

**Policies, Priorities & Procedures**  
for  
**Continuum of Care Renewal**  
**Applications, New Grant Applications,**  
**Reallocation, Ranking & Review**

**MEMPHIS & SHELBY COUNTY**  
**HOMELESS CONSORTIUM**



**BACKGROUND**

Each year, the U.S. Department of Housing and Urban Development (HUD) makes resources available to communities through a national competition for its Continuum of Care (CoC) Homeless Assistance Programs. Community Alliance for the Homeless (CAFTH) is the lead agency for Memphis/Shelby County CoC. CAFTH is responsible for preparing a consolidated application to submit to HUD for all Memphis/Shelby County eligible projects. The community application for funding is done under the guiding framework of the federal HEARTH Act and related regulations and directives from HUD. There are 3 primary components to the application. 1) Community wide performance, 2) renewal grants, and 3) new projects (pending the availability of funding and community performance). Additionally, HUD strongly encourages communities to reallocate lower performing programs to higher performing projects.

Included in the Request for Proposals by CAFTH under this NOFA are the following applications:

- 1) **Renewal Projects** – all current CoC projects are eligible for FY 2016 fund renewal. Projects will be required to submit renewal project applications to CAFTH for review, approval, and ranking by the Rank and Review Committee.
- 2) **Reallocations** – The CoC can propose new projects only by shifting funds from one or more projects to new Permanent Supportive Housing (PSH), Rapid Re-housing (RRH), Dedicated Homeless Management Information Systems (HMIS), and Supportive Services Only (SSO) project for Coordinated Entry without decreasing the CoC's ARD. Through the reallocation process:
  - a) The CoC may create new permanent supportive housing projects where all beds will be dedicated for use by chronically homeless. Persons coming from transitional housing are not eligible.
  - b) The CoC may create new rapid re-housing projects for homeless households with children who enter directly from the streets or emergency shelters. Rapid re-housing projects created through reallocation may include in part or whole victims of domestic violence; however, these participants must meet all other criteria for this type of housing (i.e., household with children who enter directly

from the streets or emergency shelter). Persons coming from transitional housing projects are not eligible.

- c) The CoC may create a new SSO project specifically for a centralized or coordinated assessment system.
- d) The CoC may create a new dedicated HMIS project for the costs at 24 CFR 578.37(a)(2) that can only be carried out by the HMIS Lead, which is the recipient or subrecipient of an HMIS grant, and that is listed on the HMIS Lead form in the CoC Application Profile in e-snaps.

3) **Permanent Housing Bonus (PH Bonus)** – The CoC may create new projects through the permanent housing bonus up to 5 percent of the CoC’s FPRN. New projects created through a permanent supportive housing bonus must meet the project eligibility threshold requirements established by HUD. The CoC may apply for the following types of new projects:

- a. CoCs may create new permanent supportive housing projects that serve 100 percent chronically homeless individuals and families, and
- b. CoC’s may create new rapid rehousing projects that will serve homeless individuals, and families coming directly from the streets or emergency shelters, and include persons fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homelessness.

## **PURPOSE**

The 2016 Memphis/Shelby County Homeless Consortium Policies and Procedures for the Continuum of Care (CoC) establish a transparent and unbiased framework for the decision-making process guiding the annual CoC collaborative grant application.

This tool will be used to assist in the review and ranking of projects and is based on HUD’s Homeless Policy and Program Priorities as outlined in the 2016 Notice of Funding Availability (NOFA) for the Fiscal Year (FYI) 2016 Continuum of Care Program Competition. The priorities and process is also driven by the federal administrations goals articulated in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness and the Mayor’s Action Plan to End Homelessness in Memphis and Shelby County* (released January 2011).

The goal is to ensure there are written procedures in place that provide regulations and a comprehensive review of each applicant. Examples of subjects being monitored include but are not limited to performance, community impact, dedicated beds, capacity, coordinated entry, populations being served.

## **PRINCIPLES OF RANK AND REVIEW:**

The process and criteria for reviewing and ranking projects for the Memphis/Shelby County Homeless Consortium 2016 Continuum of Care application are intended to take maximum advantage of the current HUD funding while keeping our options open for the long-term. The following are the principles for the process:

- A. Housing Bonus (5% addition of final pro rata share) is available for:
  - 1 A new permanent supportive housing project. Project must exclusively serve the chronically homeless individuals or families. Greatest emphasis will be placed upon those applications with limited renewal burden (i.e. capital improvements / acquisition / rehabilitation), and
  - 2 Rapid Re-Housing projects that will serve homeless individuals, and families coming directly from the streets or emergency shelters, and include persons fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homelessness.
- B. Strategic Allocation of Resources
- C. Renewals will be for one year only.
- D. The Continuum of Care Rank and Review Committee reserves the right to reduce the total amount of funding for both new and renewal projects from the amount requested.

