

## Highlights of the 2023 Continuum of Care (CoC) Notice of Funding Opportunity (NOFO)

### A. Overview and General Requirements

- HUD is making available approximately \$3.13 billion in Fiscal Year 2023 for the CoC Program, an increase from approximately \$2.79 billion in Fiscal Year 2022.
- The deadline for local Continuums of Care (CoCs) to submit their applications to HUD is **September 28, 2023**. The San Mateo County CoC's local competition process and timeline will be published in a separate document and posted online at: <https://www.smcgov.org/hsa/continuum-care-nofanofa>
- In 2023, HUD's CoC application scoring maintains an increased emphasis on CoC System Performance and Coordination with Housing and Healthcare compared to application scoring prior to 2021. The maximum total points available for the CoC Application is 200.
- CoCs will be required to place projects into Tier 1 and Tier 2. Tier 1 projects are guaranteed funding, while Tier 2 projects must compete nationally for awards and may not receive funding. This year, Tier 1 is equal to 93% 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 for which the CoC can apply. San Mateo County's estimated Annual Renewal Demand (ARD) is \$14,164,778. Once bonus funding amounts are announced by HUD, the exact available funding will be announced locally.
- 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. New projects must meet the HUD threshold and quality requirements.
- This year, HUD is making available \$52 million for bonus projects serving survivors of domestic violence, dating violence, sexual assault, or stalking. 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 an objective assessment of performance and are strongly encouraged to reallocate projects to create new projects that improve their overall performance and better respond to their needs.
- Reallocated funds may be used to create new RRH, PSH, or TH/RRH projects. Reallocated funds may also be used to create HMIS or Coordinated Entry projects operated by the Collaborative Applicant (HSA).

## **B. HUD Policy Priorities**

HUD has established 9 policy priorities, unchanged from 2022:

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

- Discrimination on the basis of gender identity or sexual orientation manifests differently for different individuals and often overlaps with other forms of prohibited discrimination. Address the needs of LGBTQ+, transgender, gender non-conforming, and non-binary individuals and families in their planning processes.
- Ensure privacy, respect, safety, and access regardless of gender identity or sexual orientation in projects.
- Partner with organizations with expertise in serving LGBTQ+ populations.

#### 8. 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.

#### 9. Increasing Affordable Housing Supply.

- Educate local leaders and stakeholders about the importance of increasing the supply of affordable housing and the specific consequences of the continued lack of affordable housing.
- Communicate with jurisdictional leaders, including for the development of consolidated plans, about the harmful effects of the lack of affordable housing and steps to increase the supply of affordable housing such as, zoning and land use reform.
- There are points in the 2022 NOFO specifically for CoC's who have engaged local leaders about increasing affordable housing.

### **C. Continuity of 2023 NOFO 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 reallocation, 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 NOFO).

- 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 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. 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 2022**

Below is a summary of important changes in the FY 2023 NOFO. See NOFO for additional details.

- *Increase to CoC Planning for Collaborative Applicant*. The Collaborative Applicant (CA), locally San Mateo County HSA, can apply for up to 5% of the CoC’s available funding in CoC Planning. This is an increase from the previously established 3%.
- *Affirmatively Furthering Fair Housing (AFFH)*. HUD added 1 point to the Centralized or Coordinated Assessment System Scoring and grouped this with Affirmatively Furthering Fair Housing.
- *Advancing Racial Equity in Homelessness*. HUD has shifted the language surrounding Racial Equity to state “Advancing” rather than “Promoting”. This is also represented in more than one place in the scoring rubric now.
- *People with Lived Experience*. HUD increased the points available for including people with lived experience by 2 points. HUD also expanded the requirements surrounding this by requiring a letter of support from the group of people with lived experience to accompany the application.
- *Reducing the Number of Homeless individuals and Families*. Added 2 points for demonstrating a reduction.