



**PUBLIC SOLICITATION OF APPLICATIONS**

**2023 Local Continuum of Care  
Project Evaluation & Application Policies and Procedures**

Process Summary

Requirements

Rating Criteria

Timeline

Instructions

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# OVERVIEW OF THE HUD COC NOFO AND CoC INTERIM RULE REQUIREMENTS

## *Introduction*

The purpose of the Continuum of Care (CoC) program is to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments, and Indian Tribes and their housing entities to quickly rehouse homeless individuals, families, persons fleeing domestic violence, and youth individuals and families while minimizing the trauma and dislocation caused by homelessness, to promote access to and effective utilization of mainstream programs, and optimize self-sufficiency among those experiencing homelessness.

The goal of the Youth Homelessness Demonstration Program (YHDP) is to support the development and implementation of a coordinated community approach to preventing and ending youth homelessness and sharing that experience with and mobilizing communities around the country toward the same end. The population to be served by the demonstration program is youth experiencing homelessness, including unaccompanied and pregnant or parenting youth.

Each year the U.S. Department of Housing and Urban Development (HUD) releases a Notice of Funding Opportunity (NOFO), signifying the beginning of a funding competition among more than 450 Continuums of Care (CoC), the community stakeholder groups that guide local responses to homelessness. The 2023 CoC NOFO was released on July 5, 2023, opening the competition making available approximately \$3.134 billion to serve homeless people nationally. Consolidated applications for CoC funds are due to HUD September 28 at 5:00PM Pacific. For further information about the CoC NOFO, the CoC Interim Rule, and HUD's CoC online application system (called e-snaps) go to:

<https://www.hudexchange.info/programs/e-snaps/fy-2023-coc-program-nofa-coc-program-competition/>.

Before the CoC application is submitted to HUD, our CoC, the Housing for Health Partnership (H4HP), is required to hold a local competition to determine which projects will be included in the two consolidated applications, along with their relative priority. The results of the local competition dictate for which projects the CoC will seek funding. Additional information about project application requirements and standards will be available at the upcoming Applicant Orientation Session.

## *Funding Available and Tiered Funding Approach*

**\$6,173,945** is the possible total (before FMR adjustments) for Santa Cruz County projects. This includes:

- **\$5,418,194** is our Annual Renewal Demand (ARD), the amount needed for one-year **renewal** of existing CoC projects, **renewal** of existing YHDP projects or **replacement** of the projects by their existing grantees, or **reallocation** of CoC or YHDP funds to the following allowable new project types: permanent supportive housing (PSH), rapid rehousing (RRH), joint transitional housing and rapid rehousing (TH-RRH), Homeless Management Information System (HMIS), and/or coordinated entry system (CES).
- **\$379,274** is our total possible amount for **new CoC bonus** projects (7% of ARD). Eligible types of CoC bonus projects: PSH, RRH, TH-RRH, HMIS, and CES.
- **\$105,567** estimated (10% of preliminary pro rate need - PPRN) is our total possible amount for

nationally competitive **Domestic Violence (DV) bonus** projects. Eligible types of DV bonus projects: RRH, TH-RRH, and CES.

- **\$270,910** (5% of ARD) for one **CoC planning** project (not competitively ranked).

**In 2023, funds are NOT available for:**

- Emergency shelter
- Homelessness prevention projects
- New TH only
- New supportive service only projects (except coordinated entry or YHDP replacement).

Tiering: HUD requires CoCs to rank projects that are subject to competition into two tiers, which are financial thresholds. **Tier 1** is 93% of the ARD amount, or \$5,038,920. **Tier 2** is the difference between Tier 1 and the maximum possible amount of renewal, YHDP replacement, reallocation, and CoC bonus funds. (Note DV bonus project amounts don't add to the Tier 2 amount, but they must be ranked and tiered (more about that below). CoC planning grant projects are non-competitive and therefore do not need to be ranked or tiered.

The purpose of tiering is for CoCs to indicate which projects are its highest priorities for funding. Although the Tier 1 threshold is determined by the ARD for expiring CoC renewal projects, it does not mean renewal must be ranked and placed in Tier 1. The CoC can decide to put one or more renewals into Tier 2, while elevating new CoC or DV bonus projects into Tier 1.

### ***Order by Which HUD Will Select Projects***

CoC NOFO: HUD will select CoC projects in the following order:

1. All **CoC planning** projects
2. All **Unified Funding Agency (UFA)** cost projects
3. All **YHDP FY 2017 (Round 2)** or later renewal and replacement projects
4. **DV bonus** projects that awarded based on the DV bonus criteria in the CoC NOFO; if awarded as a DV bonus, it will be removed from the list and projects below it will slide up one rank; if not, it will retain the rank provided by the CoC and be treated as a regular ranked project. See DV bonus section below for more details on the competitive DV bonus scoring criteria
5. Projects fully in in **Tier 1**, including new projects, renewals, YHDP FY 2016 (Round 1) renewal and replacement projects, will be selected based on CoC score from highest to lowest CoC score
6. Projects fully in **Tier 2** will be selected in order of score until there is no more funding available based on the following Tier 2 scoring factors totaling 100 points:
  - a. CoC Score: Up to 50 of 100 points will be awarded in direct proportion to the score received on the CoC Application
  - b. CoC Project Ranking. Up to 40 of 100 points for the CoC's ranking of the project application(s). 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 (see NOFO p. 27)
  - c. Commitment to Housing First. Up to 10 of 100 points for:
    - i. How the project demonstrates its commitment to Housing First as it is defined in the CoC NOFO.
    - ii. An HMIS project or CE project will automatically receive 10 points.

For projects that straddle the two tiers, the Tier 1 portion will be funded in accordance with the above Tier 1 process and the Tier 2 portion will be funded in accordance with the Tier 2 process. HUD may award project funds for just the Tier 1 portion, provided the project is still feasible with the reduced funding (e.g., is able to continue serving homeless program participants effectively).

## ***Overview of Key HUD Changes This Year***

1. **Round 1 YHDP Grants.** HUD will competitively renew or replace projects that HUD initially funded in the FY 2016 Youth Homelessness Demonstration Competition (Round 1). These Round 1 YHDP projects may be reallocated by CoCs to create new CoC grants. If a Round 1 YHDP grant is reallocated to create a new CoC grant, the reallocated funds are no longer eligible to be used for YHDP Special Activities. If significant changes to a renewing Round 1 YHDP project are needed, a Round 1 YHDP project may continue to replace its current project with a new Round 1 YHDP Replacement project, that may wholly or in part include activities ineligible under the CoC Program as outlined in the NOFO, while still serving youth ages 24 and younger experiencing homelessness.
2. **YHDP Special Activities.** The NOFO permits YHDP project applicants to integrate YHDP Special Activities into the project design through the selection of these activities in YHDP Renewal and YHDP Replacement project applications. YHDP renewal applicants may continue to select previously approved Special YHDP Activities in their project application; however, YHDP Renewal applicants may also request to add new Special YHDP Activities through their renewal application. If a recipient of YHDP funding determines that changing the project model of their grant would better serve youth experiencing homelessness in the area, the recipient must submit an application to replace the YHDP project through this competition.
3. **CoC, DV Bonus, and YHDP Renewal Activity and Budget Changes.** CoC renewals can now request to add new eligible activities, shift up to 10% of funds from one eligible activity to another, and change the subpopulation served; YHDP renewals can request to add new eligible activities including special YHDP activities and shift up to 10% of funds from one eligible activity to another; and DV Bonus renewals may request to add new eligible activities and shift up to 10% of funds from one eligible activity to another.
4. **Tier 1 is Smaller This Year.** It is only 93% of ARD versus 95% in 2022.
5. **CoC Planning Increase.** HUD is establishing an alternative maximum amount for CoC Planning grant applications under this NOFO. Specifically, the maximum grant amount for CoC planning activities will be 5% of the applicable FPRN or ARA. This new maximum replaces the previous 3% cap.
6. **New DV-Related Eligible Continuum of Care Activities.** These following new budget line items (BLIs) will be now eligible per VAWA revisions. See pp. 42-43 of the NOFO. Applicants can request a budget modification during the competition to add funds to these line items. Applicants may also request to expand existing renewal grants to add new funding to these BLIs:
  - Facilitating and coordinating activities to ensure compliance with emergency transfer plan requirements (e.g., moving costs, security deposits, technology to make units safe, etc.), and
  - Monitoring compliance with VAWA confidentiality protections (e.g., monitoring compliance, planning corrective actions, training, etc.)
5. **Amendment to criteria for qualifying as “homeless,”** requiring HUD to consider as homeless: any individual or family who— (1) is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or

a family member in the individual's or family's current housing situation, including where the health and safety of children are jeopardized; (2) has no other safe residence; and (3) lacks the resources to obtain other safe permanent housing.