## **CRITERIA FOR EVALUATION AND RANKING:**

There are 3 factors used to review and rank projects for the 2016 Continuum of Care Application:

- A. Performance Evaluation as outlined below
  - a. Addressing Local/HUD Priorities and Policies
- B. Strategic Resource Allocation
  - a. Ending Chronic Homelessness
  - b. Ending Family Homelessness Ending Youth Homeless, and
  - c. Using a Housing First Approach
- C. Community Impact: After reviewing the program evaluation, project application and other written information, each project will be assessed for its impact on the community's ability to end homelessness in all priority populations. Projects with the greatest impact on the Continuum of Care and the community if they do not continue to receive HUD funding. This includes:
  - i. Projects that effectively serve a greater number of persons,
  - ii. Projects that provide housing and services unavailable elsewhere for the population served, and
  - iii. Projects that are critical to the operations of the CoC as outlined in the HEARTH Act.

## **PROCEDURES**

Program applications are reviewed, scored, and ranked all based on a variety of scoring guidelines. There are 3 main criteria: PERFORMANCE EVALUATION, ADDRESSING LOCAL/HUD PRIORITIES, and COMMUNITY IMPACT. Using site visits and scorecards, specific project components, organizational capacity, Local/HUD priority alignment and project quality, performance metrics, demonstrated need, supportive services, community leverage/budget, reallocation, data management, and fiscal management, a rank and review committee has access to all moving parts of each project.

Projects are grouped into Tiers. Tier 1 is 93% percent of the CoC's Annual Renewal Demand (ARD). Tier 2 is the balance of the ARD plus the Housing Bonus.

Projects that meet system level priorities are identified as HMIS/Data related projects or Coordinated Entry. Projects are categorized by populations (Chronically Homeless, Families with Children, Youth, Veterans). The rank and review committee reviews and scores each project application using all of the pieces and components listed above. Based on the committee's findings, projects are ranked using their application score, outcomes, and HUD defined priorities. Results are published for the agency as well as the CoC. Agencies have opportunity to appeal. (additional information outlined below) Using the weighting scale approved by the CoC, the Rank and Review Committee will rank order the renewing programs based on performance and provide that ranking to HUD as required in the CoC application process.

### **Renewal Project Applications – Components being reviewed, ranked and scored**

- A. Site Visits:** The site visit is conducted by the Lead Agency (CAFTH) and includes a review of: agency documents, program documents, random case file reviews, HMIS printouts, recent LOCCS draw, audit findings, and physical observation of program operations. If there are areas of significant concern identified during the review, the lead agency may request additional information or documents. The intent of these site visits is not to find fault with agency performance, but to avoid federal audit findings, ensure that performance data is reflected accurately in HMIS, and to identify and make technical assistance available for needs that arise. A letter summarizing the results will be provided within 14 days of the visit and the agency will have seven days to respond in writing.
  
- B. Performance Scorecards:** The performance scorecard dictates the specific metrics on which renewal program performance will be evaluated. The performance scorecard uses data from the most recent APR generated from HMIS. Programs with low performance (significant issues identified in the review process) will be asked by the Lead Agency to submit a performance improvement

plan. Agencies that are in performance improvement status have one year to make progress. CAFTH will provide technical assistance to the programs. Failure to make progress will result in a recommendation for reallocation the following year. The following items are taken into consideration:

**1. Performance Benchmarks**

- a. Length of time homeless (RRH leavers and stayers/ PSH leavers with stays less than 181 days)
- b. Returns to homelessness (Individuals exiting to homelessness or other; PSH clients returning to homelessness within 2 years)
- c. Hard to serve (Entries with no income, units dedicated to Chronic)
- d. Income growth and mainstream resources (Total income growth, total earned growth, total noncash mainstream benefits)
- e. Housing stability (RRH exits to PH; maintained PSH or exit to PH), and
- f. Occupancy (Occupancy, % of funds spent, annual cost per bed/unit, customer satisfaction survey total)

**2. Fiscal Management**

- a. Rate of spend-down
- b. Efficient use of funds
- c. Cost per exit to permanent housing
- d. Audit findings, and
- e. Corrective measures taken in response

**3. Data Management**

- a. Participation in HMIS (timely entry of data, submission of data for the point in time count, and annual housing inventory)
- b. Data quality (as measure by null value percentages and case file audits), and
- c. Submission of timely APR's

**4. Fidelity to Housing First – low barrier approach**

**5. Participation in Coordinated Entry**

6. **Prioritization** - Chronically homeless individuals, youth and families with the longest history of homelessness, and severity of need.

