

Permanent Housing - Letter of Intent to Renew 2016 Continuum of Care (CoC) Homeless Assistance Programs

The San Bernardino County Continuum of Care (CoC) is requiring any agency interested in renewing a project for funding in the 2016 HUD Continuum of Care Notice of Funding Availability (NOFA) to submit a Letter of Interest (LOI). A LOI is required for all projects to be considered for submission in the 2016 Continuum of Care (CoC) Application to the U.S. Department of Housing and Urban Development (HUD) but is not a guarantee of funding or inclusion in the application to HUD.

The submission of the LOI will be part one of a two part process. Part II will include the completion of the Project Application in HUD's e-snaps application system. Mandatory application workshops will be scheduled for all projects selected for inclusion in the 2016 CoC application.

Renewal applicants are required to complete this LOI by answering all questions and providing the required documentation in order to be considered for inclusion in Part II of the application process.

Background Information

The U.S. Department of Housing and Urban Development (HUD) states that one of the primary responsibilities of the CoC is to develop a review process for selection and ranking criteria for prioritizing renewal and new projects for CoC Program funding. This is especially important for those communities that submit multiple renewal and new project requests to compete for funding.

In addition, HUD states that communities should have a mechanism for ranking and selecting projects that demonstrate decisions based on pre-established selection criteria that were logical and fair. Criteria may include capacity to implement and manage the proposed project, experience working with the target population, cost effectiveness, etc. Communities should emphasize and rank projects based on the project's ability to articulate achievable outcome measures against which the project can be evaluated in future years. This is especially important as projects come up for renewal funding and communities must assess project performance.

HUD also notes that it is important that renewal projects meet minimum project eligibility, capacity, timeliness, and performance standards or they will be rejected from consideration for funding. When considering renewal projects for award, HUD will review information in the Line of Credit Control System (LOCCS); Annual Performance Reports (APRs); and information provided from the local HUD/Community Planning and Development (CPD) Field Office, including monitoring reports and A-133 audit reports as applicable, as well as performance standards on prior grants, and assess a project on the following criteria using a pass/fail basis:

(1) The project applicant's performance against plans and goals established in the initial application as amended;

(2) Project applicants must demonstrate all timeliness standards for grants being renewed, including that standards for the expenditure of grant funds have been met;

(3) The project applicant's performance in assisting program participants to achieve and maintain independent living and record of success, except Homeless Management Information System (HMIS)-dedicated projects are not required to meet this standard; and

(4) Evidence that a project applicant has been unwilling to accept technical assistance, has a history of inadequate financial accounting practices, has indications of project mismanagement, has a drastic reduction in the population served, has made program changes without prior HUD approval, or has lost a project site may result in a rejection of the application from the competition. HUD reserves the right to reduce or reject a funding request from the project applicant for the following reasons:

(a) Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;

(b) Audit finding(s) for which a response is overdue or unsatisfactory;

(c) History of inadequate financial management accounting practices;

(d) Evidence of untimely expenditures on prior award;

(e) History of other major capacity issues that have significantly impacted the operation of the project and its performance;

(f) Timeliness in reimbursing sub recipients for eligible costs. HUD will consider a project applicant as meeting this standard if it has drawn down grant funds at least once per month; or

(g) History of serving ineligible persons, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

HUD is requiring that CoCs rank projects within 2 tiers in FY2016 to promote a more competitive process among CoCs. HUD will only select projects from Tier 2 for funding after all projects from Tier 1 have been selected. HUD also notes that projects in Tier 2 may not be funded.

Prior to responding to the rating and performance measures in this document, please complete Exhibit 1.

Exhibit 1

Instructions: Please complete one letter for each renewal application.

Lead Agency Information

CCR #:

DUNS #:

Agency Name:

Agency Address:

City:

State:

Zip:

Phone:

Fax:

email:

Grant/Application Contact Person:

phone:

email:

Agency Director:

phone:

email:

Project Information:

Name of Project:

Project Address:

Grant amount:

Grant Term:

Expiration Date:

Program Type:

Primary Population:

Annual Renewal Amount for project _____

Total Number of Units: _____

Previously approved budget amounts by activity

Rental Assistance Leasing _____

Supportive Services: _____

Operations: _____

HMIS: _____

Administration: _____

Name and Signature of Person who will complete the application:

Name and Signature of Person authorized to sign the HUD application:

I certify, on behalf of my agency, that all information contained in this application is accurate and true, based on our current project records for the project. I understand that falsifying information or failing to provide accurate information will have a negative impact on my overall review and may result in removal from the Continuum of Care Application to HUD.

