

## FY 2014 CoC Program Funding Opportunity

### PSH Bonus Project

In the FY 2014 Department of Housing and Urban Development (HUD) Notice of Funding Availability (NOFA) issued on September 16, 2014, HUD announced a set aside of approximately \$40 million (nationally) for a Permanent Supportive Housing Bonus (PSH Bonus) to create new dedicated permanent supportive housing to serve the chronically homeless. All CoC's have the opportunity to submit one PSH Bonus project per CoC. The amount of funding available for the PSH Bonus in our CoC is \$2,566,293.

All applicants are encouraged to read the NOFA in its entirety for complete details about the competition.

#### **CoC Board PSH Bonus Project Priorities**

The Continuum of Care Board approved the following priorities for the PSH Bonus Project at their meeting on September 30, 2014.

- Funding should be maximized with a one-year grant term.
- Support services should be maximized in the project.
- The ideal project participants should be 100% chronically homeless individuals and families with general mental health and substance abuse (GMH/SA) diagnosis.
- The project should partner with the Regional Coordinated Access System Continuum of Care approved access points (UMOM and the Human Services Campus) for identifying individuals and families with the highest acuity.
- The project should prioritize clients with the highest need serving the chronically homeless according to the order of priority established in Section III.A. of Notice CPD-14-012: Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status.
- The CoC Board will align with the PSH Bonus Project scoring criteria outlined in the NOFA.
- The project applicant should demonstrate experience in operating a Housing First project model.
- The project application should be collaborative and include partners.
- The project should include a wide-range outreach component to engage chronically homeless persons who would otherwise not be connected in the system.
- The project should be regional in scope and include scattered site and/or fixed site housing.

#### **Permanent Supportive Housing Bonus** (Pages 13-16 of the FY2014 CoC Program NOFA)

*C. Permanent Supportive Housing Bonus. Ending chronic homelessness is the first goal of Opening Doors. The original goal was to end chronic homelessness by 2015, however, due to insufficient appropriations and the lack of targeting at the local level, the goal has been extended. The 2015 President's Budget requests the estimated resources that would be needed to end chronic homelessness in 2016. In order to make significant progress towards meeting this goal, and in accordance with Section 428(d) of the McKinney-Vento Homeless Assistance Act, HUD is setting aside approximately \$40 million for a*

*Permanent Supportive Housing Bonus project competition. All projects created with these funds must exclusively serve the chronically homeless. While any CoC with an approved 2014 CoC Registration may apply for these bonus funds, HUD will prioritize those CoCs with the highest need in relation to chronic homelessness.*

*The Permanent Supportive Housing Bonus is based on two overarching criteria: CoC need and project quality. In addition to the criteria below, projects must also meet the project eligibility threshold criteria outlined in Section V.E.2.d. of this FY 2014 CoC Funding Notice.*

### **1. Threshold Requirements.**

*a. To be considered for funding, each Permanent Supportive Housing Bonus project application must:*

*(1) Propose to serve 100 percent chronically homeless individuals and families;*

*(2) Provide scattered-site leasing or tenant-based rental assistance; or, if the applicant can provide a deed or long-term lease demonstrating site control for a building or units where evidence of site control exceeds the requested grant term, and where the building or units are ready to be occupied no later than 6 months after the award of funds, the applicant may instead request operating costs or project-based rental assistance;*

*(3) Be submitted by a project applicant that is in good standing with HUD, which means that the project applicant does not have any open monitoring Findings, or history of slow expenditure of grant funds;*

*(4) Request no less than 70 percent of total program funding (not including funds for administration) for leasing, rental assistance, or operating costs. No more than 30 percent of the total program funding may be used for supportive services costs and the types of supportive services for which the funding may be used is limited to the following: assistance with moving costs (24 CFR 578.53(e)(2)), case management (24 CFR 578.53(e)(3)), food (24 CFR 578(e)(7)), housing/search and counseling services (24 CFR 578.53(e)(8)), life skills (24 CFR 578.53(e)(10)), outreach services (24 CFR 578.53(e)(13)), transportation (24 CFR 578.53(e)(15)), and utility deposits (only if these are not included in rental/lease agreement) (24 CFR 578.53(e)(16)). All other eligible supportive services costs under the CoC Program interim rule are not eligible costs under this Permanent Supportive Housing Bonus;*

*(5) Demonstrate a plan for rapid implementation of the program; the project narrative must document how the project will be ready to begin housing the first program participant within 6 months of the award;*

*(6) Demonstrate a connection to mainstream service systems; and*

*(7) Be a current participant or agree to participate in the CoC's coordinated assessment system, which must already be implemented prior to HUD executing a grant agreement.*

*b. Each CoC may only submit one Permanent Supportive Housing Bonus project application. The Permanent Supportive Housing Bonus project application must be approved by the CoC in e-snaps. All Permanent Supportive Housing Bonus project applications must be assigned a rank number of "999" by the Collaborative Applicant which will allow the project to be submitted for consideration by HUD, and will ensure that it is selected outside of Tier 1 and Tier 2 ranking process. Permanent Supportive Housing Bonus projects that are selected for funding will be eligible (subject to the availability of appropriations*

and the terms of future NOFAs) for renewal as a permanent supportive housing project on an annual basis following the initial expiration of this original award. The project must continue to exclusively serve the chronically homeless unless there are no persons meeting those criteria located in the CoC's geographic area.