**C. Renewal Application Components for Points Scored – 100 total points**

**1. Organization Capacity – 5 points**

- a. Complete profile
- b. Demonstrate capacity to administer funds if awarded
- c. Sufficient experience to be successful

- d. Timely APR submissions, quarterly draw downs
- e. Are there unresolved HUD/OIG monitoring findings
- f. Recapture funds

**2. HUD Priority Alignment & Project Quality – 20 points**

- a. Participation in coordinated entry
- b. Serving 4 priority populations (Chronic, youth and families, veterans, all)
- c. Quickly move participants into PH using Housing First
- d. Project ensures participants are not screened out
- e. Housing characteristics match the population being served
- f. Does any percentage of participants enter the program from Transitional Housing?
- g. Project dedicates all beds to Chronically Homeless

**3. Supportive Services – 5 points**

- a. Offers a clear and concise description of the support services provided; needs and target population are clearly identified; services are available and clear to participants including what and how long they are offered; services are all client centered
- b. Project participants have access to SSI/SSDI technical assistance
- c. Staff person supplying the technical assistance completed SOAR training in the last 2 years

**4. Performance Metrics – 60 Points**

- a. Average program stay
- b. Returns to homelessness
- c. Hard to serve
- d. Income growth
- e. Exits to PH/Housing Stability

**5. Program model issues Community Leverage/ Budgets – 10 points**

- a. Application identifies community partnerships that are in place
- b. Applicant describes organization's history and experience with partnerships and collaborators
- c. Applicant describes organization's process for referring participants to community resources and tracking results of referrals

## **New Project Applicants – Components being Reviewed, Ranked and Scored**

### **New Project Application Components for Points Score – 100 points (10 possible bonus points)**

#### **1. Organization Capacity - 10 points**

- a. Complete profile of organization with responsibilities and management
- b. Demonstrate capacity to effectively administer funds if awarded

#### **2. Relevant Project Experience – 10 points**

- a. Organization has sufficient experience and capacity to be successful
- b. Organization demonstrates experience in developing and implementing similar program systems, services, and/or residential property construction and rehab

#### **3. Project Quality – 25 points**

- a. Organization's housing type falls under permanent supportive housing, rapid re-housing, and/or coordinated entry
- b. Organization outlines a process for ensuring that 100% of proposed program participants come from street or other locations not meant for human habitation, emergency shelters, or safe havens
- c. Organization demonstrates reasonable plan for assisting participants in obtaining mainstream benefits, social and employment services, and other types of supports and services
- d. Services are appropriate to the population being served
- e. Supportive services that are offered ensure successful retention or help to obtain permanent housing
- f. Project proposes to serve one of the 4 priority populations (chronic, youth and families, veterans, all)
- g. Applicant identifies a feasible strategy to access client satisfaction
- h. Project dedicates 100% unit to chronically homeless
- i. Answers above indicate a housing first approach
- j. Project addresses a need identified by the Mayor's Action Plan to End Homelessness

#### **4. Demonstrate Need – 10 points**

- a. Organization identifies factors that inform the need for this project
- b. Organization offers supporting documentation/evidence to support this need

#### **5. Community Leverage & Match – 15 points**

- a. Application shows sufficient proof of required match – match is sufficient or more than sufficient

- b. Leverage amount is at least 2:1
- c. Application describes organization's process for referring participants to identified community resources and tracks results of referrals

**6. Alignment with HUD Priorities – 20 points**

- a. Organization demonstrates implementation of a coordinated assessment tool and participation in the coordinated entry process
- b. Organization demonstrates an approach for prioritizing individuals and families with highest vulnerability
- c. Organization maximizes use of mainstream and other community-based resources
- d. Organization uses a housing first approach

**7. Budget – 10 points**

- a. Budget reflects eligible costs/activities
- b. Budget is reasonable
- c. Budget reflects a 25% match for all project costs
- d. Detailed project budget includes total project costs, amount of request, and all other sources of funds committed to the project
- e. Applicant provided a narrative description of costs and cost justification



## **POLICIES/TERMS**

**REALLOCATIONS:** In the event that an agency has failed to make progress on a performance improvement plan, the agency will be notified of the recommendation for non-renewal and reallocation. Any program scoring below the threshold score set by the Consortium will not be recommended for renewal and its grant will be reallocated to a new permanent housing program. The recommendations will be brought to the Governing Council for consent. If after resolution of any appeals, reallocations are to occur, and HUD had issued its NOFA, an RFP will be initiated to see applications for new permanent housing programs in the amount of the non-renewing grant(s). The NOFA typically specifies the types of new projects eligible for funding.

**TECHNICAL ASSISTANCE:** The lead agency and/or HUD will bring in consultants and technical assistance providers as needs are identified. Agencies are strongly encouraged to request information or technical assistance if they identify issues and are unsure how to address them or if they are interested in program model adjustments and need more information.

**APPEALS:** In the event that an agency wishes to appeal the recommendation for non-renewal, the agency must notify the governing council in writing (on letterhead and scanned/emailed to: Governing Council Chair with a copy to CAFTH's CoC Coordinator within seven days of the notification. The Governing Council may require additional information and will render its decision within 14 days of receipt of the appeal.

**DEFAULT:** In the event an agency fails to substantially perform its obligations under its CoC grant agreement and that failure or omission materially and adversely affects the health and wellbeing of the program participants, the Lead Agency reserves the right to recommend non-renewal upon determination of default, without a one-year performance improvement plan. The agency will be notified of a finding of default in writing and will be given 30 day to cure the problem. This includes bankruptcy or insolvency of an organization, and gross mismanagement or misappropriation of funds.

