



May 4, 2017

SNAPS In Focus: FY 2016 CoC Program Competition Recap

As we move into the FY 2017 Continuum of Care (CoC) Program competition, I want to reflect on the FY 2016 competition. The factors that influenced the FY 2016 competition were the same as the ones I cited in my [recap message from the last competition](#): policy goals, congressional directives to be more competitive, and research. Our driving value continues to be increasing progress towards ending homelessness for all populations while ensuring that the programs we fund are as effective and efficient as possible.

As Ann [stated in her January message](#), those of us working in HUD's Office of Special Needs Assistance (SNAPS) and across the government on the issue of homelessness are deeply committed to working towards ending homelessness across the nation. We are constantly working to improve our programs, make them more effective, and find ways to serve more people with our resources. The FY 2016 CoC Program competition had a few key changes:

- We set a Tier 1 threshold of 93% (up from 85% in FY 2015) of each CoC's Annual Renewal Demand (ARD) amount.
- We reduced the bonus amount to 5% of Final Pro-Rata Need.
- We modified the project-level scoring based on project type to increase the emphasis on how the community ranked the project and reduced the emphasis on the project type and the CoC Score.

It was also evident by the caliber of both CoC and project applications that we received, that CoCs are improving their performance. I was impressed by how well many CoCs used data to prioritize projects that will ultimately lead to better outcomes. CoCs that scored well were able to increase assistance for people experiencing homelessness in their communities. There are also communities who lost funding in FY 2016 who face the difficult task for finding alternative funding for, reducing, or closing down longstanding programs. Like last year, HUD will provide guidance and technical assistance to help with this process.

Initial Outcomes of the FY 2016 CoC Program Competition

Here are some of our initial estimates of outcomes of the competition:

- Funding for permanent supportive housing projects increased by approximately \$26 million to \$1.43 billion. From 2014 to 2016 we have increased the number of permanent supportive housing units by 10% (from 113,180 to 124,371) and the number of beds dedicated to chronic homelessness by 50% (from 60,262 in FY 2014 to 90,317 in FY 2016).
- Funding for rapid re-housing projects continued to increase, up to nearly \$250 million. We estimate that this funding will serve approximately 17,000 more households experiencing homelessness than with FY 2015



funding.

- Funding for transitional housing projects declined by \$66 million from FY 2015 with 90% of this decrease being from reallocation at the CoC level.
- As a result of these changes, 22% more households will be served in CoC Program-funded permanent housing and transitional housing programs combined compared to 2014.
- The CoC Program is serving people more efficiently with permanent housing and transitional housing programs combining to serve 14% more households per dollar spent than with grants funded in FY 2014.

We also analyzed the number of projects that plan to serve people fleeing domestic violence. Funding for transitional housing projects has declined while funding has increased for rapid re-housing and permanent supportive housing targeting people fleeing domestic violence. As a whole, CoC funded projects will serve approximately 7 percent more households fleeing domestic violence in residential programs than last year.

Preliminary CoC and Project Score Observations

Hopefully you have had the opportunity to participate in one of the [regional debriefing webinars](#) that SNAPS offered in February and each CoC should have received a debriefing summary outlining how they scored on each section of the CoC Application. Here are a few observations:

- Of the 200 points possible, the median score was 154.5, and the weighted mean score was 160.7. There were many factors that influenced a CoC's score, but the most important one was improving the performance of the CoC, especially in reducing the number of people experiencing homelessness and improving permanent housing outcomes.
- There were many smaller CoCs that had low CoC scores, and it is clear that many do not have enough capacity to take full advantage of the CoC program. CoCs that have scored poorly in the last two CoC Competitions should consider merging with Balance of State or other CoCs.
- This was the first year that CoCs had to report on system performance measurements. Although we did not evaluate the actual outcomes reflected in the system performance measures, we hope CoCs use this information to make system-level improvements moving forward.

CoC score was a large factor for the Tier 2 project score but there were other factors that affected whether individual projects ranked in Tier 2 received funding:

- **Project Ranking** – How a CoC ranked a project was a major factor in determining whether it was funded. A project that was ranked at the top of Tier 2 was much more likely to be funded than one at the bottom of Tier 2. The CoC ranking process continues to be a crucial part of the funding process, and CoCs should be continually strengthening their process for ensuring that projects are ranked based on their performance and the needs they address in a community.



- **Housing First Practices** - Projects that committed to using housing first practices received more points and were more likely to be funded than those that did not. Overall, a much higher proportion of Tier 2 projects were fully utilizing housing first practices in FY 2016 (93%) than in FY 2015 (78%).
- **Project Types** – The type of project that a CoC applied for was a smaller factor in determining whether a project received funding than it was in FY 2015. Transitional housing projects (except for those that serve youth) and supportive services only (SSO) projects (except for those for coordinated entry) received fewer points than other project types. This provided an incentive for CoCs to reallocate from those project types to create new permanent housing, Homeless Management Information System (HMIS), and SSO-coordinated entry projects.

I want to close by thanking our many partners in communities. You make very challenging decisions that affect many people's lives. Your work to end homelessness has resulted in large declines in homelessness over the past decade, and it has positioned us to continue that progress in the future. There is much more work ahead, but together, I am confident that we can finally and forever end homelessness.

Thank you.

Norm Suchar
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