

Highlights of the 2021 Continuum of Care (CoC) Notice of Funding Opportunity (NOFO)

A. Overview and General Requirements

- HUD is making available approximately \$2.65 billion in Fiscal Year 2021 for the CoC Program, an increase from approximately \$2.3 billion in Fiscal Year 2019. Due to the COVID-19 pandemic, no CoC competition was held in FY 2020.
- The deadline for local Continuums of Care (CoCs) to submit their applications to HUD is **November 16, 2021**. The San Mateo County CoC's local competition process and timeline will be published in separate document and posted online at: <https://hsa.smcgov.org/continuum-care-nofa>
- In 2021, HUD's CoC application scoring places increased emphasis on CoC Coordination and Engagement (+40 pts. from 2019), and decreased emphasis on system performance and Point in Time Count (PIT). Maximum total points available for the CoC Application is 173 (down from 200 in 2019), including 10 bonus points for including a new project that leverages health system funding (see page 4).
- CoCs will be required to place projects into Tier 1 and Tier 2. Tier 1 projects are assured of funding, while Tier 2 projects must compete nationally for awards and may not receive funding. This year Tier 1 is equal to 100% of all projects eligible for renewal (Annual Renewal Demand or ARD). Tier 2 is the difference between Tier 1 and the maximum amount of renewal, reallocation and bonus funds the CoC can apply for. The San Mateo County CoCs Annual Renewal Demand is \$13,685,096, so the Tiers are:
 - Tier 1 = \$13,685,096
 - Tier 2 = \$684,255Since Tier 1 is equal to ARD, the CoC has the option to place all its eligible renewals into Tier 1.
- Bonus funding may be requested for new Rapid Re-Housing (RRH) or Permanent Supportive Housing (PSH) projects serving single adults, families or youth. Bonus funds can also be used for Transitional Housing/Rapid Re-Housing (TH/RRH), HMIS, or Supportive Services Only projects to develop coordinated entry. The San Mateo County CoC can apply for up to \$684,255 for new permanent housing projects. New projects must meet HUD threshold and quality requirements.
- This year, HUD is making available \$102 million for bonus projects serving survivors of domestic violence, dating violence, sexual assault, or stalking. San Mateo County can receive up to \$491,550 for a DV bonus project. DV bonus funds can be used for Rapid Re-Housing (RRH), Transitional Housing/Rapid Re-Housing (TH/RRH), or Support Services Only (SSO) for Coordinated Entry to implement policies to ensure CES meets the needs of domestic violence survivors.
- CoCs are required to conduct a local application process and implement internal competition deadlines and notification processes that ensure transparency and fairness. CoCs must rate and rank projects based on objective assessment of performance and are strongly encouraged to re-allocate projects to create new projects that improve their overall performance and better respond to their needs.

- Re-allocated funds may be used to create new RRH, PSH or TH/RRH projects. Re-allocated funds may also be used to create HMIS or Coordinated Entry projects operated by the Collaborative Applicant (HSA).

B. HUD Policy Priorities

This year, HUD has established 7 policy priorities, most of which are new or significantly modified since 2019:

1. Ending Homelessness For all Persons

- Identify, engage, and effectively serve all persons experiencing homelessness.
- Measure performance based on local data that considers the challenges faced by all subpopulations experiencing homelessness in the geographic area.
- Partner with housing, health care, and supportive services providers to expand housing options, such as permanent supportive housing, housing subsidies, and rapid rehousing.
- 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. Use a Housing First Approach

- Prioritize rapid placement and stabilization in permanent housing, without service participation requirements or preconditions.
- 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 rapid rehousing and permanent supportive housing participants, remove barriers to entry, and adopt client-centered service methods.
- Assess how well Housing First approaches are being implemented.

3. Reducing Unsheltered Homelessness.

- Identify permanent housing options for people who are unsheltered.

4. Improving System Performance.

- Use system performance measures (e.g., average length of homeless episodes, rates of return to homelessness, rates of exit to permanent housing destinations) to determine effectiveness of programs and systems.
- 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 CoC projects eligible for renewal in FY 2021 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.
- System performance measures will be a more significant rating factor in FY 2022 and beyond.