**THIRD PARTY REVIEW:** In the event of an appeal that is not satisfactorily resolved at the Governing Council, an agency may request a third party review of the determination for non-renewal. The agency must notify the Governing Council of a request for third party review by the lead agency of another mid-south urban CoC within seven days of the written notice/determination, or within seven days of the adoption of this policy. The third party reviewer will receive written and oral presentations from the lead agency and the agency submitting the appeal and will render a decision within 14 days.

**LEAD AGENCY ACCESS TO INFORMATION:** The lead agency may request information directly from HUD for use in the review and assessment process concerning performance on CoC Grants.

## HUD'S HOMELESS POLICY AND PROGRAM PRIORITIES

The following information is derived directly from the U.S. Department of Housing and Urban Development, Community Planning and Development, Notice of Funding Availability (NOFA) for the Fiscal Year 2016 Continuum of Care Program Competition, FR-6000-N-25 published June 28, 2016, pages 7 – 14. The complete NOFA may be reviewed on the HUD Exchange website:

<https://www.hudexchange.info/resource/5068/fy-2016-coc-program-nofa/>

The Memphis/Shelby County Continuum of Care follows HUD's Homeless Policy and Program Priorities a guiding principle of all Rank and Review of applicants for CoC program competition funding.

### II. HUD's Homeless Policy and Program Priorities

**A. Policy Priorities.** This NOFA focuses on the Administration goals articulated in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. The goals of *Opening Doors* are consistent with the Department's homeless goals as stated in HUD's Strategic Plan. This section explains HUD's Policy Priorities for this CoC Program Competition NOFA and provides Collaborative Applicants and Project Applicants with additional context about the selection criteria and selection process. The actual selection criteria and selection process are described in Section VII, Application Review Information.

**1. Create a systemic response to homelessness.** In addition to having the right programs to end homelessness, CoCs should be developing the systemic supports that ensure homeless assistance is well coordinated, well managed, inclusive, transparent, and achieves positive outcomes.

*a. Measure System Performance.* HUD has developed system performance measures to assess the overall impact of a CoC's homeless assistance efforts. These measures track the average length of homeless episodes, rates of return to homelessness, and other factors that determine whether a CoC is effectively serving people experiencing homelessness. CoCs should be using these measures and analyzing how they can improve their system to achieve better performance.

*b. Create an effective Coordinated Entry process.* Coordinated entry is a key step in assessing the needs of homeless individuals and families and prioritizing them for assistance. In addition to engaging people who are seeking assistance, Coordinated Entry processes should be integrated with communities' outreach work to ensure that people living in unsheltered locations are prioritized for help. Coordinated Entry should achieve several goals:

- i. make it easier for persons experiencing homelessness or a housing crisis to access the appropriate housing and service interventions;
- ii. prioritize persons with the longest histories of homelessness

- and the most extensive needs;
  - iii. lower barriers to entering programs or receiving assistance;  
and,
  - iv. ensure that persons receive assistance and are housed as quickly as possible.
- c. *Promote participant choice.* CoCs should do everything they can to support the choices made by persons experiencing homelessness. For example, some persons may prefer programs where residents are focused on obtaining support to recover from substance use disorders. While these projects often include many housing first features, they may also be alcohol and drug free to support the continued sobriety of their participants. Another example is the choice of where to live. Most persons experiencing homelessness struggle to balance the cost and quality of their available housing options. Whenever possible, programs should support participant's choices.
- d. *Plan as a system.* CoCs should be coordinating homeless assistance and mainstream housing and service providers to ensure that people experiencing homelessness receive assistance as quickly as possible and that the assistance is focused on helping them obtain and retain housing. CoCs should be monitoring each provider's performance, eligibility criteria, target populations, and cultural competence. They should also ensure that providers work together when a participant is moving from one program to another or when more than one program is serving the same person.
- e. *Make the delivery of homeless assistance more open, inclusive, and transparent.* CoCs should ensure that the needs of all individuals and families experiencing homelessness are represented within the CoC structure by including persons who have experienced homelessness throughout the planning process and in leadership and oversight roles. CoCs should also include organizations representing persons fleeing domestic violence, the Lesbian, Gay, Bisexual, Transgender, and Questioning (LGBTQ) community, victims of human trafficking, unaccompanied youth, individuals with disabilities and different types of disabilities, and other relevant populations in their planning body. These steps ensure that service delivery is client-centered and culturally competent.

