



## **FY 22 Continuum of Care Program Competition Notice of Funding Opportunity (NOFO) Highlights**

The Fiscal Year (FY) 2022 Continuum of Care (CoC) Program Competition NOFO was released on August 1, 2022. **The application is due by 7PM (CST) on September 30, 2022.** There is approximately \$2.8 billion available in the FY22 CoC Program Competition NOFO and up to \$52 million available for Domestic Violence (DV) Bonus projects. Chicago's CoC is eligible to apply for:

- Annual Renewal Demand- \$84,789,486.00
- DV Bonus-\$5 million
- Non DV Bonus-\$3,913,899

Project Applications are due no later than 30 days prior to the NOFO deadline and the CoC must notify project applicants if their application will be included in the CoC Consolidated Application submission at least 15 days prior to the deadline.

On July 27, 2022, the CoC opened its new project selection process for Permanent Supportive Housing projects through the Homeless Housing Expansion Initiative. On August 22, 2022, the CoC is expected to open the new project selection process for other allowable program models. This year, we are competing for two NOFOs which allows new projects the opportunity to be awarded through one of our opportunities. Applicants who successfully completed the application process have been invited to submit a new project application. The New Projects Selection Committee will review applications and make recommendations for funding.

HUD is continuing its two-tier funding process, like previous years. This year, Tier 1 will be 95% of the CoC's Annual Renewal Demand (ARD), which has changed from FY2021 ARD allowing 100% for renewals. Tier 2 is *the difference between Tier 1 and the maximum amount of renewal, reallocation, and CoC Bonus funds that the CoC can apply for.*

### **The focus of HUD's homeless policy and program priorities for this NOFO are:**

- 1) *Ending homelessness for all persons.* To end homelessness, CoCs should identify, engage, and effectively serve all persons experiencing homelessness. CoCs should measure their performance based on local data that consider the challenges faced by all subpopulations experiencing homelessness in the geographic area. CoCs should partner with housing, health care, and supportive services providers to expand housing options, such as permanent supportive housing, housing subsidies, and rapid rehousing. Additionally, CoCs should 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.* Housing First prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions. CoC Program funded projects should help individuals and families move quickly into permanent housing, and CoCs should measure and help projects reduce the length of time people experience homelessness. Additionally, CoCs should engage landlords and property owners to identify housing units available for rapid rehousing and permanent supportive housing participants, remove barriers to entry, and adopt client-centered service methods. HUD encourages CoCs to assess how well Housing First approaches are being implemented in their communities.
- 3) *Reducing Unsheltered Homelessness.* CoCs should explore all available resources, including CoC and ESG funded assistance, housing subsidies, and supportive services to provide permanent housing options for people who are unsheltered.

- 4) *Improving System Performance.* CoCs should be using system performance measures (e.g., average length of homeless episodes, rates of return to homelessness, rates of exit to permanent housing destinations) to determine how effectively they are serving people experiencing homelessness. Additionally, CoCs should use their 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. CoCs should review all projects eligible for renewal in FY 2022 to determine their effectiveness in serving people experiencing homelessness, including cost-effectiveness. CoCs should also look for opportunities to implement continuous quality improvement and other process improvement strategies. HUD recognized the effects of COVID-19 on CoC performance and data quality and reduced the points available for rating factors related to system performance in the FY 2021 CoC NOFO. This FY 2022 CoC NOFO significantly increases the points available for system performance rating factors.
- 5) *Partnering with Housing, Health, and Service Agencies.* Using cost performance and outcome data, CoCs should improve how all available resources are utilized to end homelessness. HUD encourages CoCs to maximize the use of mainstream and other community-based resources when serving persons experiencing homelessness and should:
  - work closely with public and private healthcare organizations and assist program participants to receive primary care, receive housing-related services, and 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.
  - partner with local workforce development centers to improve employment opportunities
- 6) *Racial Equity.* In nearly every community, Black, Indigenous, and other people of color are substantially overrepresented in the homeless population. HUD is emphasizing system and program changes to address racial equity within CoCs. Responses to preventing and ending homelessness should address racial inequities to ensure successful outcomes for all persons experiencing homelessness using proven approaches. CoCs should review local policies, procedures, and processes with attention to identifying barriers that result in racial disparities and taking steps to eliminate barriers to improve racial equity and to address disparities.
- 7) *Improving Assistance to LGBTQ+ Individuals.* CoCs should address the needs of LGBTQ+, transgender, gender non-conforming, and non-binary individuals and families in their planning processes. Additionally, when considering which projects to select in their local competition to be included in their application to HUD, CoCs should ensure privacy, respect, safety, and access regardless of gender identity or sexual orientation in projects. CoCs should also consider partnering with organizations with expertise in serving LGBTQ+ populations.
- 8) *Persons with Lived Experience.* HUD is encouraging CoCs to 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 to improve the effectiveness of homelessness assistance programs, including participating in planning and oversight activities and developing local competition processes.
- 9) *Increasing Affordable Housing Supply.* This FY2022 CoC NOFO awards points to CoCs that take steps to

engage local leaders about increasing affordable housing supply.

