



August 22, 2017

2017 CoC Competition in Context

Each year, the staff in the Office of Special Needs Assistance Programs (SNAPs) looks closely at the prior year's competition and makes adjustments to better achieve our goal of ending homelessness. This message explains the purpose behind some of the major changes in this year's competition.

Expanded Eligibility for Permanent Housing Projects.

Permanent Housing (PH) needs to be prioritized for those who need it most, and eligibility criteria ensure communities do just that. We made some changes to eligibility for Permanent Supportive Housing (PSH) and Rapid Re-Housing (RRH) projects to enable you to better serve high need populations while effectively utilizing your PH resources.

- **DedicatedPLUS.** In this year's NOFA, all PSH projects, including those renewal projects that are currently dedicated to persons experiencing chronic homelessness, will have the opportunity to classify themselves as something we've called DedicatedPLUS. This expands eligibility for PSH to four additional categories of individuals and families, two of which are described in the next two bullets, and the remainder of which you can read about in Section III.A.3.d of the [NOFA](#). The intention of this expansion is to provide more flexibility to communities to re-house individuals and families who have recently experienced chronic homelessness, but who do not currently meet the definition.
- **Removing Barriers to Reallocation for Continuums of Care (CoCs) with Transitional Housing (TH) Projects.** We always encourage CoCs to closely look at their data and reallocate projects that are not efficiently using their resources or are not performing well. Many of our CoCs are doing this and have been actively reallocating over the past several competitions. When a project shuts down to create a new project, we want to enable you to serve those individuals and families that were residing in the TH that is being eliminated either in RRH projects or, for those who were chronically homeless prior to entering the TH, in PSH projects that are DedicatedPLUS.
- **Increasing Alignment with VA-funded programs.** To better integrate VA programs with CoC programs we clarified our policy that veterans who were homeless or chronically homeless when entering the VA system of care would maintain that status and be eligible for RRH or PSH that is DedicatedPLUS.

Joint TH and PH-RRH Component Projects.

As discussed in [SNAPS In Focus: The New Joint Transitional Housing and Rapid Re-housing Component](#), the Joint TH and PH-RRH Component Project was designed to help communities provide crisis housing with financial assistance and wrap around supportive services needed by program participants to quickly move into permanent housing. It is intended to help communities meet some of the pressing challenges that they are facing and was not intended to replace transitional housing projects that have not been funded in recent years. HUD expects these projects to: 1) use a Housing First approach; 2) quickly connect program participants to permanent housing; 3) have low barriers to entry and accommodate people with partners, pets, or possessions; 4) incorporate client-choice; 5) provide or connect participants to resources that help them improve their safety and well-being and achieve their goals; and 6) target and prioritize people experiencing homelessness with higher needs and who are most vulnerable.



Minimum Amount of Funding for Renewal Permanent Housing and Homeless Management Information Systems (HMIS) Projects.

Communities have been making difficult, strategic decisions about changes to their system, including using the reallocation process. However, some CoCs have struggled, including many with smaller Annual Renewal Demands (ARDs), and have found themselves slowly losing funding in recent competitions. Many of these CoCs have begun conversations about merging with other CoCs, but that process can take time. In recognition of this, and to continue to support communities as they adopt the evidenced-based practices of PSH and RRH and improved data collection and data quality, we have changed how Tier 1 is calculated for this year. This year Tier 1 is the greater of 94 percent of ARD or the combined amounts of a CoC's permanent housing and HMIS projects up to \$1 million. While this protects PSH, RRH, and HMIS projects in a CoC up to this amount, HUD still requires communities to evaluate existing renewal projects and use reallocation to create more effective projects or to meet a community need. This change in the Tier 1 calculation is not intended to allow communities to "protect" ineffective or underused projects. We strongly encourage smaller CoCs that are struggling in the CoC competition to consider merging.

Bonus Points for Mergers.

The CoC Program requires a lot of communities, and it is becoming more difficult for many smaller CoCs to meet all the requirements on their own. They often lack the staff to do so, which may reduce their ability to perform well in the competition, thus preventing new resources from coming into their geographic area. This is why we strongly encourage CoCs to consider merging. There are many great examples of CoCs that have merged where the administrative burden of meeting these requirements is shared while local autonomy remains strong. However, sometimes a higher performing CoC is concerned about the effect of a merger on their performance and CoC application score. To encourage CoCs to take this risk, we added up to 25 bonus points to CoCs that merge with a CoC that has recently not been competitive (based on CoC application scores).

Data.

High quality data that is used locally is important. Communities should not, however, have to continuously re-enter data that is contained in a database to apply for funding. This is an administrative inefficiency. To prevent you from double entering data, we have created a report in HUD's [Homelessness Data Exchange](#) that you can simply export and attach to your application this year. We still expect you to be familiar with and understand your data, but there is no need to enter the data multiple times.