**2. *Strategically allocate resources.*** Using cost, performance, and outcome data, CoCs should improve how resources are utilized to end homelessness, including CoC and ESG Program funds, state and local funds, public and assisted housing units, mainstream service resources such as Medicaid, Child Care and Development Fund (CCDF), Head Start, Maternal, Infant and Early Childhood Home Visiting (MIECHV), and philanthropic efforts. CoCs should manage the performance of all projects in the community and reallocate resources whenever doing so will better help them end homelessness. Steps to consider:

*a. Comprehensively review project quality, performance, and cost effectiveness.* CoCs should use objective, performance based scoring criteria and selection priorities that are approved by the CoC to determine the extent to which each project addresses HUD's policy priorities. CoCs should reallocate funds to new projects whenever reallocation would improve outcomes and reduce homelessness. CoCs should consider how much each project spends to serve and house an individual or family as compared to other projects serving similar populations.

*b. Maximize the use of mainstream and other community-based resources.* CoCs should educate all stakeholders in the community about mainstream resources and funding opportunities, particularly new opportunities made available under the Affordable Care Act. Additionally, CoCs and homeless assistance providers should partner with other stakeholders within the community, such as Public Housing Agencies (PHAs), philanthropic organizations, and other agencies and organizations that have resources that could serve persons experiencing homelessness.

*c. Review transitional housing projects.* Recent research shows that transitional housing is generally more expensive and achieves similar or worse outcomes than other housing models serving similar populations. HUD recognizes that transitional housing may be an effective tool for addressing certain needs—such as housing for underage homeless youth experiencing homelessness, safety for persons fleeing domestic violence, and assisting with recovery from addiction. HUD strongly encourages CoCs and recipients to carefully review the transitional housing projects within the CoC's geographic area for cost-effectiveness, performance, and for the number and type of eligibility criteria to determine whether it should be reallocated to rapid rehousing or another model.

*d. Integration.* Recipients must administer their programs and activities in the most integrated setting appropriate to the needs of qualified individuals with disabilities. Recipients operating projects serving chronically homeless individuals and families must ensure individuals with disabilities can interact with individuals without disabilities to the fullest extent possible.

**3. End chronic homelessness.** To end chronic homelessness by 2017, HUD encourages three areas of focus:

*a. Target persons with the highest needs and longest histories of homelessness for existing and new permanent supportive housing.* CoCs should prioritize chronically homeless individuals, youth, and families who have the longest histories of homelessness and the highest needs for new and turnover unit turnover units by implementing [Notice CPD 16-11: Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing](#), which supersedes CPD-14-012.

*b. Increase units.* CoCs should create new permanent supportive housing units that are dedicated to individuals, youth, and families experiencing chronic homelessness; and, if CoCs have not already done so, dedicate existing permanent supportive housing units to those experiencing chronic homelessness. There are numerous ways a community can increase permanent supportive housing units, including applying for CoC Program funds, partnering with PHAs

for rental assistance, and strengthening connections to Medicaid to pay for services in permanent supportive housing.

*c. Improve Outreach.* To decrease the number of persons experiencing chronic homelessness in a community, the community must identify and continually engage all persons who are currently experiencing sheltered or unsheltered chronic homelessness and those who are in jeopardy of experiencing chronic homelessness. This includes ensuring effective communication with individuals with disabilities and taking reasonable steps to ensure meaningful access to services, programs, and activities by persons with Limited English Proficiency (LEP persons).

**4. End family homelessness.** Most families experiencing homelessness can be housed quickly and stably using rapid rehousing. Some will need the long-term support provided by a permanent housing subsidy or permanent supportive housing. CoCs should ensure that families can easily access housing assistance tailored to their strengths and needs and, through partnerships, increase access to mainstream affordable housing. For most CoCs this will require expanding rapid rehousing programs. HUD encourages CoCs to use reallocation to create new rapid rehousing projects and to use ESG and other funding sources to expand rapid rehousing assistance.

**5. End youth homelessness.** CoCs should understand the varied and unique needs of youth experiencing homelessness, and reach out to youth-serving systems and providers to encourage their active participation in the CoC. CoCs and youth serving organizations should work together to develop resources and programs that better end youth homelessness and meet the needs of homeless youth, including LGBTQ youth. HUD recipients must comply with HUD's final rule, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity, which requires that HUD-assisted and HUD-insured housing programs are made available to all otherwise eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. Please see also Notice CPD-15-02: Appropriate Placement for Transgender Persons in Single-Sex Emergency Shelters and Other Facilities.

When evaluating the performance of youth programs, CoCs should take into account the specific challenges faced by youth experiencing homelessness. When CoCs identify lower performing youth serving projects, they should seek to reallocate funds from those projects to projects that will achieve better outcomes for youth. In coordination with mainstream programs, CoCs should also consider how they can best serve young people who are fleeing domestic violence, human trafficking, or who are exchanging sex for housing.

**6. End veteran homelessness.** Ending veteran homelessness is within reach for many communities, and CoCs should take specific steps to reach this goal including prioritizing veterans and their families for assistance when they cannot be effectively assisted with VA services, and coordinating closely with veteran serving organizations and VA-funded housing and services. Communities that have effectively ended veteran homelessness should continuously assess the performance of the homeless

assistance system to ensure the continued achievement by periodically reviewing the criteria and benchmarks established by HUD, VA, and USICH.

