

MEMORANDUM

TO: Bay Area Regional Steering Committee on Homelessness and Housing
FROM: HomeBase
RE: 2006 HUD NOFA Changes
DATE: March 17, 2006

Background

The Regional Steering Committee annually examines the HUD Homeless Assistance Funding awarded to the 11-County Bay Area, as well as significant changes to the Continuum of Care (CoC) competition rules. Further, the RSC has examined the formula used by HUD to determine the Initial Pro Rata Need (IPN) for each jurisdiction eligible to compete in the CoC competition. Each of these has been covered in previous meeting memoranda, available on the HomeBase website. Today, we explore the changes to the 2006 NOFA.

Major Changes to the NOFA

1. Tables have replaced narratives in the following areas of Exhibit 1:
 - a. The CoC planning process
 - b. The CoC's past performance in addressing chronic homelessness, and long-term strategy for ending chronic homelessness
 - c. The CoC's coordination with:
 - local Consolidated Plans and 10-year plans
 - State Policy Academy convenings
 - Public Housing Agency
 - State Education Agencies
 - d. The community's methods for conducting unsheltered count, collecting annual data for the Housing Inventory Chart and Populations and Subpopulations Chart, and describing the basis for its determination of unmet needs
 - e. The CoC's project review and selection process
 - f. The CoC's progress and strategies for implementation of an HMIS
2. Exhibit 2s, 3s, and 4s have been consolidated into one application
3. Exhibit 1 has been reorganized into four major divisions:
 - a. CoC Organizational Structure – 8pts
 - b. CoC Housing and Service Needs – 12 pts
 - c. CoC Strategic Planning – 10 pts
 - d. CoC Performance – 18 pts

4. The past-required listing of all planning meetings with summarized agenda has been changed to a simple chart with boxes to check how often the group meets and the group's role.
5. A new chart entitled "CoC Governing Process" focuses on the planning and decision-making structure of the CoC. HUD has requested that Congress pass legislation to consolidate the three CoC programs, and additional governance is intended to help CoCs implement this new legislation. Some of HUD's ideas include:
 - the primary decision-making entity is composed of at least 65% representation by the private sector (including consumer interest)
 - there is a Chair and Co-Chair representing both the private and public sector at the same time, with staggered 2-year terms and the Chair position rotating between the private and public sectors
 - the Continuum of Care has a fiscal agent designated to receive funds from HUD
6. Each project now submits its own individual project leveraging chart in conjunction with its project application. Exhibit 1 only lists the total amount leveraged by all projects on the priority chart.
7. A new Chronic Homelessness Progress Chart emphasizes HUD's goal to end chronic homelessness by asking CoCs to provide information on the number and funding of beds for the chronically homeless.
8. The CoC 10-Year Plan Chart eliminates narrative discussion of long-term planning and replaces it with a chart containing five HUD/national objectives. CoCs must list their action steps and measurable achievements for 1, 5, and 10 years with respect to these objectives.
9. In this 2006 application, CoCs report on their achievements with respect to their 2005 goals. In 2007, the CoCs must report on their achievements with respect to the five HUD/national objectives and action steps contained in the 2006 application.
 - Creation of new permanent housing beds for people who are chronically homeless
 - Increase percentage of homeless persons staying in permanent housing over 6 months to 71%
 - Increase percentage of homeless persons moving from transitional housing to permanent housing to 61%
 - Increase percentage of homeless persons becoming employed to 11%
 - Ensure that the CoC has a functional HMIS
10. A new Employment Policy Chart requires CoCs to identify the employment policies of projects in the continuum to whom Section 3 of the HUD Act of 1968 apply (projects requesting at least \$200,000 in HUD funds for housing rehabilitation or new construction).

11. Housing Emphasis points will be calculated using Shelter Plus Care renewal amounts as well as the housing activities in transitional and other permanent housing requests. However, points are awarded based on performance nationally, as opposed to a pre-set scale.
12. Last year's "new" chart asking about the progress of discharge planning policies in the Foster care, Health Care, Mental Health and Corrections systems has been amplified to now also ask for a brief summary of any formal protocol finalized or implemented.
13. Supportive Housing Program projects that have experienced increased leasing costs between the first grant award and first renewal, may reduce the number of leased units in order to feasibly continue the grant at the existing funding level.

HUD Policy Directions

30% National Minimum to Permanent Housing

Since 2000, HUD has been mandated to annually award 30% of all competitive funding nationally to permanent housing projects (Shelter + Care, SHP Permanent Housing for Disabled, SHP Safe Havens with Permanent Housing Characteristics, and SRO Moderate Rehabilitation). If necessary to reach the 30% national minimum, HUD will fund permanent housing projects that are part of lower ranking communities over non-permanent housing projects that are part of higher-ranking communities.

The "hold harmless" option, discussed below, allows communities to de-fund renewal projects only to fund new permanent housing projects. Communities without the "hold harmless" amount may still apply for any kind of new project, i.e., permanent housing, transitional housing, safe haven-th, supportive services only, innovative supportive housing, HMIS.

10% National Minimum to Individuals Experiencing Chronic Homelessness

New or renewal projects of any kind (Transitional, Permanent, Supportive Services, etc.) that have at least 70% of their clients who are "chronically homeless" will count towards this target of 10%. HUD is mandated to annually award 10% of all competitive funding nationally to projects that qualify as ones that serve predominantly chronically homeless individuals, as defined by HUD. As with the permanent housing minimum, if necessary, HUD will fund projects serving the "chronically homeless" that are part of lower ranking communities, over projects that do not primarily serve the "chronically homeless," that are part of higher-ranking communities.

The NOFA says, "CoC are strongly encouraged to use the funds available in this NOFA to target persons experiencing chronic homelessness in their communities. HUD encourages communities to select projects that will contribute to the achievement of this important goal. . . . Since the housing funding allocation set-asides requirements are expected to continue in future competitions and may effect project funding selections, you are strongly encouraged to begin

planning for new housing projects, particularly those serving individuals experiencing chronic homelessness, and include them as part of your submission in this competition.”

In 2006 HUD has again limited the Samaritan Initiative bonus permanent housing project to house *exclusively* chronically homeless individuals.

HMIS

HUD has determined that the Congressional goal of enhancing homeless data collection at the CoC level is best achieved by assisting CoCs seeking dedicated HMIS to receive Supportive Housing Program funds. HUD reserves the right to fund for at least one year lower rated eligible dedicated HMIS projects receiving 40 needs points and at least 25 Continuum points.

Question to Consider:

How will the NOFA changes affect your community and its work toward ending homelessness?

HomeBase will continue to develop this analysis and monitor developments on behalf of the RSC. For further information, please contact Karen Gruneisen, Managing Attorney, at 415-788-7961, ext. 311, or via e-mail at karen@homebaseccc.org

BASIC CHANGES TO THE 2006 CONTINUUM OF CARE HOMELESS ASSISTANCE GRANT

1. Tables have replaced narratives in the following areas of Exhibit 1:
 - a. The CoC planning process
 - b. The CoC's past performance in addressing chronic homelessness, and long-term strategy for ending chronic homelessness
 - c. The CoC's coordination with other state and local plans
 - d. The community's methods for conducting unsheltered count, collecting annual data for the Housing Inventory Chart and Populations and Subpopulations Chart, and describing the basis for its determination of unmet needs
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8. The CoC 10-Year Plan Chart eliminates narrative discussion of long-term planning and replaces it with a chart containing five HUD/national objectives. **INSERT**

HERE CoCs must list their action steps and measurable achievements for 1, 5, and 10 years with respect to these objectives.

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