## ***HUD's Homeless Policy & Program Priorities***

CoCs will be evaluated based on the extent to which they further HUD's policy priorities as follows.

### **1. Ending homelessness for all persons**

- Identify, engage, and effectively serve all persons experiencing homelessness
- Measure performance based on local data that take into account the challenges faced by all subpopulations (e.g., veterans, youth, families, or CH)
- Partner with housing, healthcare, and supportive services providers to increase housing options, such as PSH, housing subsidies, and RRH
- Use local data to determine the characteristics of individuals and families with the highest needs and longest experiences of homelessness to develop housing and supportive services tailored to their needs.

### **2. Using a Housing First Approach**

- Help individuals and families move quickly into permanent housing
- Measure and help projects reduce the length of time people experience homelessness
- Engage landlords and property owners to identify an inventory of housing available for RRH and PSH participants, remove barriers to entry, and adopt client-centered service methods
- Assess how well Housing First approaches are being implemented in their communities.

### **3. Reducing Unsheltered Homelessness**

- Identify permanent housing options for people who are unsheltered
- Work with law enforcement and state and local governments to eliminate policies and practices that criminalize homelessness.

### **4. Improving System Performance**

- Use system performance measures such as the average length of homeless episodes, rates of return to homelessness, and rates of exit to permanent housing destinations to determine how effectively they are serving homeless people
- Use Coordinated Entry process to promote participant choice, coordinate homeless assistance and mainstream housing and services to ensure people experiencing homelessness receive assistance quickly, and make homelessness assistance open, inclusive, and transparent.
- Review all projects eligible for renewal in FY 2023 to determine their effectiveness in serving people experiencing homelessness, including cost-effectiveness
- Look for opportunities to implement continuous quality improvement and other process improvement strategies.

### **5. Partnering With Housing, Health, and Service Agencies**

- Use cost performance and outcome data to improve how all available resources are utilized to end homelessness (especially with new CARES Act and American Rescue Plan resources)

- Work closely with public and private healthcare organizations and assist program participants to obtain medical insurance to address healthcare needs
- Partner closely with public housing authorities and state and local housing organizations to utilize coordinated entry, develop housing units, and provide housing subsidies to people experiencing homelessness
- Help CoC Program participants exit permanent supportive housing through Housing Choice Vouchers and other available housing options
- Work together to implement targeted programs such as Emergency Housing Vouchers, HUD-VASH, Mainstream Vouchers, Family Unification Program Vouchers, and other housing voucher programs targeted to people experiencing homelessness
- Coordinate with their state and local housing agencies on the utilization of new HOME program resources provided through the Homelessness Assistance and Supportive Services Program that was created through the American Rescue Plan
- Partner with local workforce development centers to improve employment opportunities.

#### **6. Racial Equity**

- Address racial inequities to ensure successful outcomes for all persons experiencing homelessness using proven approaches, such as: developing a coordinated community response with a racially diverse set of stakeholders and people experiencing homelessness and partnering with organizations with experience serving underserved populations.
- Review local policies, procedures, and processes with attention to identifying barriers that result in racial disparities, and taking steps to eliminate such barriers.

#### **7. Improving Assistance to LGBTQ+ Individuals**

- Address the needs of LGBTQ+, transgender, gender non-conforming, and non-binary individuals and families in CoC planning.
- In project selection, consider how the project ensures privacy, respect, safety, and access regardless of gender identity or sexual orientation.
- Partner with organizations with expertise in serving LGBTQ+ populations.

#### **8. Persons With Lived Experience**

- HUD expects inclusion in the local planning process people who are currently experiencing or have formerly experienced homelessness to address homelessness, including determining how local policies may need to be revised, participating in CoC meetings and committees, providing input on decisions, and providing input related to the local competition process (e.g., how rating factors are determined), and hiring people with lived experience.

#### **9. Increasing Affordable Housing Supply**

- Communicate with jurisdiction leaders, including for the development of Consolidated Plans, about the harmful effects of the lack of affordable housing.
- Engage local leaders about zoning and land use reform that would increase housing.

### ***Who can be Served***

Persons served by CoC funded projects must be “homeless” under the HUD’s final rule on the definition of homelessness under the HEARTH Act. However, different project types have different requirements

for homeless categories and eligibility. The definition includes four broad categories of homelessness:

1. **People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution** where they temporarily resided if they were in shelter or a place not meant for human habitation before entering the institution. The only significant change from existing practice is that people will be considered homeless if they are exiting an institution where they resided for up to 90 days (it was previously 30 days), and were homeless immediately prior to entering that institution.
2. **People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled up situation, within 14 days** and lack resources or support networks to remain in housing. HUD had previously allowed people who were being displaced within 7 days to be considered homeless. The regulation also describes specific documentation requirements for this category.
3. **Families with children or unaccompanied youth who are unstably housed and likely to continue in that state.** This is a new category of homelessness, and it applies to families with children or unaccompanied youth (up to age 24) who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment. New and renewal RRH, Joint TH-RRH, and SSO projects may serve persons in this category only if HUD has approved the CoC to do so; new and renewal PSH projects may not serve persons in this category.
4. **People who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening situations** related to violence; have no other residence; and lack the resources or support networks to obtain other permanent housing (also see new VAWA revisions described above).

For information HUD requirements for documenting “homeless” status, please see HUD’s homeless status guidance available at: <https://www.hudexchange.info>.

#### Unaccompanied Youth

Any youth-serving provider funded under this NOFO may serve unaccompanied youth aged 24 and under (or families headed by youth aged 24 and under) who have an unsafe primary nighttime residence and no safe alternative to that residence. 3<sup>rd</sup> party documentation of homelessness cannot be required. HUD interprets “living in unsafe situations” as having an unsafe primary nighttime residence and no safe alternative to that residence. These youth-related requirements supersede any conflicting requirements.

Also, **YHDP projects** must serve youth experiencing homelessness, including unaccompanied and pregnant youth, where no member of the household is older than 24.

#### Chronically Homeless

In addition to meeting the definition of homeless, some projects must serve persons who meet the more specific definition of “**chronically homeless.**” These projects include new permanent supportive housing (PSH) projects, renewal PSH projects that were originally funded under chronic homelessness initiatives, and any other PSH project that has committed in recent years to targeting and/or prioritizing

chronically homeless.

A homeless individual, or a family with an adult head of household (of if no adult, a minor head of household) with a disability who:

- Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; AND
- Has been homeless in such place for at least 12 months OR on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights.

Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but are included in the 12-month total.

#### Some Types of People who are not Considered Homeless

People in the following situations are NOT homeless:

- Paying excessive amount for housing, housing is substandard, or the housing is crowded;
- Living with relatives or friends;
- Living in a Board and Care, Adult Congregate Living Facility, or similar place;
- Being discharged from an institution (after a stay of 90 consecutive days or more); or
- Utilizing Housing Choice Vouchers, except Katrina evacuees that received Katrina
- Disaster Housing Assistance Program (KDH4HP) Housing Choice Vouchers.

### ***Eligible Project Applicants***

Eligible project applicants for the CoC Program Competition are **nonprofit organizations, States, local governments, and instrumentalities of State and local governments, public housing agencies, and Indian Tribes or TDHEs**. For-profit entities are not eligible to apply for grants, or to be subrecipients.

### ***Eligible CoC Program Components***

The CoC program includes the following four project components eligible under the 2023 CoC NOFA:

**Permanent housing** (PH) is defined as community-based housing without a designated length of stay in which formerly homeless individuals and families live as independently as possible. The CoC Program may fund two types of permanent housing: (1) **permanent supportive housing** (PSH), which is permanent housing with indefinite leasing or rental assistance paired with services to help homeless people with disabilities achieve housing stability; and (b) **rapid re-housing** (RRH), a model that emphasizes housing search and relocation services and short- and medium-term rental assistance to move homeless people as rapidly as possible into permanent housing.

**Transitional housing** (TH) is a project component that may be used to cover the costs of up to 24 months of housing with accompanying support services, providing a period of stability to enable homeless people to transition successfully to and maintain permanent housing within 24 months of program entry. Program participants must have a lease or occupancy agreement in place when residing in transitional housing. Note: In 2023, HUD is allowing a **Joint TH and RRH component project type**.