Executive Director/CEO/President

Date

Exhibit 2: Rating and Performance Measures

HUD encourages the following rating and performance measures to be used to determine which projects to accept or reject. Please respond to each rating and performance measure. Incomplete applications will not be accepted.

1. Review HUD APR performance results

The **Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH): Continuum of Care Program** interim rule states that HUD may terminate the renewal of any grant and require the recipient to repay the renewal grant if the recipient fails to submit a HUD Annual Performance Report (APR) within 90 days of the end of the program year or if the recipient submits an APR that HUD deems unacceptable or shows noncompliance with the requirements of the grant and this part. The recipient's submission of the APR helps HUD review whether the recipient is carrying out the project in the manner proposed in the application. Recipients agree to submit an APR as a condition of their grant agreement. This requirement allows HUD to ensure that recipients submit APRs on grant agreements that have expired as a condition of receiving approval for a new grant agreement for the renewal project.

- Did your agency submit a HUD Annual Performance Report (APR) for this project within 90 days of the end of the last program year? Yes No

Performance Measures

HUD states that CoCs must clearly demonstrate project participant's success in remaining in permanent housing or exit to another permanent housing destination as reported in a 12 month period for all APRs from all CoC-funded permanent housing projects within the CoC. HUD's national goal is at least 80 percent of participants remain in CoC-funded permanent housing or exited to another permanent housing destination.

HUD also states that CoCs must clearly demonstrate the overall percentage of program participants obtaining employment income. The overall percentage of program participants obtaining employment income must meet HUD's national goal of at least 20 percent or higher and the program participants with other income should be at least 20 percent as reported in a 12 month period for all project APRs or the CoC must show an increase from the previous year to the current year.

HUD states that CoCs must clearly demonstrate the overall percentage of program participants that increased their income due to resources other than employment. The overall percentage of program participants increasing their income due to resources other than employment must meet HUD's national goal of at least 54 percent as reported in a 12 month period for all project APRs or the CoC must show an increase from the previous year to the current year.

HUD states that CoCs must clearly demonstrate the overall percentage of program participants that maintained or obtained mainstream benefits. The overall percentage of program participants must meet HUD's national goal of at least 56 percent as reported in a 12 month period for all project APRs or the CoC must show an increase from the previous year to the current year.

Permanent Housing projects:

- According to your most recent APR, what was the number of adults who were in your CoC-funded project as reported on the APR submitted during the period between January 2015 and December 2015? _____
- According to your most recent APR, what was the percentage of homeless persons staying in your permanent housing program or exited to another permanent housing destination? _____
 - If the percentage was lower than the 80% national goal, please explain why.
- According to your most recent APR, what was the percentage of program participants who increased their income from employment from entry date to program exit? _____
 - If the percentage was lower than the 20% national average, please explain why.
- According to your most recent APR, what was the percentage participants that increased their income from sources other than employment from entry date to program exit? _____
 - If the percentage was lower than the 54% national average, please explain why.

- In the table below, provide the total number of adults that were in CoC-funded projects with each of the cash income sources identified below, as reported on APRs submitted during the period between January 2015 and December 2015.

Cash Income Sources	Number of Participating Adults
Earned Income	<input type="text"/>
Unemployment Insurance	<input type="text"/>
SSI	<input type="text"/>
SSDI	<input type="text"/>
Veteran's disability	<input type="text"/>
Private disability insurance	<input type="text"/>
Worker's compensation	<input type="text"/>
TANF or equivalent	<input type="text"/>
General Assistance	<input type="text"/>
Retirement (Social Security)	<input type="text"/>
Veteran's pension	<input type="text"/>
Pension from former job	<input type="text"/>
Child support	<input type="text"/>
Alimony (Spousal support)	<input type="text"/>
Other Source	<input type="text"/>
No sources	<input type="text"/>

- According to your most recent APR, what was the percentage of clients that obtained non-cash mainstream benefits from entry date to program exit? _____
 - If the percentage was lower than the 56% national average, please explain why.

- In the table below, provide the total number of adults that were in CoC-funded projects that

obtained the non-cash mainstream benefits from entry date to program exit, as reported on APRs submitted during the period between January 2015 and December, 2015.

