

Interagency Council on Homelessness

Administrative Office
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FROM: Tom Hernandez, Homeless Services Officer

SUBJECT: Tiering of the new, renewal, planning and permanent housing bonus projects for the Continuum of Care Application Submission

DATE: August 24, 2016

RECOMMENDATION

Authorize the ICH Grant Review Committee to approve the tiering of the new, renewal, planning and permanent housing bonus projects for the Continuum of Care Application Submission as vetted, evaluated, and ranked by the Office of Homeless Services.

BACKGROUND INFORMATION

The United States Department of Housing and Urban Development (HUD) has made approximately \$1.9 billion in funding for the 2016 Continuum of Care (CoC) Program Notice of Funding Availability (NOFA). In addition, HUD may add to this amount any available funds that have been carried over or recaptured from previous fiscal years. Although the available amount of funding is expected to be sufficient to fund anticipated eligible renewal projects in 2016, HUD will continue to require Collaborative Applicants to rank all projects, except CoC planning and UFA Costs, in two tiers.

Project applications submitted to the CoC for inclusion in the 2016 CoC Priority Listing as part of the CoC Consolidated Application must be reviewed and either accepted and ranked or rejected by the CoC. All projects approved by the CoC must be listed on the CoC Priority Listing in rank order, with the exception of project applications for CoC planning and UFA Costs which will not be ranked, to establish the projects located within Tier 1 and the projects located within Tier 2, as described in Section II.B.16. of the NOFA. The purpose of this two-tiered approach is for each CoC to clearly indicate which projects are prioritized for funding through HUD.

- Tier 1 is equal to 93% of the CoC's FY 2016 Annual Renewal Demand (ARD) as approved by HUD.
 - 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).

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- Projects in Tier 1 will be ranked by the following HUD recommended criteria:
 - 1. Renewal Permanent Housing (PH)
 - 2. New Permanent Supportive Housing (PSH) created through reallocation for 100% chronically homeless
 - 3. New Rapid Re-Housing (RRH) projects created through reallocation for households with children
 - 4. Renewal Homeless Management Information System (HMIS)
 - 5. Any other project application submitted by the CoC that was not included on the Grant Inventory Worksheet (GIW)
- By funding priority type, the Continuum of Care Ranking Committee will average scores (All PH, all PSH, all RRH, all TH, HMIS, all other projects). Those applications scoring ABOVE the average score in each corresponding priority type automatically will go into Tier 1; 1st with PH, then by TH, etc. (following the above structure). After taking those applications scoring above the average score in each selection priority, if any Tier 1 funding remains, those applications scoring BELOW the average will be included in Tier 1 in the above order until all funding for Tier 1 has been exhausted.
- 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 fair market rates) as described in Section II.B.4. of the 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 the NOFA.
 - 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 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., if the provider is able to continue serving homeless program participants effectively).
 - HUD will award a point value to each new and renewal project application that are in Tier 2 using a 100 point scale:
 - 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.

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- 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 CoC's 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.
- 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:
 - 5 points for renewal and new permanent housing (permanent supportive housing and rapid re-housing), renewal Safe Haven, HMIS, Supportive Services Only (SSO) for Centralized or Coordinated Assessment System, or transitional housing that exclusively serve homeless youth projects;
 - 3 points for renewal transitional housing, except those transitional housing projects that exclusively serve homeless youth which will be scored as discussed above; and
 - 1 point for renewal SSO project applications.
- Up to 10 points for how the permanent housing project application commits to applying the Housing First model (*Commitment to HUD Policy Priorities*). 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.

The Office of Homeless Services will ensure that all applications for funding will be vetted, evaluated, and ranked, and then approved by the Interagency Council on Homelessness (ICH) Grant Review Committee and eventually submitted to HUD via the E-SNAPS system.

While OHS will conduct a thorough review, agencies eligible for renewal or new applications are still responsible for final submission content.

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