**Supportive services only (SSO)** is a program component limited to recipients and subrecipients providing services to individuals and families not residing in housing operated by the recipient. SSO recipients and subrecipients may use the funds to conduct outreach to sheltered and unsheltered homeless persons, link clients with housing or other necessary services, and provide ongoing support. SSO projects may be offered in a structure or structures at one central site, or in multiple buildings at scattered sites where services are delivered. Projects may also be operated independent of a building (e.g., street outreach) and in a variety of community-based settings, including in homeless programs operated by other agencies. Note: In 2023, the only new SSO projects allowed under the CoC NOFO are **Coordinated Entry** Projects created through reallocation and/or bonus funding, or **YHDP replacement** Projects in line with the requirements for such in this NOFO.

**Homeless Management Information System** Funds under this component may be used only by HMIS leads for leasing a structure in which the HMIS operates, for operating the structure in which the HMIS is housed, and/or for covering other costs related to establishing, operating, and customizing a CoC's HMIS. Note: In 2023, reallocation and CoC Bonus funding **can** be used for a new dedicated HMIS project or expansion of an existing dedicated HMIS project.

### ***Eligible Cost Types***

CoC Program funding can only be used to support eligible costs listed in the CoC Interim Rule. Not all costs are eligible in each program component or project type. The eligible costs are summarized below. For further information, please see the CoC Interim Rule and CoC Program Introductory Guide at: <https://www.hudexchange.info>.

**Acquisition** of real property is an eligible cost category under the PH, TH, and SSO program components. Grant funds may be used for up to 100 percent of the cost of purchasing property for the purpose of providing permanent Housing, transitional housing, and supportive services only activities.

**Rehabilitation** of structures is an eligible cost category under the PH, TH, and SSO program components. Eligible rehabilitation costs include installing cost-saving energy measures and bringing a structure up to health and safety standards. Rehabilitation on leased properties is ineligible.

**New construction** of structures is eligible under the PH and TH program components. New construction may include building entirely new facilities, constructing an addition to an existing structure that increases the floor area by 100 percent or more, and the cost of land for construction. Grant funds may be used for up to 100 percent of costs (as long as the match requirement is met through other means).

**Leasing** is an eligible cost category under the PH, TH, SSO, and HMIS program components. Funds may be used to lease individual units or all or part of structures. Rents must be reasonable and, in the case of individual units, the rent paid may not exceed HUD-determined fair market rents. Leasing funds may not be used for units or structures owned by the recipient, subrecipient, or their parent organization. When leasing funds are used to pay rent on units, the lease must be between the recipient or the subrecipient and the landowner, with a sublease or occupancy agreement with the program participant. The recipient may charge the program participant an occupancy charge consistent with the interim CoC rule.

**Rental assistance** is an eligible cost category under the PH and TH program components and may be tenant-based (TBRA), sponsor-based (SBRA), or project-based (PBRA), depending upon the component

type. Rental assistance may be short-term for up to 3 months; medium-term for 4 to 24 months; or long-term for more than 24 months. The length of assistance depends upon the component type under which the cost is funded. Recipients must serve as many program participants as shown in their funding application to HUD, but, if the amount reserved for the term of the grant exceeds the amount needed to pay actual costs, the excess funds may be used to cover property damage, rent increases, or the rental needs of a greater number of program participants. When rental assistance funds are used to pay rent on units, the lease must be between the program participant and the landowner.

**Supportive services** are eligible costs under the PH, TH, and SSO program components, including Coordinated Entry. All eligible services types are listed in the box, and any cost not listed is ineligible. As in the past, services must be offered to residents of PSH and TH for the full period of their residence. RRH programs must require program participants to meet with a case manager at least monthly. Services may be provided to formerly homeless individuals for up to six months after their exit from homelessness, including the six months following exit from a transitional housing project. Eligible costs include the cost of providing services, the salary and benefits of staff providing services, and materials and supplies used in providing services.

**Eligible Types of Services**

- Annual assessment of service needs
- Assistance with moving costs
- Case management
- Child care operations or vouchers
- Education services
- Employment assistance and job training
- Food (meals or groceries)
- Housing search and counseling
- Legal services
- Life skills training
- Outpatient mental health services
- Outpatient health services
- Outreach services
- Outpatient substance abuse treatment
- Transportation
- Utility deposits
- Facilitating/coordinating activities for compliance with emergency transfer plan
- Monitoring compliance with VAWA confidentiality protections

**Operating costs** are eligible under the PH, TH, and HMIS program components. Funds may be used to pay the day-to-day operating costs in a single structure or individual housing units, including maintenance (such as scheduled replacement of major systems), repair, building security (when CoC Program funds pay for more than 50 percent of the facility by unit or area), electricity, gas, water, furniture, equipment, property insurance, and taxes. These costs may not be combined with rental assistance costs within the same structure.

**HMIS Costs** related to contributing client data to or maintaining data in the CoC’s HMIS or a comparable database for victim services providers or legal services providers are eligible costs under the PH, TH, SSO, and HMIS program components. Eligible HMIS costs include hardware, equipment and software costs; training and overhead; and HMIS-related staffing costs.

**Project Administration** These costs include expenses related to the overall administration of the grant, such as management, coordination, monitoring, and evaluation activities and environmental review.

**Indirect Costs**

**Indirect Costs** (also known as “facilities and administrative costs” defined at 2 CFR 200.56) are eligible under the CoC Program for all project types, and if the applicant does not have an approved federally negotiated indirect cost rate, the applicant may use a *de minimus* rate of 10 percent of modified total direct costs. If a renewal project decides to request indirect costs, it must carve the amount out of other program costs.

## ***CoC Renewal Funding***

Projects that have existing CoC grants that are expiring can apply for a continuation (renewal) grant under the following parameters.

- Which Grants Can be Renewed: To apply for renewal funding, the existing grant must be expiring in the calendar year 2024 (January 1 – December 31, 2024). A grant agreement for the project being renewed must be in place no later than December 31, 2023
- Applicants That Can Renew: The applicant must be the same entity that signed the expiring grant agreement with HUD
- Activities That Can Be Renewed: A project can only request renewal of term activities:
  - Leasing
  - Rental assistance
  - Operations
  - Supportive services
  - HMIS
  - Project administration
- Amount That Can be Renewed (GIW): A project's request cannot exceed the Annual Renewal Amount for the project approved by HUD in the Grant Inventory Worksheet (GIW)
- FMR issues: 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 (but not more than). 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. HUD will adjust leasing, operating, and rental assistance budget line items based on changes to the Fair Market Rents (FMR). All adjustments will be made prior to award announcement.
- Renewal term: **1 year for all renewal projects.**

### Renewing PSH and DedicatedPLUS

A renewal project that is PSH 100% dedicated to chronically homeless people may either become a DedicatedPLUS project or may continue to dedicate 100 percent of its beds to chronically homeless individuals and families. If a renewal project that has 100 percent of its beds dedicated to chronically homeless individuals and families elects to become a DedicatedPLUS project, the project will be required to adhere to all fair housing requirements.

A DedicatedPLUS project is defined as a project where 100 percent of the beds are dedicated to serve individuals with disabilities and families in which one adult or child has a disability, including unaccompanied homeless youth, that at intake are:

- Experiencing chronic homelessness
- Residing in a TH project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the TH project
- Residing in a place not meant for human habitation, emergency shelter, or safe haven, but the individuals or families experiencing chronic homelessness had been admitted and enrolled in a PH project within the last year and were unable to maintain a housing placement
- Residing in TH funded by a Joint TH and PH-RRH component project and who were experiencing

chronic homelessness prior to entering the project

- Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last 3 years, but has not done so on 4 separate occasions OR
- Receiving assistance through a Department of Veterans Affairs (VA)-funded homeless assistance program and met one of the above criteria at initial intake to the VA system.

Note: These renewal projects are encouraged to identify immigrants and persons with justice system involvement as an eligible subpopulation.

### Consolidating Renewal Projects

Eligible renewal project applicants may consolidate up to ten eligible renewal projects into one project application during the application process. This means that a CoC Program recipient no longer must wait for a grant agreement amendment to be executed to consolidate two or more grants before it can apply for a single consolidated project in the CoC Program Competition. The projects being combined during a grant consolidation will continue uninterrupted.