Non-Cash Income Sources	Number of Participating Adults
Supplemental nutritional assistance program	<input type="text"/>
MEDICAID health insurance	<input type="text"/>
MEDICARE health insurance	<input type="text"/>
State children's health insurance	<input type="text"/>
WIC	<input type="text"/>
VA medical services	<input type="text"/>
TANF child care services	<input type="text"/>
TANF transportation services	<input type="text"/>
Other TANF-funded services	<input type="text"/>
Temporary rental assistance	<input type="text"/>
Section 8, public housing, rental assistance	<input type="text"/>
Other Source	<input type="text"/>
No sources	<input type="text"/>

2. Assess spending (timely or slow)

A renewal project’s demonstrated ability to drawdown and spend grant funds timely will be a factor in evaluating performance of each grant. Per 24 CFR 578.85, recipients will be required to draw project funds, at a minimum, on a quarterly basis if funded in the FY2016 CoC Program Competition. Any substantial performance issue, such as significant delays in drawing down funds, outstanding monitoring findings, or not serving or just beginning to serve program participants may result in a project not being funded in the FY2016 CoC Program Competition. Also, HUD will recapture grant funds remaining unspent at the end of the previous grant period when it renews a grant.

- How often does your agency draw down funds from LOCCS?
 - Monthly
 - Every other month
 - Quarterly
 - Other: _____

- If the project is drawing down less than quarterly, please provide an explanation:
- Has your agency drawn down funds within 90 days of the expiration of prior renewal grant terms? Yes No

If no, please explain why?

- Has the project returned any funds in the last 3 years? (Please note that these numbers may be verified with HUD).

Year	Amount Returned	Reason for return
2015		
2014		
2013		

3. Assess cost effectiveness

- Is your project cost-effective concerning case management and other supportive services? Yes No
 - If yes, briefly explain.
 - If no, briefly explain.
- What are the eligibility requirements for your program? Yes No

4. Centralized or Coordinated Assessment System

- HUD states that CoC funded agencies must be a current participant or agree to participate in the CoC's Coordinated Entry System (CES) once it is established. Participation includes but is not limited to the following; limiting your HUD CoC funded project enrollments to CES referred clients only; real time entry and exit entries in HMIS (i.e. real time bed inventory); accept client project eligibility determination appointments from CES Administrator when client meets eligibility requirements as noted in your HUD CoC funded application and contract.
- Will you agree to participate? Yes No
 - If no, briefly explain.

5. Review HMIS participation status

The **Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care (CoC) Program** interim rule places a high emphasis on having a functioning and comprehensive HMIS in the CoC jurisdiction as it is critical to gathering unduplicated, aggregated data on homelessness in the community for both the CoC and Emergency Solutions Grant (ESG) Programs.

- Does this project provide client level data to HMIS at least annually? Yes No

If the project is providing participant data in the HMIS – indicate the total number of participants served by the project, and the total number of clients reported in the HMIS.

Total number of participants served by the project: _____

Total number of clients reported in the HMIS: _____

If the project is not providing participant data in the HMIS – indicate one or more of the four (4) reason(s) for non-participation:

- Federal law prohibits (please cite specific law)
- State law prohibits (please cite specific law)
- New project not yet in operation
- Other (please specify prohibition)

Also, for those participant records that were reported in the HMIS, indicate the percentage of values that were missing (“Null or Missing Values”) and/or unknown (“Don’t Know or Refused”). If there were no unknown values, note a “0” value.

*** Indicate the percentage of unduplicated client records with null or missing values during the last 10 days of January 2016**

Universal Data Element	Records with no values (%)	Records where value is refused or unknown (%)
* Social Security Number	<input type="text"/>	<input type="text"/>
* Date of Birth	<input type="text"/>	<input type="text"/>
* Ethnicity	<input type="text"/>	<input type="text"/>
* Race	<input type="text"/>	<input type="text"/>
* Gender	<input type="text"/>	<input type="text"/>
* Veteran Status	<input type="text"/>	<input type="text"/>
* Disabling Condition	<input type="text"/>	<input type="text"/>
* Residence Prior to Program Entry	<input type="text"/>	<input type="text"/>
* Zip Code of Last Permanent Address	<input type="text"/>	<input type="text"/>
* Name	<input type="text"/>	<input type="text"/>
* Housing Status	<input type="text"/>	<input type="text"/>
* Program Entry Date	<input type="text"/>	<input type="text"/>
* Program Exit date	<input type="text"/>	<input type="text"/>
* Destination	<input type="text"/>	<input type="text"/>
* Personal ID	<input type="text"/>	<input type="text"/>
* Household ID	<input type="text"/>	<input type="text"/>
* Relationship to Head of Household	<input type="text"/>	<input type="text"/>
* Client Location Code	<input type="text"/>	<input type="text"/>
* Length of Time on street, in an Emergency Shelter or Safe Haven	<input type="text"/>	<input type="text"/>

4. Review CoC membership involvement

HUD states that a successful CoC will have involvement from a variety of organizations representing the public and private sectors, as well as interested individuals within the CoC jurisdiction(s). These organizations should have an active role in the CoC.

