  - o Prohibition Against Lobbying Activities
  - o Equal Protection for Faith-based and Community Organizations
- ****NEW THIS YEAR** PAST PERFORMANCE.** In evaluating applications for funding, HUD will consider an applicant's past performance in managing funds. Items HUD may consider include, but are not limited to:
  - o The ability to account for funds appropriately;
  - o Timely use of funds received from HUD;
  - o Timely submission and quality of reports submitted to HUD;
  - o Meeting program requirements;
  - o Meeting performance targets as established in the grant agreement;
  - o The applicant's organizational capacity, including staffing structures and capabilities;
  - o Time-lines for completion of activities and receipt of promised matching or leveraged funds; and

o   The number of persons to be served or targeted for assistance.

HUD may deduct points from the rating score or establish threshold levels. Whenever possible, HUD will obtain past performance information from staff with the greatest knowledge and understanding of each applicant's performance. If this evaluation results in an adverse finding related to integrity or performance, HUD reserves the right to:

o   Deny funding, or with a renewal or continuing award, consider suspension or termination of an award immediately for cause;

o   Require the removal of any key individual from association with management or implementation of the award; and

    Make provisions or revisions regarding the method of payment or financial reporting requirements.

COMMUNITY-LEVEL CHANGES AND REMINDERS

- ****NEW THIS YEAR** MEANINGFUL PARTICIPATION.** Applicants must identify the steps they will take to ensure that traditionally marginalized populations (such as racial and ethnic minorities and persons with disabilities) will be able to meaningfully participate in the planning process. The applicant must identify the specific populations that it will include, identify community organizations that represent these populations, and describe how these populations will be included in the planning process.
- **COC TRANSPARENCY.** On September 16, 2018, CoCs must post the CoC Consolidated Application on their website (or a partner's website) and notify community members and key stakeholders that the Consolidated Application is available.
  - ****NEW THIS YEAR**** CoCs must include Project Applications (in addition to the CoC Application attachments and the completed Priority Listing) when posting the CoC Consolidated Application.

RESOURCES:

- 2018 CoC NOFA: https://www.hudexchange.info/resource/5719/fy-2018-coc-program-nofa/
- CoC Program Interim Rule (24 CFR part 578): https://www.hudexchange.info/resource/2035/coc-program-interim-rule-formatted-version
- E-snaps application system: https://esnaps.hud.gov
- HUD Websites:
  - www.hud.gov
  - www.hudexchange.info
- Funding Application: https://www.hudexchange.info/programs/e-snaps/
- Training and Resources: www.hudexchange.info/homelessness-assistance/
- HUD Exchange Ask A Question (AAQ): https://www.hudexchange.info/program-support/my-question/
- Listserv: www.hudexchange.info/mailinglist