To be eligible for consolidation, the projects must have the same recipient and be for the same component; and will be funded in this competition only with FY 2023 funds (meaning no funds recaptured from prior years will be awarded to the project). HUD will not permit projects with outstanding problems, such as monitoring findings or financial management issues, to consolidate. HUD will not permit a transitional housing and a permanent housing project to consolidate to form a Joint TH and PH-RRH project and will not permit a transition grant to be consolidated with any other project.

To apply for a consolidated grant, applicants must submit separate renewal project applications in e-snaps for each of the grants that are proposed to be consolidated, and each of these applications must identify the grant number that will survive (which must be the grant number with the earliest start date in 2024). Project applications for the grants that are proposed to be consolidated will be ranked, and if all those grants are selected, HUD will award the single consolidated grant. If one of the grants proposed to be consolidated is found to be ineligible for consolidation or is not selected, HUD will award all grants that are eligible for renewal and selected as separate grants.

### YHDP Renewals

YHDP renewal projects in Santa Cruz County are subject to competition this year since they were originally awarded in YHDP FY 2016 (Round 1). YHDP renewal projects that wish to consolidate and meet the above requirements, can use the YHDP Replacement project process to replace multiple YHDP grants. YHDP renewal projects may not use the above consolidation option to consolidate with non-YHDP projects (although they can do so with eligible YHDP projects).

### A Note About Renewal Threshold Requirement

HUD assumes renewal projects meet project eligibility and quality threshold requirements because of previously approved grant applications, unless information to the contrary is received (e.g., monitoring findings, results from investigations by the Office of Inspector General, the recipient routinely does not draw down funds from LOCCS at least once per quarter, or consistently late APRs.). Eligibility threshold is determined on a pass/fail basis. Please see the 2023 CoC NOFA for further information.

HUD reserves the right to reduce or reject a funding from the project applicant for the following:

- Outstanding obligation that is in arrears or a payment schedule has not been agreed upon
- Audit finding(s) for which a response is overdue or unsatisfactory
- History of inadequate financial management accounting practices
- Evidence of untimely expenditures on prior award
- History of other major capacity issues that have significantly affected the project
- History of not reimbursing subrecipients for eligible costs timely, or at least quarterly
- History of serving ineligible program participants, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

## ***Creating New Projects***

In 2023, CoCs may submit new projects created through (1) reallocation including from FY 2016 YHDP (Round 1) projects, (2) CoC bonus, (3) combination of reallocation and CoC bonus, (4) DV bonus, and (5) YHDP replacement. To be eligible for any competitive new projects, a CoC must use system performance measures (see above) in ranking and selecting projects.

Also, new projects typically can request grant terms of one or more years depending on the project type, but maximizing future funding for the CoC favors requesting only one year (e.g., renewal of a one-year \$100,000 grant would be \$100,000 per year, while a three-year \$100,000 grant would be only \$33,333 per year).

- **New Stand-alone vs. expansion grants** - Generally, a new project can be either a stand-alone project or an expansion of an existing renewal in order to increase the numbers served, beds/units provided, services provided, HMIS services, etc. The new expansion applications must be submitted separately from the renewal application being expanded, although if both are funded HUD will issue a single contract. The expansion grant can be **funded only if the underlying renewal is also funded**. **YHDP projects are not eligible** for the expansion process this year. **DV bonus projects can be created** using the expansion process.
- **Transition grant** option - Applicants may opt to use the grant year to transition a renewal project from one CoC Program component to another (e.g., TH to RRH, RRH to PSH). To create a transition grant, the CoC must agree to wholly eliminate the original projects and use those funds to create the single, new transition grant. Transition grants have one year to fully transition from the original component to the new component. See below for more details.

### New Reallocation and/or CoC Bonus Projects

The following project types are eligible in 2023 to be created through **reallocation** of existing renewal funding or Round 1 YHDP renewal funding (amount varies based upon Board reallocation decisions) and/or the **CoC bonus**, which can be no more than 7% of ARD (**\$379,274** in our case). One or more projects can be created, including for non-YHDP youth focused projects, but the overall amount requested cannot exceed the funds being reallocated and/or the maximum CoC bonus.

1. **PSH** projects that will serve the qualified chronically homeless or DedicatedPLUS population. These projects are encouraged to identify immigrants and persons with justice system involvement as an eligible subpopulation.
2. **RRH** projects that will serve homeless categories 1, 2, and 4.

3. **TH-RRH** projects that will serve homeless categories 1, 2, and 4.
4. **CES** project that will serve homeless categories 1, 2, and 4.
5. **HMIS** project.

### Domestic Violence Bonus Projects

The 2023 NOFO provides a set-aside of **\$52 million** nationally for a DV bonus competition for new projects that serve a 100% DV population. Each CoC can receive a DV bonus amount of no more than 10% of its PPRN (in our case estimated **\$105,567**). The minimum single application amount is \$50,000. Also, a DV bonus project can be an expansion of a non-DV renewal (e.g., a RRH project expands to serve an exclusively DV population in the expansion). Eligible project types:

1. **RRH** following Housing First, one or more projects
2. **TH-RRH** following Housing First, one or more projects
3. **CES focused on DV**, no more than one project.

HUD competitive scoring for DV bonus funds will include:

- **CoC Score.** Up to **50 points** in direct proportion to the score received on the CoC Application
- **CoC Collaboration with DV Providers.** Up to **10 points** direct proportion to the score received on DV rating factors the CoC Application.
- **Project Need.** Up to **10 points** based on the extent the CoC quantifies the need.
- **Quality of the Project Applicant Experience.** Up to **15 points** based on the previous performance.
- **Inclusion of Victim-Centered Practices.** Up to **8 points** based on the quality of the project’s plan to address the housing and safety needs of survivors by adopting victim-centered practices (e.g., Housing First, Trauma-Informed Care, Confidentiality).
- **Inclusion of Survivors With Lived Experience.** Up to **7 points** based on the project’s ability to demonstrate its plan to involve survivors in policy and program development

Because CoCs must **rank** all new DV Bonus projects, care must be taken to avoid unintended consequences for lower projects. This because if **HUD selects** a project for the bonus, it will **remove the project from the CoC Priority Listing** and all **projects below the DV bonus project will slide up one rank position**. However, if **HUD does not select** the project, it will remain on the CoC Priority Listing, **may get selected as a regular new project**, which could negatively impact **projects ranked below it**.

Also, HUD has clarified that while a DV Bonus project may serve people fleeing or attempting to flee **human trafficking**, it may not exclusively serve this group.

### YHDP Replacement Projects

In 2023, a YHDP renewal applicant may opt to **replace** its current project with a new project. The new project can include **activities ineligible under the CoC Program** and can retain parts of its old program, provided the replacement project demonstrates it will directly address youth homelessness, and include a letter of support from the Youth Advisory Board (YAB). The YHDP Replacement project process can replace and consolidate multiple YHDP grants. Eligible replacement project types:

- **PSH**
- **RRH**
- **TH-RRH**

- TH or **Crisis Residential TH**
- **CES** focused on youth
- **SSO** – housing search, case management, drop-in centers, legal services, street outreach (SO)
- **Host homes and kinship care**
- **HMIS**
- **Shared housing**

Replacement projects cannot request capital costs (i.e., new construction, acquisition, or rehabilitation).

The NOFO has a long list of **special program flexibilities** detailed below. In sum, the flexibilities relate to issues such as subsidizing housing costs, paying for a range of other youth living costs, and relaxed lease and housing inspection-type requirements. For further details, please see the CoC NOFO, especially pp. 41-44.

**Summary of Eligible New Project Types in 2023**

<b>CoC bonus and/or Reallocation</b>	<b>DV Bonus</b>	<b>YHDP Replacement</b>
1. PSH – CH or DedicatedPLUS 2. RRH 3. Joint TH-RRH 4. CES 5. HMIS (reallocation only, not CoC bonus)	1. RRH projects 2. Joint TH-RRH 3. CES	1. PSH 2. TH-RRH 3. TH or Crisis Residential TH 4. CES focused on youth 5. Supportive Services Only (SSO) 6. Host homes and kinship care 7. HMIS 8. Shared Housing

New Project Threshold Requirements

For new projects, the review process considers applicant and subrecipient eligibility and capacity, project eligibility, and project quality as part of the threshold review. Project Eligibility Threshold: HUD will review eligibility threshold requirements on a pass/fail standard, and if standards are not met, the project will be rejected from the competition.