- Describe what local Continuum of care committees, subcommittees, and/or working groups that your agency participates in on a regular basis. Please include the names and titles of those participating as well as their level of involvement/participation.

Homeless Count

- Did your organization participate in the 2016 unsheltered and/or sheltered homeless count? Yes No
 - If yes, did your organization submit the information requested by the Office for Homeless Services for the sheltered homeless count in a timely manner? Yes No

Annual Housing Inventory Chart

- Did your organization submit the information requested by the Office for Homeless Services for the 2016 Housing Inventory Chart in a timely manner? Yes No

5. Review independent audit

Please submit your organization's most recent audits for the last two years (conducted within the last three years) by a certified CPA, including the management letter with this LOI.

Please submit your organization's most recent IRS 990 form "Return of Organization Exempt from Income Tax."

6. Review match (to ensure match meets HUD regulatory requirements)

Match must equal 25 percent of the total grant request **including** Admin costs **but excluding** leasing costs (i.e., any funds identified for Leased Units and Leased Structures). There is no longer any need to connect match to each individual budget line item. Match contributions can be cash, in-kind, or a combination of the two; and, match must be used for an eligible cost as set forth in Subpart D of CoC Program interim rule. For example, if the total assistance requested from the project applicant is \$100,000, and the project applicant did not request costs for Leased Units or Leased Structures, then the project applicant must secure commitments for match funds equal to no less than \$25,000; which could be all cash, all in-kind

contributions, or a mixture of both, and used for any CoC Program eligible activities the project applicant chooses.

- Will your agency be able to provide the match requirement for your renewal project?
 Yes No
 - If yes, will it be
 - all cash
 - all in-kind contributions
 - a mixture of both

7. Review leveraging

U.S. Housing and Urban Development (HUD) Continuum of Care (CoC) program funding is limited and can provide only a portion of the resources needed to successfully address the needs of homeless families and individuals. HUD encourages applicants to use supplemental resources, including state and local appropriated funds, to address homeless needs. Leveraging includes all funds, resources, and/or services that the applicant can secure on behalf of the client being served by the proposed project. While leveraging includes all cash matching funds, it is broader in scope, including any other services, supplies, equipment, space, etc. that are provided by sources other than the CoC. An example of leveraging would include a project that provides case management through Medicaid or Department of Behavioral Health funding. The total costs involved in delivering the case management (percentage of salary, fringes, other benefits) can be included in leveraging.

- Will your agency be able to provide leveraging for your renewal project?
 Yes No If yes, what is the percentage? _____
 - If yes, will it be
 - all cash
 - all in-kind contributions
 - a mixture of both

8. Review HUD Monitoring Findings

HUD requires that CoCs review any HUD monitoring findings.

- Has your agency received any HUD monitoring findings concerning your renewal project during the past three years? Yes No
 - If yes, please explain.

9. Review CoC Monitoring Findings

HUD requires that CoCs review any local CoC monitoring findings.

- Has your agency received any local CoC monitoring findings concerning your renewal project during the past three years? Yes No
 - If yes, please explain.

10. Other Monitoring Findings

1. Are there any unresolved monitoring or audit findings on HUD McKinney-Vento Act grants, excluding ESG - check Yes or No to indicate whether or not the sponsor has open Office of the Inspector General (OIG) audit findings; poor or non-compliance with applicable Civil Rights Laws and/or Executive Orders; or open SNAPS related monitoring finding(s). The question is related to those projects for which the sponsor organization is either a direct grantee or a sponsor. Yes No

If “yes,” please explain findings:

2. In the past ten years, has your organization ever had its nonprofit status revoked or withheld by the IRS, the Secretary of State, the State Attorney General, or the Franchise Tax Board? Yes No
3. Has your organization been sued in the last five years? Yes No
4. Are any of your managers or staff with fiscal responsibilities involved in litigation presently that has any bearing on fiduciary trust or employee relations?
 Yes No
5. Have any unfavorable rulings been handed down by any court against your organization or Executive Director in the last five years? Yes No
6. Does your organization currently have any unresolved fiscal, reporting, or program issues with any of its funding sources? Yes No
7. Does your organization currently have any unresolved fiscal or reporting issues with the Internal Revenue Service? Yes No

If yes, please explain?