**2. Scoring** - HUD will use the following rating criteria to score and select Permanent Supportive Housing Bonus Applications.

**a. CoC Need—60 points**—For the Permanent Supportive Housing Bonus competition, each application will be awarded a relative need score (defined as need in comparison with other CoCs) based on the following data:

- (1) the number of chronically homeless reported in the 2013 Point-in-Time count;
- (2) the number of dedicated permanent supportive housing beds available with the CoC from any funding source, dedicated for use by chronically homeless as reported on the 2013 Housing Inventory Count; and
- (3) the extent to which the CoC has prioritized existing permanent supportive housing beds/units not currently designated for the chronically homeless.

**The MAG Continuum of Care has 60 Need points.**

**b. Project Quality—40 points**—Each application will be scored on the overall quality of the project, and the extent to which the applicant can clearly demonstrate the following:

(1) **Prioritizing Highest Need (10 points)**. Applicants may receive up to 10 points based on the extent to which the project applicant demonstrates that it will first serve the chronically homeless according to the order of priority established in Section III.A. of Notice CPD-14-012: *Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status*. To receive full points, the applicant must clearly describe the system it currently uses to determine severity of need for the chronically homeless, its process for prioritizing persons with the most severe needs, and the outreach process used to engage chronically homeless persons living on the streets and in shelter.

(2) **Housing First (10 points)**. Applicants may receive up to 10 points based on the extent to which the Permanent Supportive Housing Bonus project will follow a Housing First model. To receive full points, the applicant must demonstrate it has experience in operating a successful housing first program, and clearly describe a program design that meets the definition of Housing First as described in Section III.A.3.d. of this FY 2014 CoC Funding Notice. Applicants must BOTH check the box in the project application indicating a Housing First model, and include relevant and clear descriptions in the project description narrative contained in e-snaps.

(3) **Mainstream Services (10 points)**. Applicants may receive up to 10 points based on the extent to which the project is fully leveraging mainstream resources for supportive services. To receive full points, applicants must demonstrate the leveraging of Medicaid resources available in the applicant's state. Applicants will receive up to 10 points as follows:

(a) Applicants may receive up to 5 points for demonstrating that specific activities are in place to identify and enroll all Medicaid-eligible program participants, regardless of whether the project applicant's state is participating in Medicaid expansion under the Affordable Care Act; and

*(b) Applicants may receive up to 5 points for demonstrating that the project includes Medicaid-financed services, including case management, tenancy supports, behavioral health services, or other services important to supporting housing stability. Project applicants may include Medicaid-financed services either by the recipient receiving Medicaid coverage payments for services provided to project participants or through formal partnerships with one or more Medicaid billable providers (e.g., Federally Qualified Health Centers). No points will be awarded for Medicaid-financed health services provided in a hospital setting. Where projects can demonstrate that there are barriers to including Medicaid-financed services in the project, applicants will receive up to 5 points under this paragraph for demonstrating that the project leveraged non-Medicaid resources available in the CoC's geographic area, including mainstream behavioral health system resources such as mental health or substance abuse prevention and treatment block grants or state behavioral health system funding.*

*(4) **Leveraging (5 points).** Applicants may receive up to 5 points based on the extent to which the project will leverage additional resources to develop a comprehensive project that meets the needs of the chronically homeless and ensure successful program outcomes. To receive full points, applicants must demonstrate, with a written commitment, that the cash or in-kind value of leveraged commitments is at least 200 percent of the total request to HUD. Leveraging commitment letters must be attached in e-snaps to the project application.*

*(5) CoC Score from FY 2013/FY 2014 CoC Application (5 points). Applicants may receive up to 5 points based on the CoC's score from the FY 2013/FY 2014 CoC Application as follows:*

*(a) CoC Score 126-156= 5 points*

***(b) CoC Score 106-125= 4 points – (The MAG CoC is in this range.)***

*(c) CoC Score 86-105= 3 points*

*(d) CoC Score 66-85= 2 points*

*(e) CoC Score 46-65= 1 point*

*(f) CoC Score less than 45 points = 0 point.*

**Grant terms.** *The initial grant term for new project applications created through reallocation and new projects created through the Permanent Supportive Housing Bonus may be 1-year, 2-years, 3-years, 4-years, 5-years, or 15-years. However, the following exceptions apply:*

*a. Any new project created through the Permanent Supportive Housing Bonus that requests tenant-based rental assistance may request a 1-year, 2-year, 3-year, 4-year, or 5-year grant term.*

*b. Any new project created through the Permanent Supportive Housing Bonus that requests scattered-site leasing—either leasing costs only or leasing costs plus other costs (e.g., supportive services, HMIS, etc.) may only request up to a 3-year grant term.*

*c. Any new projects created through the Permanent Supportive Housing Bonus that requests project-based rental assistance or sponsor-based rental assistance, or operating costs may request up to a 15-year grant term; however, the project applicants may only request up to 5 years of funds. Funding for the remainder of the term is subject to availability and applicants must apply for additional funds at such time and in such manner as HUD may require.*

Please refer to the NOFA for additional information about the funding competition.