**Applicants and subrecipients must:**

- Be eligible under the CoC Program
- Demonstrate financial and management capacity and experience to carry out the project and to administer Federal funds
- Submit required certifications
- Propose an eligible population for the project type, as designated by the CoC Program
- Show that the project is cost-effective, with costs not deviating substantially from the norm in that locale for similar project activities
- Agree to participate in HMIS (except for victim service providers who must use a comparable database).

**Project Quality Threshold:** HUD will review all new project applications to determine if they meet project quality threshold requirements with clear and convincing evidence. The housing and services proposed must be appropriate to the needs of the program participants and the community.

- For new PSH or RRH projects, applications must receive at least 3 out of 4 possible points, and must meet the 3<sup>rd</sup> point, to be funded. Quality threshold factors include:
  1. Whether the type of housing, number, and configuration of units will fit the needs of the program participants
  2. Whether the type of the supportive services offered (regardless of funding source) will ensure that participants obtain or retain permanent housing
  3. Whether the plan to connect clients to benefits meets program participant needs
  4. Whether participants are assisted in obtaining and remaining permanent housing in a manner that fits their needs.
- For new Joint TH and RRH projects, applications must receive at least 4 out of 6 possible points, and must meet the 4<sup>th</sup> point, to be funded. Quality threshold factors include:
  1. Whether the type of housing, number, and configuration of units will fit the needs of the program participants
  2. The proposed project will provide enough rapid rehousing assistance to ensure that at any given time a program participant may move from transitional housing to permanent housing. This may be demonstrated by identifying a budget that has twice as many resources for the rapid rehousing portion of the project than the TH portion, by having twice as many PH-RRH units at a point in time as TH units, or by demonstrating that the budget and units are appropriate for the population being served by the project
  3. Whether the type of the supportive services offered (regardless of funding source) will ensure that participants obtain or retain permanent housing
  4. Whether the plan to connect clients to benefits meets program participant needs
  5. Whether participants are assisted in obtaining and remaining permanent housing in a manner that fits their needs
  6. Whether the project has low barriers to entry and prioritizes rapid placement and stabilization in housing.
- For new SSO projects for centralized or coordinated assessment systems, applications must receive at least 3 out of 5 possible points, and must meet the 5<sup>th</sup> point, to be funded. Quality threshold factors include:
  1. Whether the system is easily accessible to all in the CoC's geography who are seeking information about homelessness assistance
  2. Whether the advertising strategy is designed to reach persons with the highest barriers
  3. Whether there is a standardized assessment process
  4. Whether the project ensures participants are directed to housing/services that fit their needs
  5. Whether the plan to connect clients to benefits meets program participant needs.

**Other threshold requirements:**

- Project applicants and potential subrecipients must have satisfactory capacity, drawdowns, and performance for existing grant(s), as evidenced by timely reimbursement of subrecipients, regular drawdowns, and timely resolution of any monitoring findings
- For expansion projects, project applicants must clearly articulate the part of the project that is being expanded. Additionally, the project applicants must clearly demonstrate that they are not replacing other funding sources

- Project applicants must demonstrate they will be able to meet all timeliness standards
- HUD reserves the right to deny the funding request for a new project, if the request is made by an existing recipient that HUD finds to have significant issues related to capacity, performance, or unresolved audit/monitoring finding related to one or more existing grants. Additionally, HUD reserves the right to withdraw funds if no APR is submitted on the prior grant.

### ***More About Reallocation, CoC Bonus, and Combined Projects***

- **\$379,274** is the maximum CoC bonus amount this year, but again this amount can be combined with reallocated funds, if available, to form a larger project.
- The availability of reallocated funds in any amount is not guaranteed and depends upon whether the H4H Policy Board reallocated funds from one or more renewals or YHDP renewals for performance reasons or if reallocation would better end homelessness.
- Reallocated, CoC bonus, and combination projects must be ranked and tiered with other projects; there is no separate competition.

#### PSH bonus and/or reallocation projects:

- May use grant funds for:
  - Acquisition
  - Rehabilitation
  - New Construction
  - Leasing
  - Operations
  - Rental Assistance
  - Supportive Services
  - HMIS
  - Administration
- Must be fully dedicated to (100%) to chronically homeless individuals and families or to the populations allowed by the DedicatedPLUS project type.
- Projects are encouraged to identify immigrants and persons with justice system involvement as an eligible subpopulation
- Should use a Housing First approach. Housing First is a model of housing assistance that is offered without preconditions (such as sobriety or a minimum income threshold). Service participation requirements are now allowed. Rapid placement and stabilization in permanent housing are primary goals
- May be single site or scattered site
- Services must be offered based on residents needs
- A tenant lease is required, must be for at least one year, must be renewable, and terminable only for cause.

#### RRH bonus and/or reallocation projects:

- May use grant funds for:
  - Short term (up to 3 months) and/or medium-term (3-24 months) tenant-based rental assistance (must be at full FMR)
  - Supportive services
  - HMIS
  - Administration

- May serve homeless individuals and families, including unaccompanied youth
- Lease is required; must be renewable, for a term of at least one year (regardless of the length of assistance provided), and terminable only for cause.
- Project must:
  - Limit rental assistance to no more than 24 months per household
  - Limit services to no more than 6 months after rental assistance stops
  - Re-evaluate at least once per year whether the project participant continues to lack the resources and support networks necessary to retain housing without CoC assistance
  - Offer supportive services (may include any eligible CoC Program supportive service). Project participants should have access to a wide array of supportive services designed to help them retain stable, long-term housing
  - Require project participants to meet with a case manager at least monthly.
- Project may (in line with written RRH program standards adopted by the H4HP):
  - Set a maximum amount of rental assistance that a project participant may receive
  - Set a maximum number of months (up to 24 months) that a project participant may receive rental assistance
  - Set a maximum number of times that a participant may receive rental assistance
  - Require project participants to share in the costs of rent.

Joint TH and RRH bonus and/or reallocation projects:

- May use grant funds for:
  - Leasing of a structure or units
  - Operating costs to provide transitional housing
  - Short or medium-term tenant-based rental assistance on behalf of program participants to pay for the RRH portion of the project
  - Supportive services
  - HMIS
  - Project administrative costs
- May serve homeless families and/or individuals
- Must use Housing First
- Must be able to provide both components, including the units supported by the TH component and the rental assistance and services provided through the RRH component, to all participants
- A participant may choose to receive only the TH unit or the assistance provided through the RRH component, but the project must make both types of assistance available
- Must provide enough rapid rehousing assistance to ensure that at any given time a program participant may move from transitional housing to permanent housing. This may be demonstrated by identifying a budget that has twice as many resources for the rapid rehousing portion of the project than the TH portion, by having twice as many PH-RRH units at a point in time as TH units, or by demonstrating that the budget and units are appropriate for the population being served
- Must limit total assistance to 24 months.

HMIS bonus and/or reallocation projects only:

- Grant funds may be used for: HMIS and Administration
- The CoC's HMIS Lead Agency is the only agency that can apply for this funding.

CES bonus and/or reallocation projects:

- Coordinated entry is defined to mean a centralized or coordinated process designed to coordi-

nate program participant intake, assessment, and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool

- Grant funds may be used for: Supportive Services and Administration.

### ***More About Transitional Grants***

Applicants may transition renewal projects from one CoC Program component to another (e.g., TH to RRH, RRH to PSH) during the competition. To be eligible to receive a transition grant, the renewal project applicant must have the consent of its CoC. To create a transition grant, the CoC must wholly eliminate one or more projects and use those funds to create the single, new transition grant. The applicant can use as much funding it wants on the original program component, but must fully transition to the new program component by the end of the grant term.

For a new project to be considered a transition grant, the applicant for the new project must be the same recipient for the eligible renewal grant(s) being eliminated, and the applicant must provide the grant number(s) of the projects being eliminated to create the new project and attach a copy of the most recently awarded project application (e.g., if the project was last funded in the FY 2022 CoC Program Competition, a copy of the FY 2022 CoC Program Competition project application must be attached to the project application).

### ***More About New Projects Created Through Expansion of Existing Projects***

HUD will allow applicants to apply for a new expansion project under the reallocation process, new CoC bonus, and new DV bonus to expand an eligible renewal project by adding units or beds, persons served, services provide to existing participants, or to add additional eligible activities such as the new VAWA activities described above and new activities for HMIS or CE projects. For the new expansion project to be selected for conditional award the renewal project application must also be selected for conditional award. Expansion requests may only be for a one-year term and HUD will not fund capital development activities.