8. Has your agency had a new program request rejected by HUD during any previous CoC competition? Yes No

If so, what year(s) did you meet with a HUD representative to discuss past rejections(s), If so, what was the outcome of that discussion?

Please describe the reasons why your past new program request(s) was rejected. Also, please describe any corrective actions that your agency has taken to address these issues.

11. Survey Clients

HUD encourages client surveys particularly exit surveys.

- Does your renewal program conduct exit surveys or interviews with clients? Yes No
 - In no, please explain why.

12. Review unexecuted grants

- Does your organization currently have any unresolved fiscal, reporting, or program issues with any of its funding sources? Yes No

If yes, please explain.

- Have any funds been returned to any funders within the last 24 months? Yes No

If yes, please explain.

Exhibit 3

HEARTH Act Compliance Readiness Questions

This section of the LOI asks questions of all renewal projects to prepare them for HEARTH Act compliance and should also serve as an assessment to help projects determine whether they are currently compliant with the requirements or if changes need to be made in order to become compliant with the requirements (*please note, this section does not encompass all changes under the HEARTH Act and it is recommended that all projects should review the Act in its entirety*).

Projects should also expect that all questions in this section may become threshold requirements in future LOI/NOFAs.

Please answer all of the following questions and provide additional narrative when applicable (“project sponsor” refers to the entity that carries out the project; in most cases, the “project sponsor” is the same as the grantee):

1. **Does the project accept all families with children under age 18 without regard to the age of any child?** In general, under the HEARTH Act, any project sponsor receiving funds to provide emergency shelter, transitional housing, or permanent housing to families with children under age 18.

Yes. Project certifies that it accepts all families with children under age 18 without regard to the age of any child.

No. Project does not comply with this requirement. A narrative is attached explaining how the project will comply with this HEARTH Act requirement.

No. Project does not comply with this requirement but qualifies for an exception because it is implementing an evidence based practice that requires housing units are targeted to families with children in a specific age group. A narrative is attached explaining how the project will comply with the exception, including identification of the evidenced based practice being utilized.

N/A. Project does not serve families.

2. Federal and California State laws note that discrimination can be based on race, color, national origin or gender. Discrimination can also be based on age, religion, disability, familial status or sexual orientation.

Does your program deny services to potential recipients based on any of the following:

- Age Yes No
- Color Yes No
- Disability Yes No
- Familial Status Yes No
- Gender Yes No
- Marital Status Yes No
- National Origin Yes No
- Race Yes No
- Religion Yes No
- Sexual Orientation Yes No

If you answered “yes” to any of the above, please explain why.

3. Faith-based activities

- Does your proposed renewal program use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law? Yes No

Please note the following:

Faith-based activities were recently updated in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The HEARTH Act focuses on the regulatory implementation of the Continuum of Care program which is largest federal program that funds public and private organizations to end homelessness. One subsection centers on religious identity.¹ Four regulations are described and the first three are:

¹ U.S. Department of Housing and Urban Development, Office of the Assistant Secretary for Community Planning and Development, “Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009,” Washington, D.C.: 2011, p. 101.

- “A faith-based organization that is a recipient or sub-recipient of Continuum of Care program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character;”
- “faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols;”
- “a Continuum of Care program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization’s name, select its board members on a religious basis, and include religious references in its organization’s mission statements and other governing documents.”

The fourth regulation states that a faith-based organization

- “will retain its independence from federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law.”

This regulation was actually delineated in the subsection “Separation of explicitly religious activities” which immediately preceded this one. The description is as follows:

- “Recipients and sub-recipients of Continuum of Care funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.”

4. Low Barrier and Housing First

Low barrier projects ensure that participants are not screened out based on the following reasons:

Having too little or no income

Active or history of substance abuse

Having a criminal record with exceptions for state-mandated restrictions

Housing first projects ensure that participants are not terminated from the program for the following reasons:

Failure to participate in supportive services

Failure to make progress on a service plan

Loss of income or failure to improve income

Being a victim of domestic violence

Any other activity not covered in a lease agreement typically found in the project's geographic area

Please be reminded that your agency committed to using a Low Barrier and a Housing First approaches for this project and your commitment will be included by HUD in your 2016 renewal contract. Please confirm that your agency will carry out this commitment consistent with HUD guidance.

Please have an authorized individual from your agency note the name of your agency and print and sign on the appropriate lines below.

Agency

Title

Print Name

Signature

Date