5. Partnering with Housing, Health, and Service Agencies.

- Work closely with public and private healthcare organizations and assist program participants to obtain medical insurance to address healthcare needs.
- Partner closely with PHAs and state and local housing organizations to utilize coordinated entry, develop housing units, and provide housing subsidies to people experiencing homelessness.
- 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 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.
- Work with tribal organizations to ensure that tribal members can access CoC-funded assistance when a CoC's geographic area borders a tribal area.

6. Racial Equity.

- In nearly every community, Black, Indigenous, and other people of color are substantially overrepresented in the homeless population. Review local policies, procedures, and processes to determine where and how to address racial disparities affecting individuals and families experiencing homelessness.

7. Persons with Lived Experience.

- Include in the local planning process people who are currently experiencing or have formerly experienced homelessness.
- People with lived experience should determine how local policies may need to be revised and updated, participate in CoC meetings and committees as stakeholders, provide input on decisions, and provide input related to the local competition process (e.g., how rating factors are determined).
- Seek opportunities to hire people with lived experience.

C. Continuity of 2019 NOFA Elements

HUD continues to offer renewal applicants a range of flexibilities, including:

- Transition Grants. Applicants that want to transition one of their existing projects to a new project component (e.g., TH becomes RRH or RRH becomes PSH) can do so by voluntarily re-allocating their existing grant and creating a new project. Unlike regular re-allocation, with Transition Grants there will be no “lag time” between the end of the old project and the beginning of the new project. Some other restrictions apply (see NOFA).
- Consolidation Grants. Applicants may consolidate two but no more than ten eligible renewal projects during the application process. Consolidated grants must have the same recipient and be of the same program type. Project combined through consolidation will continue uninterrupted.
- Project Expansion. CoCs may use either bonus or re-allocation funding to create new projects that are expansions of existing CoC-funded projects. Existing CoC-funded projects that wish to expand by adding additional beds and units may apply for a new project under the “expansion”

option. The expansion units must operate identically to the existing project (same target population, service model, etc.).

- Homeless Youth definition is expanded if served by “youth-serving” provider. Any youth-serving provider funded under this NOFA 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. HUD interprets “youth-serving provider” as a private nonprofit organization whose primary mission is to provide services to youth aged 24 and under and families headed by youth aged 24 and under. HUD interprets “living in unsafe situations” as having an unsafe primary nighttime residence and no safe alternative to that residence.

D. Important Changes Since 2019

The list below summarizes the most important changes in the FY 2021 NOFO when compared to FY 2019. See NOFO for additional details.

- *Housing First.* Using the Housing First model to prioritize rapid placement and stabilization in permanent housing without service participation requirements or preconditions is returning in the FY 2021 CoC Program Competition.
- *Coordination with Housing and Healthcare.* HUD is incentivizing CoCs that create projects that coordinate with housing providers and healthcare organizations to provide permanent housing and rapid rehousing services. CoCs may receive up to 10 bonus points for new project applications that use housing vouchers and health care provided by healthcare services providers.
- *Coordination with Housing Authorities.* HUD increased the number of points in the NOFO related to CoC coordination with Public Housing Agencies
- *Racial Equity.* HUD has increased the number of points related to whether people of different races or ethnicities are less likely to receive homeless assistance or positive outcomes, whether racial or ethnic disparities are present, and whether CoCs and homeless providers have identified barriers that led to these disparities and have taken steps to eliminate these barriers to improve racial equity. Additionally, points were added to determine if CoCs are promoting racial equity through the rating factors used in the local CoC competition process.
- *People with Lived Experience.* A new category of points has been added to promote inclusion in the local planning process of current and former homeless persons with lived experience.
- *COVID-19.* Points were added related to how CoCs addressed challenges resulting from the outbreak of COVID-19 affecting individuals and families experiencing homelessness, including increased calls due to domestic violence, the need for additional assistance related to mainstream benefits and other assistance, and changes needed to the CoC’s coordinated entry system.
- *CARES Act.* Points are being awarded for coordination with Emergency Solutions Grants (ESG) regarding CARES Act funding and distribution with the CoC's geographic area and use of these funds to address homelessness and COVID-19.

- *Unsheltered Point in Time Count (PIT)*. Due to the COVID-19 pandemic, most communities could not conduct an unsheltered count in 2021 that is comparable to previous counts. For this year, HUD has determined that the sheltered count is a better reflection of overall changes of homelessness and is not evaluating unsheltered data in this year's NOFO. HUD plans to measure sheltered and unsheltered populations in 2022.