If both the new expansion project and the renewal it expands are selected for funding, one grant agreement incorporating both project applications will be executed. If the renewal project application is not conditionally selected for funding, the expansion project application will not be selected.

Project applicants may use the DV bonus to expand an existing renewal project that is not currently dedicated to serving survivors of domestic violence, dating violence, or stalking that meet the definition of homeless in order to dedicate additional beds, units, persons served, or services provided to existing program participants to this population. **YHDP projects are not eligible** for the expansion process this year.

To apply for an expansion grant, project applicants must submit separate renewal and new project applications and a renewal application that includes the information from the renewal new project application that combines the activities, and budgets into one renewal project application. While the renewal and new projects will be ranked by the CoC, the combined expansion project will not be ranked and, if selected for conditional award, will take the ranked position of the stand-alone renewal project, and the

separate new project will be removed from the ranking resulting in project applications below to slide up one ranked position. However, if the combined renewal expansion project is also part of a consolidation project application, HUD will follow the ranking process for consolidated projects outlined in the NOFO, and if the combined expansion and consolidation is selected for conditional award, the ranked position of the stand-alone renewal project and the new project will be removed from the ranking, resulting in project applications below to slide up. If HUD determines the combined expansion project is ineligible, HUD will review the renewal and new project applications separately as these projects will retain their ranked position on the CoC Project listings

### ***More About YHDP Replacement Projects***

A renewing YHDP project may choose to replace its current project with a new project, which may include activities ineligible under the CoC Program, or portions of its current program design, to conduct activities that are ineligible with CoC Program funds provided the replacement project demonstrates it will directly address youth homelessness. The YHDP Replacement project process can be used to replace multiple YHDP grants in lieu of consolidation.

If an eligible YHDP renewal project applicant wants to submit a YHDP replacement project application in lieu of submitting a renewal project application, it must include the grant number from the YHDP renewal project being replaced in the YHDP replacement project application. The CoC's Collaborative Applicant is responsible for ensuring that only a renewal YHDP or replacement YHDP project application is submitted through the CoC Priority Listing. If the Collaborative Applicant submits both a renewal and replacement YHDP project application for the same project, HUD will only select the renewal YHDP project application.

If a renewing YHDP project chooses to replace some or all current activities, it must submit a YHDP replacement project application and it will be reviewed by HUD to ensure that the activities requested are eligible and do not exceed the ARA of the renewal project that is being replaced; however, the replacement YHDP project will not be rejected (unless a renewal YHDP project application has been submitted for the same project being replaced). If needed, HUD will work with replacement YHDP recipients to correct or revise information submitted after the final FY 2023 award announcement prior to executing the grant agreement.

HUD will only fund YHDP replacement projects as described below:

1. Permanent Housing, including **PSH** and **RRH** projects.
2. Joint **TH-RRH** Component.
3. **Transitional Housing (TH)** or **Crisis Residential Transitional Housing** which is a form of transitional housing that is short-term, low-barrier, utilizes a congregate living setting, and provides access to the following supportive services in particular: family engagement and unification, case management, emergency triage services and other supportive services whose purpose is to move youth rapidly into stable housing.
4. **SSO**, including, but not limited to, housing search and placement services, case management, drop-in centers which are a physical location that offers a variety of services to individuals and families experiencing homelessness that can be funded through the drop-in center grant or through another grant, legal services, or street outreach.
5. **SSO-CE**.
6. **HMIS**.

7. **Host Homes and Kinship Care**, a model in which a family agrees to permit a youth to reside with them. Recognizing that the addition of another person in the home may increase costs to the family, HUD will entertain applications that propose to house youth with families and to subsidize the additional costs attributable to housing the youth. The residence is in a community-based setting. The family could be related to the youth and the length of stay may be time-limited or without time limits. YHDP replacement projects may be used to subsidize the increased costs to the family that are attributable to housing the youth. An example of eligible costs would be additional food or transportation costs.
8. **Shared Housing**, a model of housing assistance where rental assistance is provided for a youth to reside with a family or unrelated person. The youth leases from the property owner and shares the unit with the family. The unit may be a house or an apartment. Under this NOFO “immediate family member” is defined to mean parents, grandparents, siblings, and legal guardians. CoC funds may be used to provide replacement YHDP projects with tenant-based rental assistance for a youth to reside with a family. The FMR will be adjusted to the **youth’s pro-rata share of the FMR** for the shared housing unit size. For example, in the case of a single youth who will occupy one bedroom in a 4-bedroom house, the FMR used would be the youth’s pro-rata share of the 4-bedroom FMR (i.e., ¼ of the 4-bedroom FMR).

YHDP replacement projects may also choose to submit applications for the following special YHDP activities ineligible under the CoC program. Recipients may:

1. Have **leases** for a minimum term of **1 month** under rental assistance
2. Use **leasing, sponsor-based rental assistance, and project-based** rental assistance in RRH
3. Use **Admin funds** to support costs associated with involving **youth with lived experience**
4. Use **Admin funds** to attend relevant **conferences and trainings** that are **not HUD-sponsored**
5. **Employ youth** who are receiving services or housing from the recipient organization.
6. Use **habitability standards**, not Housing Quality Standards, in short or medium term assistance
7. Provide **moving expenses more than one-time** to a program participant
8. Provide **payments of up to \$500** per month for families under a host home model
9. Use the following:
  - a. **Security deposits** for units in an amount not to exceed **2 months** of rent
  - b. **Housing damages** while the **youth is still in the unit** up to **two-months’** rent
  - c. Household **cleaning supplies** for clients
  - d. Housing **start-up expenses**, including furniture, pots and pans, linens, toiletries, and other household goods, not to exceed **\$300**
  - e. One-time cost of purchasing a **cellular phone** and service for program participant use
  - f. Cost of **internet** in a program participant’s unit
  - g. Payment of **rental arrears of up to 6 months**, including any late fees on those arrears
  - h. Payment of **utility arrears of up to 6 months** per service
  - i. Up to **three months of utilities** for a program participant
  - j. **Gas and mileage** costs for a program participant’s **personal vehicle** for trips to and from medical care, employment, childcare, or other services eligible under this section
  - k. **Legal fees**, including court fees, bail bonds, and required courses and equipment.
  - l. **Driving fines** and fees that prevent driver’s license renewal and impacting housing
  - m. Costs for **car insurance and registration**, if the personal vehicle is necessary to reach medical care, employment, childcare, or other services eligible
10. Provide up to **36 months of RRH** rental assistance
11. Continue providing **supportive services for up to 24 months after exit** from homelessness, transitional housing or after the end of housing assistance

12. Continue providing **supportive services for up to 36 months after exit from homelessness**
13. **Rental assistance** may be combined with **leasing or operating** funds in the **same building**
14. Provide **payments of up to \$1000 per month for families** that provide housing under a host home and kinship care model, if the additional cost is necessary to recruit hosts to the program
15. Carry out other **innovative activities**, provided the activity meets the following criteria:
  - a. Approved by both the **Youth Action Board (YAB) and CoC**
  - b. Tests or likely to achieve a **positive outcome** in at least **core outcomes area**
  - c. Is **cost effective**
  - d. Is **not in conflict with fair housing**, civil rights, or environmental regulations.

## ***Additional New Project Design and Implementation Issues***

### Funding Levels and Adjustments

- New project applications must request the full FMR amount per unit
- HUD will adjust leasing, operating, and rental assistance budget line items based on changes to the Fair Market Rents (FMR). All adjustments will be made prior to award announcement
- If the recipient has a subrecipient, it is required to share at least 50% of project administrative funds with its subrecipient(s).

### Timeliness

- Proof of site control, match, environmental review, and the documentation of financial feasibility must be completed within 12 months of the announcement of the award, or 24 months in the case of funds for acquisition, rehabilitation, or new construction. The 12-month deadline may be extended by HUD for up to 12 additional months upon a showing of compelling reasons for delay due to factors beyond the control of the recipient or subrecipient
- For recipients of funds for rehabilitation or new construction:
  1. Construction activities must begin within 9 months of the later of signing of the grant agreement or of signing an addendum to the grant agreement authorizing use of grant funds for the project.
  2. Construction activities must be completed within 24 months of signing the grant agreement.
  3. Activities that cannot begin until after construction activities are completed must begin within 3 months of the date that construction activities are completed
- In order to expend funds within statutorily required deadlines, applicants funded for new sponsor-based and project-based rental assistance must execute the grant agreement and begin providing rental assistance within 2 years. However, HUD strongly encourages all rental assistance to begin within 12 months of award. Applicants unable to begin within 12 months should consult with the local HUD CPD Field Office.