**7. Use a Housing First Approach.** *Housing First* is an approach to homeless assistance that prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions such as sobriety or a minimum income threshold. Projects using a Housing First approach often have supportive services; however, participation in these services is based on the needs and desires of program participants. Following are specific steps to support a Housing First approach:

- a. *Use Data to quickly and stably house homeless persons.* Programs that use a Housing First approach should be moving individuals and families quickly into permanent housing. CoCs should measure the length of time it takes for programs to move households into permanent housing and help providers improve performance.
- b. *Engage landlords and property owners.* Identify and recruit landlords of units in the geographic area so that when an individual or family needs housing, potential units that those individuals or families may choose from have already been identified, speeding up the housing process. Landlord engagement can be undertaken by each homeless assistance provider or consolidated so that one or a few organizations engage landlords on behalf of many providers.
- c. *Remove barriers to entry.* CoCs should review project-level eligibility criteria for all programs and remove any barriers to accessing housing and services. Persons experiencing homelessness should not be screened out of or discouraged from participating in programs because they have poor credit history, or lack income or employment. People with addictions to alcohol or substances should not be required to cease active use before accessing housing and services.
- d. *Adopt client-centered service methods.* All projects should ensure housing and service options are tailored to meet the unique needs of each individual or family presenting for services and that program participants have access to the services that they reasonably believe will help them achieve their goals. However, program participants should not be required to participate in services and cannot be required to participate in disability-related services.

**B. CoC Program Implementation.** The following list highlights important information that applicants should consider as they are preparing the FY 2016 CoC Application and Project Applications(s). This is not an exhaustive list of considerations or requirements—all applicants and CoC stakeholders should carefully review 24 CFR part 578 for comprehensive information.

1. In the FY 2016 CoC Program Competition, in addition to requests for renewal projects and CoC planning and UFA Costs project requests, CoCs may submit requests for new projects through the process of reallocation or the permanent housing bonus.
2. The FY 2016 Appropriations Act establishes certain requirements for the Competition:

- a. CoCs cannot receive grants for new projects, other than through reallocation, unless the CoC competitively ranks projects based on how they improve system performance;
  - b. HUD must base an increasing share of the CoC score on performance criteria; and,
  - c. HUD must prioritize funding for CoCs that have demonstrated the ability to reallocate resources to higher performing projects.
3. In addition to grants for CoC planning and UFA Costs, CoCs may create new projects by using amounts available through the permanent housing bonus or by making funds available through reallocation. The following types of projects may only be created using funds that the CoC has made available through reallocation. Through the reallocation process CoCs may create the following types of new projects.
- a. CoCs may create new permanent supportive housing projects where all beds will be dedicated for use by chronically homeless individuals and families, as defined in 24 CFR 578.3.
  - b. CoCs may create new rapid rehousing projects that will serve homeless individuals and families coming directly from the streets or emergency shelters, and include persons fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homelessness.
  - c. CoCs may create a new Supportive Services Only project specifically for a centralized or coordinated assessment system.
  - d. CoCs may create a new dedicated Homeless Management Information System (HMIS) project for the costs at 24 CFR 578.37(a)(2) that can only be carried out by the HMIS Lead, which is the recipient or subrecipient of an HMIS grant, and that is listed on the HMIS Lead form in the CoC Applicant Profile in *e-snaps*.
4. CoCs may create new projects through the permanent housing bonus up to 5 percent of the CoC's FPRN for the following types of new projects:
- a. CoCs may create new permanent supportive housing projects that will serve 100 percent chronically homeless individuals and families, and
  - b. CoCs may create new rapid rehousing projects that will serve homeless individuals and families coming directly from the streets or emergency shelters, and include persons fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homelessness.

Because new permanent housing projects—permanent supportive housing and rapid rehousing—may be created through either reallocation or the permanent housing bonus, HUD may reclassify new permanent housing projects that a CoC has classified as reallocation or permanent housing bonus if the project would be ineligible for funding because the CoC exceeded either its reallocation or permanent housing bonus amount. New permanent housing projects will be evaluated using the same

criteria regardless of whether the CoC has identified them as bonus or reallocation projects.

5. Any changes to the FY 2016 GIW after the final HUD approval process must be submitted for approval by the local HUD CPD Field Office, in consultation with HUD Headquarters. The due date for final HUD approval for changes to the FY 2016 GIW is July 22, 2016 by 5:00 p.m. local time. Collaborative Applicants will be required to attach the final HUD-approved FY 2016 GIW that contains the final HUD-approved FY 2016 ARD to the CoC Priority Listing. HUD will not consider any changes that would increase a CoC's ARD to the FY 2016 GIW after July 22, 2016. If an ineligible project is included on the CoC's GIW, HUD will remove the ineligible project from the GIW, which will result in the CoC's ARD being reduced by the amount of the ineligible project application. It is crucial that CoCs ensure that the final FY 2016 GIW is accurate and that it only lists those renewal projects that are eligible for renewal in FY 2016. In order to be eligible for renewal in FY 2016, a project must have an executed grant agreement by December 31, 2016 and have an expiration date in Calendar Year (CY) 2017 (between January 1, 2017 and December 31, 2017).