**CoC program implementation considerations highlighted in the NOFO include:**

- 1) *CoCs may submit requests for new projects through the process of reallocation, new bonus, and a Domestic Violence (DV) Bonus.*
- 2) *The Consolidated Appropriations Act establishes certain requirements for the Competition, and these will continue for the FY 2022 CoC Program Competition. These include the following:*
  - a) *Requests for new CoC project applications are not allowed, other than through reallocation, unless the CoC evaluates and competitively ranks projects based on how they improve system performance*
  - b) *HUD will prioritize funding for CoCs that have demonstrated the capacity to reallocate funding from lower to higher performing projects.*
- 3) *The Consolidated Appropriations Act established the ability for renewal projects to transition from one CoC Program component to another during the CoC Program Competition.*
- 4) *The Consolidated Appropriations Act, 2022 directs HUD to provide incentives to create projects that coordinate with housing providers and healthcare organizations to provide permanent supportive housing and rapid rehousing services.*
- 5) *The Consolidated Appropriations Act provides the opportunity for CoCs to apply for a Domestic Violence (DV) Bonus up to \$5 million to create DV Bonus Projects. Eligible project types are Rapid Re-housing projects, Joint Transitional Housing and Permanent Housing-Rapid Rehousing projects. A CoC can only submit one project application for an SSO-coordinated entry project. Each application must be for at least \$52,000. A project may also apply to expand an existing renewal under the models listed above to serve DV specific population.*
- 6) *Eligible renewal project applicants can consolidate two but no more than ten projects into one project application. Projects must have the same recipient and have the same project component.*
- 7) *Using cost performance and outcome data, CoCs should improve how all available resources are utilized to end homelessness. This includes working closely with healthcare organizations, Public Housing Authorities, workforce development and tribal organizations.*
- 8) *Revised evaluation of racial disparity to focus on whether people of different races or ethnicities are less likely to receive homeless assistance or positive outcomes. Additionally, the NOFO will determine if CoCs are promoting racial equity related to the local competition related to rating factors, review, selection and rank process.*
- 9) *New project applications may be created through the reallocation process or as bonus projects. CoCs may create new projects through bonus funding up to 5% of the CoC Final Pro Rata Need (FPRN) which is \$4,239,474. The following types of projects may be created:*
  - a) *Permanent Supportive Housing projects which must serve program participants who meet the qualifications for DedicatedPLUS or persons experiencing chronic homelessness*
  - b) *Rapid Re-housing projects may serve persons who qualify as homeless for category 1, 2 and 4*
  - c) *Joint TH and PH-RRH projects may serve persons who qualify as homeless for category 1, 2 and 4*
  - d) *Dedicated Homeless Management Information System (HMIS) project for the HMIS Lead; and,*
  - e) *Supportive Services Only projects specifically for a centralized or coordinated assessment system.*
- 10) *HUD will allow project applicants to apply for a new expansion project under reallocation or a new bonus to expand existing eligible renewal projects that will increase the number of units in the project or all additional recipients to be served. DV Bonus funds can only be used to expand an existing renewal project if the expansion project is dedicated to survivors of domestic violence*

- 11) CoCs will be required to rank all projects (renewal and new projects) in e-snaps, except YHDP renewal, YHDP replacement, CoC planning and UFA Costs. HUD will not review any project that is rejected by the CoC. HUD will continue to use the Tier 1 and Tier 2 funding processes:
- a) Tier 1 is equal to 95% of the CoC's ARD amount. Projects in this tier are conditionally selected from the highest scoring CoC to the lowest scoring CoC, provided the project applications pass both eligibility and threshold review.
  - b) Tier 2 is the difference between Tier 1 and the maximum amount of renewal, reallocation, and CoC Bonus funds that the CoC can apply for but does not include YHDP renewal or YHDP replacement projects, CoC planning projects, and if applicable, UFA Costs projects or projects selected with DV Bonus funds.

### **The following are CoC program requirements:**

- 1) All PSH projects in the Chicago CoC must be DedicatedPlus.
- 2) Joint TH and PH-RRH are program model types.
  - a) Program participants may choose to receive only the TH unit or the PH-RRH component, but the recipient must make both types of assistance available.
- 3) New DV Bonus projects (RRH, Joint TH/PH-RRH, and SSO-CE) must serve survivors of domestic violence, dating violence, sexual assault, or stalking who qualify under paragraph 4 of the homeless definition.
- 4) Compliance with the Violence Against Women Act (VAWA): Grants awarded under this NOFO will be required to comply with the VAWA rule. To enable full compliance, each CoC must establish an emergency transfer plan and make related updates to the written standards for administering CoC program assistance.

### **Threshold requirements**

HUD will review the project applications for threshold requirements on a pass/fail standard. Those thresholds include:

- 1) Statutory and Regulatory Requirements
- 2) Ineligible Applicants
- 3) Project eligibility threshold
- 4) Project quality threshold
- 5) Project renewal threshold
- 6) Certification of consistency with the Consolidated Plan
- 7) Environmental Requirements

### **For information on the breakdown of potential points for the various sections of the NOFO, please see the page numbers listed below:**

- 1) CoC Application – total of 200 points. Please refer to pages 62-86.
- 2) Renewal and New Applications – a total of 100 points. Please refer to pages 14.
- 3) Domestic Violence Applications – a total of 100 points. Please refer to pages 15-16.