### New Project Grant Terms

It makes sense for new and renewal projects apply for **1 year** renewable yearly to maximize funding. However, the following the following terms are allowable under the 2022 CoC NOFO:

New Projects can request 1, 2, 3, 4, 5, or 15 year grant terms, with the following exceptions:

1. Any new projects that request tenant-based rental assistance may request a **1-year, 2-year, 3-year, 4-year, or 5-year** grant term.
2. Any new project application that includes leasing could only request **up to a 3-year** grant term.
3. Any new projects requesting project-based rental assistance or sponsor-based rental assistance, or

- operating costs could request up to a 15-year grant term, but request up to **5 years** of funds.
4. Any of the following new projects could request **1-year, 2-year, 3-year, 4-year, or 5-year** grant terms: operating costs, supportive services only, HMIS, and project administration.
  5. Any new project applications that requested new construction, acquisition, or rehabilitation had to request a minimum of a **3-year grant term and could request up to a 5-year grant** terms.
  6. If an applicant requested funds for new construction, acquisition, or rehabilitation in addition to requesting funds for operating, supportive services, or HMIS, the term had to be **3 years plus the time** necessary to acquire the property, complete construction, and begin operating the project
  7. Expansion proposals are limited to **1 year**.
  8. YHDP replacement projects are limited to **1 year**.
  9. HUD will allow new projects that request a **1 year** of funding to request a longer initial grant term not to exceed 18 months. HUD has determined that most new projects requesting 1 year of funding normally take approximately 3 to 6 months to begin fully operating the new project (e.g., hiring staff, developing partnerships with landowners if leasing or renting). Therefore, a new project requesting 1 year of funding may request a grant term of 12 months to 18 months.

## ***Match Requirements***

All eligible funding costs, except leasing, must be matched with no less than a **25 percent cash or in-kind contribution. No match is required for leasing.** The match requirements apply to project administration funds, CoC planning costs, and UFA costs, along with the traditional expenses—operations, rental assistance, supportive services, and HMIS.

However, YHDP renewal or replacement projects will not be required to meet the 25 percent match requirement if the applicant is able to demonstrate it has taken reasonable steps to maximize resources available for youth experiencing homelessness.

Cash match: A recipient or subrecipient may use funds from any source, including any other federal sources (excluding CoC program funds), as well as State, local, and private sources, provided that funds from the source are not statutorily prohibited to be used as a match. (The recipient must ensure that the rules governing match funds allow them to be match for the CoC Program.) The cash must be used for activities that are eligible under the CoC Interim Rule.

- **NOTE: Program income CAN be used as match.**
- Funds from other federal programs (e.g., HUD VASH) are eligible sources of match and are considered government sources. Project applicants are encouraged to include funds from these sources, whenever possible.

In-kind Match: The recipient or subrecipient may use the value of **property, equipment, goods, or services** contributed to the project, provided that, if the recipient or subrecipient had to pay for such items with grant funds, the costs would have been eligible. If third-party services are to be used as a match, the recipient or subrecipient and the **third-party service provider** that will deliver the services must enter into a **memorandum of understanding (MOU)**—before the grant is executed—documenting that the third party will provide such services and value towards the project.

- Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization
- The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide services, the specific service to be provided, the profession of the

persons providing the service, and the hourly cost of the service to be provided.

## ***Electronic Application (e-snaps)***

The following e-snaps information is a just a brief summary. Project applicants should rely on HUD's very detailed e-snaps materials as authoritative on e-snaps matters.

CoCs and applicants are required to apply for CoC funds electronically through HUD's *e-snaps* system. Santa Cruz County projects must participate in the Santa Cruz CoC application through *e-snaps*. The e-snaps online grant application and management system, training materials, Frequently Asked Questions, and additional resources are available at: <https://www.hudexchange.info>.

Questions may be submitted to HUD through the *e-snaps* Virtual Helpdesk also at: <https://www.hudexchange.info>.

E-snaps can be directly accessed at: <https://esnaps.hud.gov/grantium/frontOffice.jsf>.

In essence, applicants will:

1. Create a User Profile (new users only): First, create a user name and password
2. Project Applicant Profile: Second, fill out and submit a Project Applicant Profile form AND
3. Project Application: Finally, register for, fill out and submit a Project Application form for each project and provide applicable attachments.

H4H lead staff will have access in *e-snaps* to each Project Application in order to review the applications. Any changes needed will be returned to applicants for correction. H4H lead staff will not be able to directly edit Project Applications.

In 2023, the H4HP Policy Board must approve (or reject), rank, and place into Tier 1 or Tier 2 all projects correctly submitted in e-snaps. This includes CoC bonus and DV bonus projects and YHDP projects, but does not include CoC planning projects. If not correctly submitted, projects cannot be approved or ranked in e-snaps and thus cannot be funded.

Applicants using e-snaps must have a valid **federal Unique ID** number and up-to-date federal **System for Award Management (SAM)** registration.

Again, only basic information is about e-snaps (subject to change and correction) is provided above. Therefore, it is critical that you access and review e-snaps materials at: <https://www.hudexchange.info>.

The Santa Cruz County H4HP's CoC Consultant will be available to answer questions about e-snaps at [tonygardnerconsulting@yahoo.com](mailto:tonygardnerconsulting@yahoo.com). ***Before contacting the consultant, please attempt to answer your own question by reading the applicable e-snaps information or training materials.***

## LOCAL SANTA CRUZ COUNTY 2023 CoC PROJECT EVALUATION PROCESS

### ***Role of the Santa Cruz County Housing for Health Partnership (H4HP)***

Applicants for new and/or renewal CoC funding in 2023 must participate in the local consolidated application being coordinated by the Santa Cruz H4HP. The process includes applying for funds, providing information as needed for the consolidated application, and participating in planning meetings. The key local deadlines and requirements are listed in the attached CoC Process Timeline. Please note that the dates and requirements are subject to change. The best way to keep track of such changes is to attend all the meetings; however, we will make our best effort to keep everyone informed! Technical assistance is available from the CoC Consultant at [tonygardnerconsulting@yahoo.com](mailto:tonygardnerconsulting@yahoo.com).

### ***Types of Projects Encouraged***

All eligible projects are encouraged to apply for CoC funds in the local competition. Based upon HUD priorities and Santa Cruz CoC priorities the following proposal types are being encouraged:

#### Renewal Proposals:

- Renewal of existing CoC (those expiring in 2023) that are high performing and are an effective use of funds for reducing homelessness.

#### Reallocation Proposals:

- Voluntary or transitional reallocation of projects to (1) new PSH with rental assistance exclusively targeted to CH with emphasis on the longest histories of homelessness and most severe needs, (2) new DedicatedPLUS projects *with rental assistance*, (3) new Joint TH and RRH projects, and (4) new RRH for homeless individuals or families, including unaccompanied youth
- Proposals requesting reallocation of funds for expansion of coordinated entry and HMIS to the extent justified by unmet operational costs, or to improve program or administrative efficiency.

#### New CoC Bonus Proposals

- New PSH with rental assistance serving exclusively CH individuals and families with emphasis on the longest histories of homelessness and most severe needs
- New PSH DedicatedPLUS projects with rental assistance
- New Joint TH and RRH projects
- New RRH for homeless individuals or families, including unaccompanied youth
- Proposals requesting CoC Bonus funds for expansion of coordinated entry and HMIS to the extent justified by unmet operational costs, or to improve program or administrative efficiency.

#### New DV Bonus Proposals

- RRH projects following Housing First
- Joint TH and RRH projects following Housing First
- CE project that better equips CE to meet the needs of DV survivors.

#### YHDP Proposals

- Renewal of existing YHDP projects (those expiring in 2023) that are high performing and are an effective use of funds for reducing homelessness.

- All eligible YHDP replacement projects.

Note: New and renewal PSH projects serving CH and DedicatedPLUS populations are encouraged to identify immigrants and persons with justice system involvement as an eligible subpopulation.

The following types of projects are generally not eligible for CoCs like ours under HUD's rules:

- Emergency shelter
- Homelessness prevention
- New transitional housing
- New supportive services only (except as allowed for YHDP projects).