6. Eligible renewal projects requesting rental assistance are permitted to request a per-unit amount less than the Fair Market Rent (FMR), based on the actual rent costs per unit. This will help to reduce the number of projects receiving rental assistance that have large balances of unspent funds remaining at the end of the operating year. Renewal project applicants must ensure that the amount requested will be sufficient to cover all eligible costs as HUD cannot provide funds beyond what is awarded through the competition. Project applications for rental assistance cannot request more than 100 percent of the published FMR. New project applications must adhere to 24 CFR 578.51(f) and must request the full FMR amount per unit. See Section VIII.B. of this NOFA for additional information regarding FMR adjustments for projects receiving funds for rental assistance.

7. CoCs will be evaluated on the extent to which they provide housing for chronically homeless individuals and families in all CoC Program-funded permanent supportive housing—not just those units that are dedicated to this population. CoCs should ensure chronically homeless individuals and families are placed in permanent housing as units become available through turnover.

8. CoCs were required to submit the FY 2016 Housing Inventory Count (HIC) and Point-in-Time (PIT) count data directly to the HUD Homelessness Data Exchange (HDX) website by the submission deadline of May 2, 2016. CoCs that did not meet the established deadline for HIC and PIT count data submission and did not receive an extension from HUD will not be eligible to receive the maximum number of points available as described in Sections VII.A.3. and VII.A.4. of this NOFA.

9. In order to receive the maximum number of points available as described in Section VII.A.2. of this NOFA must:

- a. establish an internal CoC deadline for project applications to be submitted to the CoC that is no later than 30 days before the application deadline; and,
- b. notify, in writing and outside of e-snaps, all project applicants who submitted



their project applications to the CoC by the CoC-established deadline whether their project application(s) will be accepted (and ranked on the CoC Priority Listing), rejected, or reduced by the CoC within 15 days of the application deadline. Where a project application is being rejected or reduced, the CoC must indicate the reason(s) for the rejection or reduction.

Per 24 CFR 578.35(c), project applicants that believe they were denied the opportunity to participate in the local CoC planning process in a reasonable manner and were rejected or reallocated by the CoC may appeal the rejection directly to HUD by submitting as a Solo Applicant prior to the application deadline of September 14, 2016 by 7:59:59 p.m. eastern time.

*10.* Only one CoC planning project application may be submitted per CoC per funding year. Similarly, only one project application for UFA Costs may be submitted for HUD-designated UFAs per funding year. The project applications for CoC planning and UFA Costs must be submitted by the Collaborative Applicant and must match the organization listed as the Collaborative Applicant in the CoC Applicant Profile in e-snaps. HUD is not ranking CoC planning and UFA Costs projects in the FY 2016 CoC Program Competition so they will not affect a CoC's available amount for funding for new and renewal project applications.

*11.* CoCs must consult with Emergency Solutions Grants (ESG) recipients within the geographic area on the plan for allocating ESG funds and reporting on and evaluating the performance of ESG recipients and subrecipients. Each CoC will be required to describe how it is coordinating, or if coordination is not already occurring, how coordination with ESG recipients will occur and what processes are required to be in place at the CoC level to ensure this requirement is met. See Section VII.A.1.b for more information about scoring criteria related to coordinating with ESG recipients.

*12.* As directed by Congress, HUD must provide an annual estimate of all individuals and families experiencing homelessness nationwide and within the territories. Therefore, all CoCs must have an HMIS that has the capacity to collect unduplicated counts of individuals and families experiencing homelessness and provide information to project subrecipients and applicants for needs analysis and funding priorities. Additionally, CoC and ESG recipients must participate in the local HMIS; unless a recipient is a domestic violence provider or legal service provider, in which case it must use a comparable database and provide de-identified information to the CoC. For many communities, the inclusion of ESG recipients and subrecipients and other HUD Federal partners (e.g., the Department of Health and Human Services and VA) that require their programs to use the CoC's HMIS, will mean an increase in users that the HMIS must be able to accommodate. HUD expects communities to be able to use the HMIS information to review performance for the entire CoC geographic area, not just at the project level. The HMIS Lead should continue to consider any unique needs that the HMIS might be required to address in order to accommodate emergency shelter, street outreach, homelessness prevention, and other Federal programs.

*13.* CoCs may request, in the FY 2016 CoC Application, that up to 10 percent of

funding for each fiscal year awarded under this NOFA be approved to serve homeless households with children and youth defined as homeless under other Federal statutes who are unstably housed (paragraph 3 of the definition of homeless found at 24 CFR 578.3). Approved CoCs are limited to using only up to 10 percent of the total amount awarded for each fiscal year appropriation to the CoC to serve this population, and must determine which project(s) will be permitted to use some or all of their funding for this purpose. The only project types that will be funded in this Competition to serve this population are Transitional Housing and Supportive Services Only.