Consolidated Policy Priorities.

The FY 2017 NOFA Policy Priorities were condensed from what used to be seven priorities that were very focused on strategies and population specific priorities down to four that are high level. HUD continues to support solutions to homelessness that are tailored for different populations. However, we want to prioritize policies that simultaneously impact different populations as CoCs become more nuanced and sophisticated in their analysis of people experiencing homelessness in their communities and how best to deliver housing and services to them.

Changes in Scoring.

In this year's competition, you'll see some noticeable differences in scoring.

- **System Performance.** This is the first year we are scoring improvements to system performance using the system performance measures. While the total number of points is small this year, these measures will be increasingly important to our work going forward.



- **Point-in-Time (PIT) Count – Baseline Year for Identifying all Youth Experiencing Homelessness.** CoCs significantly improved their effort to identify all of the youth experiencing homelessness in their geographic area, which may have increased some CoC’s PIT counts. For this year, we adjusted the scoring process to ensure that CoCs will not lose points as a result of these concerted efforts to collect a more accurate count of youth homelessness.
- **Project level scoring.** We removed points related to the type of project that was being submitted in Tier 2. As CoCs improve how they rank projects to better focus on performance, the project type score is less relevant to our overall goal of funding the highest performing projects.

Changes in application questions.

As part of our larger effort of streamlining our grant process from application to closeout, we made several changes to the questions we ask in the CoC Application. This means removing questions where we can obtain the information from a different place (e.g., through monitoring). In no way should you take this to mean that we think the things we removed are not important. For example, we removed several questions about HMIS and the PIT count methodologies and processes that you use because we already collect that data in other places – mainly the HDX. Therefore, we no longer see the need for you to resubmit that data in the application process.

Coordinated Entry Questions.

One of the changes in the questions in this year’s CoC Application is the removal of the questions related to coordinated entry. Let me be clear, the implementation of effective coordinated entry processes is still a priority for HUD. It is the only way we will ensure that local resources are prioritized and utilized in a transparent manner. However, we understand that communities are deep in the midst of updating their coordinated entry processes in response to [CPD-17-01: Notice Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System](#) and do not believe it would be fair to score communities on the effectiveness of their coordinated entry system at this time.

Reallocation Changes.

Communities should always be able to use the reallocation process to create a new project by eliminating those that are not performing well or do not meet a local need. However, HUD requires that all projects must renew at least once under the CoC Program before they can be included in the reallocation process. Due to our competition timeline, CoCs were deciding to reduce or eliminate projects funded in the most recent competition without: 1) having any data to evaluate these projects’ effectiveness; or 2) knowing whether these projects would have a signed grant agreement in time to be eligible for renewal in the next year’s competition (and thus eligible to be included in the reallocation process). This first-time renewal requirement ensures that these projects are evaluated fairly and that the CoC doesn’t ultimately lose funding by inadvertently including an ineligible project in the reallocation process.

Immediate Expansion Project Consolidated at Grant Agreement Amendment.

In addition to using reallocation and bonus funding to create new projects, we wanted CoCs to have a simple option to expand existing successful projects: a new grant that expands an existing CoC Program-funded renewal project will be consolidated immediately at the execution of the FY 2017 grant agreement. By adopting this change, recipients will not have to operate separate grants and wait to consolidate in a future year. This simple administrative fix should allow communities to dedicate just a little more money to serving individuals and families experiencing homelessness.

Project Application Changes.



This is another place where small administrative fixes will hopefully help reduce administrative burden, thus increasing the amount of money available to serve individuals and families experiencing homelessness and allowing HUD to award grants faster. New this year, many of the forms that had previously been attachments, including the HUD-2880 and the Lobbying Form, have been hard coded into *e-snaps*. This means applicants will only have to enter most of the information once, *and* it will reduce the number of call backs that HUD has to complete when things like the date are entered incorrectly. Similarly, HUD has implemented the ability for renewal applicants that import a prior year's application data to submit the application without changes. While it's still important to review the application thoroughly to ensure that the imported data is correct, applicants will save time otherwise spent by clicking through all the screens and re-entering information for applications that have no changes. This functionality will also save HUD time by streamlining our review of projects that are currently operating effectively.

After reading this message, you may feel like one or more of the changes were suggested by you. That's because they were. Our best ideas come from you, our partners, identifying the challenges associated with our funding and suggesting changes. We greatly value your feedback and give it serious consideration as you can hopefully see in this year's competition. Together we will end homelessness.

Thank you,

Norm Suchar
Director
Office of Special Needs Assistance Programs