### ***Notice Regarding Potential Reallocation of Funds***

Please be aware that the H4HP Board will review all renewal grants and may reallocate funds if it finds that the renewal project is under performing, obsolete, or ineffective, or that reallocation would reduce homelessness or improve program or administrative efficiency. See above for the types of projects that are eligible and prioritized to receive reallocated funds.

### ***Encouragement of Voluntary or Transitional Reallocation to Better Align the CoC***

In order to encourage projects to voluntarily align themselves with HUD priorities and local priorities under *Housing for a Healthy Santa Cruz: A Strategic Framework for Addressing Homelessness in Santa Cruz County*, existing transitional housing projects, or other projects components that are no longer needed, that no longer match the agency's mission, or that are underperforming, wishing to convert their project to one of the eligible new reallocation project types described and prioritized above, will be given priority by the H4HP Board in accessing the funds reallocated from their existing project. Such projects may use the transitional grant procedure allowed this year under the 2023 CoC NOFA.

### ***Specific Methods of Evaluating Proposals From Victim Service Providers***

The H4HP encourages applications from victim service providers and other providers for DV bonus projects and other projects that will help meet the housing, safety, and other needs of survivors of domestic violence, dating violence, and stalking. The following specific evaluation methods apply to proposals from victim service providers:

Renewal Proposals:

- Use of comparable database: Victim service providers are prohibited from entering data into HMIS, and instead must use a comparable database that meets HMIS requirements. Therefore, all relevant performance and data questions in the local supplemental application and the HUD e-snaps application must be answered using aggregate (non-identifiable) data from a comparable database.
- Addressing program factors: The project quality, readiness, and appropriateness section of the local supplemental application and the project description section of HUD e-snaps application must include a description the project applicant's previous experience and performance, inclusion of victim-centered practices, plan to include survivors with lived experience, and how the project will improve the safety of participants.

## New Project Proposals

- Use of comparable database: Victim service providers are prohibited from entering data into HMIS, and instead must use a comparable database that meets HMIS requirements. Therefore, victim service providers proposing new projects must agree to use a comparable database and to provide the CoC with aggregate (non-identifiable) data from the comparable database.
- Addressing program factors: The project quality, readiness, and appropriateness section of the local supplemental application and the project description section of HUD e-snaps application must include a description the project applicant's previous experience and performance, inclusion of victim-centered practices, plan to include survivors with lived experience, and how the project will improve the safety of participants.

## ***Encouragement of New Applicants, Applicants Representing LGBTQ+, and Applicants Representing Races/Ethnicities Overrepresented in Homelessness***

The H4HP is open to and encourages applications from entities that have not previously been awarded CoC funds. Applications are also encouraged from organization led by, representing, and/or serving LGBTQ+ or races and ethnicities that may be over-represented in the homeless population. Any prospective or new applicants are requested to contact at [tonygardnerconsulting@yahoo.com](mailto:tonygardnerconsulting@yahoo.com) to learn more about the CoC application goals, requirements and process. In addition, prospective and new applicants will be invited to participate in all of the process steps below, including the Applicant Technical Assistance Session and on-call technical assistance.

## ***Basic Local Evaluation Process Steps, Local Deadlines, Decision Minutes, Notice to Applicants, and Website Posting of Priority Listings***

- H4H staff issue an internal (Santa Cruz County) notice of funding with an application timeline specifying key requirements, criteria including system performance measures, dates, and deadlines.
- CoC Consultant holds an Applicant Orientation Session to brief all prospective, new, and existing applicants about the requirements and process and to make sure every applicant has the necessary information and evaluation and application-related materials to apply.
- CoC Consultant furnishes on-going technical assistance to all applicants e-mail regarding technical requirements and *e-snaps*.
- H4H requires that local Project Proposals using H4HP-created evaluation forms with required attachments (such as renewal APRs) be submitted along with e-snaps applications for review and ranking (at least 30 days before the HUD deadline).
- The H4HP Review and Ranking Committee, under H4HP Policy Board direction, meets to approve or reject, score, rank, and place in Tier 1 or Tier 2 renewal and new project applications (including CoC, YHDP, and DV bonus projects), and to hear applicant presentations.
- H4H staff provide notice to applicants regarding project approval or rejection, rank order, tier placement, and any reduction (at least 15 days before the HUD deadline). Minutes of the decisions will be made available to all CoC Members, and will posted online with the Project Priority listings.
- H4H requires that complete and accurate Project Applications be submitted in *e-snaps* with all HUD-required forms (CoC staff will conduct a thorough technical review of the Project Applications and may amend them back in e-snaps for correction and re-submission).

- H4H posts the CoC Application and Project Priorities submission online for public review (at least two days before the HUD deadline).
- H4H submits the final 2023 CoC application in e-snaps to HUD, including the CoC Application, Project Applications, and Project Priority Listings.

### ***H4HP Rating and Ranking and Publicly Announced Objective Criteria***

HUD requires that the community review, approve (or reject), rank, and place into Tiers 1 and 2 (if applicable) all projects submitted (including CoC, YHDP, and DV bonus projects, but not including the CoC planning project, which is not ranked). As in previous years, this process will be carried out by the H4HP H4HP Review and Ranking Committee with members selected for (1) lack of conflict of interest, (2) knowledge of the community and homelessness issues, and (3) representative of varied sector interests.

H4HP Review and Ranking Committee members will engage in a fair, objective decision process that may include the following:

1. Signing the H4HP's No Conflict of Interest Policy and recusal in any cases of conflict.
2. Reviewing, rating, and evaluating local projects using previously publicly announced objective criteria that include system performance measures.
3. The local applications and Evaluation Criteria will include project HMIS data used to measure project and system performance in line with national HEARTH Act performance objectives.
4. Proposal question and answer with applicants (if needed).
5. Discussion of the local applications in the context of local strategic plan and HUD priorities and needs, performance metrics, etc.
6. Vote on the approval (or rejection), rank order, and tier placement (if applicable) of each new and renewal project (including CoC Bonus, YHDP, and DV Bonus projects).
7. As mentioned above, all applicants will receive notice regarding project approval (or rejection), rank order, Tier placement, and any reduction (at least 15 days before the HUD deadline). Minutes of the rating and ranking decisions, and bonus selection, will be made available to all CoC Members, and will be posted online with the Project Priority listings (at least two days before the HUD deadline).

### ***Deadlines and Proposal Requirements***

Please see the attached Combined Process Timeline and Local Proposal Instructions/Checklist.

### ***On-Call Technical Assistance: New and Existing Applicants***

If you need on-call technical assistance please don't hesitate to contact the H4HP CoC Consultant at [tonygartnerconsulting@yahoo.com](mailto:tonygartnerconsulting@yahoo.com).

### ***Resource Information***

1. 2023 CoC NOFA Competition Page: <https://www.hudexchange.info/programs/e-snaps/fy-2023-coc-program-nofa-coc-program-competition/>
2. 2023 CoC NOFA: [https://www.hud.gov/program\\_offices/comm\\_planning/coc/competition](https://www.hud.gov/program_offices/comm_planning/coc/competition)
3. HUD Announcement of 2022 NOFA Release: <https://www.hudexchange.info/news/fy-2022-coc->

- [program-competition/](#)
4. CoC Program Interim Rule (24 CFR part 578):  
<https://www.hudexchange.info/resource/2035/cocprogram-interim-rule-formatted-version/>
  5. Training and Resources: [www.hudexchange.info/homelessness-assistance/](http://www.hudexchange.info/homelessness-assistance/)
  6. Code of Conduct for HUD Grant Programs:  
[www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/conduct](http://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/conduct)
  7. Subscribe to HUD Listserv: [www.hudexchange.info/maillinglist](http://www.hudexchange.info/maillinglist)
  8. HUD Exchange, Ask A Question (AAQ): <https://www.hudexchange.info/program-support/myquestion/>
  9. HUD Websites: [www.hud.gov](http://www.hud.gov); [www.hudexchange.info](http://www.hudexchange.info)
  10. Application Pages:
    - a. Access E-snaps Application System: <https://esnaps.hud.gov>
    - b. E-snaps Information: <https://www.hudexchange.info/programs/e-snaps/>
  11. System of Award Management (SAM): <https://www.sam.gov/SAM>
  12. Santa Cruz County H4HP webpage: <http://homelessactionpartnership.org/>

Separate Attachments:

1. Local CoC Process Timeline
2. Local Objective Project Rating and Scoring Criteria
3. 2023 Renewal Project Scoring Tool
4. 2023 New Project Scoring Tool
5. 2023 Local Proposal Instructions and Checklist