In order to be approved to serve this population, CoCs making this request must be able to demonstrate that serving this population is of equal or greater priority, which means that it is equally or more cost effective in meeting the overall goals and objectives of the plan submitted under Section 427(b)(1)(B) of the Act, especially with respect to children and unaccompanied youth, than serving the homeless as defined under paragraphs (1), (2), and (4) of the definition of homeless in 24 CFR 578.3. CoCs must thoroughly describe how the requirements described in Section 427(b)(1)(F) of the Act will be met. CoCs will be required to identify the specific project(s) that will use funding for this purpose (up to 10 percent of the CoC total award) by submitting an attachment to the CoC Application in *e-snaps* that states the following:

- a. Project name(s) as listed on the CoC Priority Listing; and,
- b. Amount of funding in the project or per project that will be used for this purpose.

Where HUD does not approve a CoC's request, any awards for the project(s) proposed in FY 2016 to be used for this purpose will be conditioned upon award that no funds may be used to serve this population. See 24 CFR 578.54 and 24 CFR 578.89 for more information about this limitation.

14. HUD will allow new reallocated projects to request funding for 1 year to facilitate implementation of CoC strategies to reduce gaps in permanent housing. Any new reallocated projects requesting capital costs (i.e., new construction, acquisition, or rehabilitation) are not eligible for 1-year requests and HUD will increase the grant term to 3-years if they are submitted for 1-year terms.

15. CoCs will be required to rank all projects, except CoC planning and UFA Costs, submitted by project applicants in *e-snaps*: renewal, and new projects created through reallocation and permanent housing bonus. HUD will not review any project that is rejected by the CoC. CoCs may only submit one application for CoC planning costs and if designated as a UFA, one application for UFA Costs. The applicant for CoC planning and UFA Costs must be the Collaborative Applicant that is listed on the CoC Applicant Profile in *e-snaps*.

16. HUD will continue the Tier 1 and Tier 2 funding process and CoCs and applicants should ensure there is thorough understanding of the information provided in this NOFA. HUD will establish each CoC's Tier 1 and Tier 2 amounts based on the final HUD-approved GIW. A report that lists each CoC's ARD Tier 1 amount, CoC planning, and permanent housing bonus amount available will be posted to the HUD Exchange website no earlier than August 5, 2016. Section VIII. of this NOFA provides additional information regarding project selection.

*a.* Tier 1 is equal to 93 percent of the CoC's ARD amount approved on the final HUD-approved GIW and projects in 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. Therefore, CoCs should carefully determine the priority and ranking for all project applications in Tier 1 as well as Tier 2, which is described below.

*b.* 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 FMR) as described in Section II.B.4. of this NOFA. This does not include the amounts available for CoC planning and UFA Costs. Project applications that are in Tier 2 will be selected for FY 2016 CoC Program funding using the process described in Section II.B.17. of this 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 this NOFA.

*c.* 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, using the CoC score and other factors described in Section II.B.17. of this NOFA, 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., is able to continue serving homeless program participants effectively).

*d.* As previously stated, CoC planning and UFA Costs are not ranked and; therefore, will not be included in Tier 1 or Tier 2. CoC planning and UFA Costs projects that pass eligibility and review threshold will be conditionally selected using CoC scores from the highest scoring CoC to the lowest scoring CoC.

While the CoC will determine the order in which projects are ranked, HUD will calculate the tiers based on all project applications that pass eligibility and threshold review.

**17.** HUD will award a point value to each new and renewal project application that is in Tier 2 using a 100-point scale:

*a. CoC Score.* 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.

*b. CoC Project Ranking.* 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 CoCs 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.

*c. Project Type.* 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:

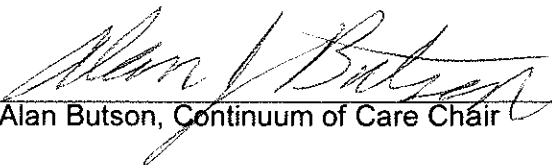
- (1) 5 points for renewal and new permanent housing-permanent supportive housing and rapid rehousing, renewal safe haven, HMIS, SSO for centralized or coordinated assessment system, or transitional housing that exclusively serves homeless youth projects;
- (2) 3 points for renewal transitional housing, except those transitional housing projects that exclusively serve homeless youth which will be scored as discussed in paragraph (1); and
- (3) 1 point for renewal SSO project applications other than those for a centralized or coordinated assessment system.

*d. Commitment to Policy Priorities.* Up to 10 points for how the permanent housing project application commits to applying the Housing First model. 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.

Approved by vote of the Memphis/Shelby County Homeless Consortium on 8/10/2016.

Signed:

  
Kim Daugherty, Governing Council Chair

  
Alan Butson, Continuum of Care Chair