Dear Community Stakeholders,

Please be advised that the U.S. Department of Housing and Urban Development’s (HUD) Notice of Funding Opportunity (NOFO) for the 2021 Continuum of Care (CoC) Program Competition was released on August 18, 2021. The CoC Program Competition provides ongoing and new funding opportunities for projects focused on preventing and ending homelessness around the country. The NOFO can be found here: www.grants.gov/web/grants/view-opportunity.html?oppId=335322.

This Public Solicitation of Applications for projects within the Santa Cruz County CoC area provides a summary of the 2021 CoC NOFO, the local process for reviewing and selecting projects, and the local timeline for applying for CoC funding.

A virtual Applicant Orientation Session for all interested parties will be held on Friday, September 10th, from 2:30 - 5:00 pm via Teams meeting. The session agenda will include:

- Overview of the HUD CoC Program Competition
- Local Process and Timeline
- Local Applications and Scoring
- Question and Answer
- Special Training on Matching Requirements
- Special Youth Homelessness Demonstration Program (YHDP) breakout session (for YHDP agencies only).

Attendance is highly recommended for representatives of any organization that is a:

- Current CoC grantee
- Current YHDP grantee
- Non-CoC funded agency interested in applying for CoC funding, including nonprofit organizations, local governments, instrumentalities of local governments, and public housing agencies. The CoC encourages applications from organizations that have not previously received CoC Program funding.

We would appreciate your forwarding this Public Solicitation to any interested parties, posting it on relevant listserves, and posting it on relevant public bulletin boards. Additional information about this opportunity is contained in the file attached to this message.

Thank you very much for your interest in the HUD CoC Program Competition. Please do not hesitate to contact Housing for Health at housingforhealth@santacruzcounty.us or me at tonygardnerconsulting@yahoo.com if you have any questions.
The Teams link for the Information Session is:

**Microsoft Teams meeting**

Join on your computer or mobile app
[Click here to join the meeting](#)

Or call in (audio only)

+1 916-318-9542,,920400133# United States, Sacramento

Phone Conference ID: 920 400 133#

[Find a local number](#) | [Reset PIN](#)

The information session will be recorded and a link to the recording will be posted on the HAP website after the session.
Summary of Funds Available to Santa Cruz County

Estimated Renewal Demand: $3,576,166  
Estimated Tier 1 Funding: $3,576,166  
Estimated Tier 2 Funding: $242,268  
Estimated CoC Bonus Funding: $242,268  
Estimated DV Bonus Funding: $149,015  
Estimated YHDP Renewal Demand: $1,269,188  
Estimated Planning Grant Funds: $145,361  
TOTAL OF ABOVE: $5,381,998

Local Process Timeline (Subject to Change)

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Deadline</th>
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<tbody>
<tr>
<td>HUD releases 2021 CoC NOFO &amp; E-snaps Applications</td>
<td>August 19, 2021</td>
</tr>
<tr>
<td>HAP issues initial local notice of CoC NOFO to agencies</td>
<td>August 19, 2021</td>
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<tr>
<td>HAP releases Public Solicitation of Applications for CoC funds &amp; invitation to Applicant Orientation Session</td>
<td>September 1, 2021</td>
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<tr>
<td>Virtual Applicant Orientation Session (recorded)</td>
<td>September 10, 2021, 2:30-5:00 via Teams</td>
</tr>
<tr>
<td>Deadline to submit local supplemental application materials (via e-mail) and HUD applications (via e-snaps) (at least 30 days before HUD deadline)</td>
<td>October 13, 2021 5:00</td>
</tr>
<tr>
<td>HAP Board decision meeting to evaluate, approve or reject, and rank/tier projects/may include applicant presentations</td>
<td>October 22, 2021, 1:00-5:00 (latest) via Teams</td>
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<tr>
<td>Written decisions sent to applicants (at least 15 days before HUD deadline)</td>
<td>November 1, 2021</td>
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<tr>
<td>Applicant appeals period</td>
<td>November 1-4, 2021.</td>
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<tr>
<td>Deadline for HAP to send appeals decisions to applicants</td>
<td>November 5, 2021</td>
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<tr>
<td>Technical review of e-snaps project applications and coordination with applicants to make corrections</td>
<td>November 1 – 9, 2021</td>
</tr>
<tr>
<td>Complete CoC Application and Project Priorities submission posted on website (at least 2 days before HUD deadline)</td>
<td>November 10, 2021</td>
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<tr>
<td>HUD deadline for submission of CoC Application</td>
<td>November 16, 2021, 4:59 PST</td>
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Role of the Homeless Action Partnership (HAP) and the Housing for Health (H4H) Division

Our CoC, known locally as the HAP, is the local body charged by HUD with carrying out a collaborative process for prioritizing and selecting local projects for CoC fund. Further local process details will be provided at the Applicant Orientation Session. The County Human Services Department H4H Division staffs the HAP and is the HUD-required Collaborative Applicant for the CoC, responsible for coordinating the process and submitting the consolidated funding application to HUD.

Notice Regarding Key Changes to the YHDP Program

This year’s NOFO funds YHDP project non-competitively and allows YHDP grantees to replace their projects with new YHDP projects that better meet youth needs. The NOFO contains a long list of
program flexibilities that YHDP projects can implement. We will discuss these possibilities during the above Applicant Orientation, YHDP breakout.

Summary of 2021 HUD CoC NOFO

Overview

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 2021 CoC NOFO was released on August 18, 2021, opening the competition making available approximately $2.656 billion to serve people experiencing homelessness nationally. Consolidated applications for CoC funds are due to HUD November 16, 2021, 5PM Pacific.

Before the consolidated application is submitted to HUD, our CoC, the Homeless Action Partnership (HAP), is required to hold a local competition to determine which projects will be included in the consolidated application, 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 Technical Assistance Session. For further information about the CoC Notice of Funding Available (NOFA), the CoC Interim Rule, and HUD’s CoC online application system (called e-snaps) go to: https://www.hud.gov/program_offices/comm_planning/coc/competition.

Further Details About the Local Funding Possible

$5,381,998 is the possible total (before Fair Market Rent adjustments) for Santa Cruz County projects. This includes:

- **$4,845,354** is our Annual Renewal Demand (ARD), the amount needed for one-year renewal of all expiring grants of two categories:
  - $3,576,166 for expiring CoC grants and/or for reallocation to eligible new projects that better meet our needs
  - $1,269,188 for expiring YHDP grants and/or for replacement with new YHDP projects that better meet youth needs (not competitively ranked).
- **$242,268** is our total possible amount for new CoC bonus projects (5% of ARD). Eligible types of CoC bonus projects: permanent supportive housing (PSH), rapid rehousing (RRH), joint TH and RRH (TH-RRH), Coordinated Entry (CES), and dedicated HMIS.
- **$149,015** is our total possible amount for nationally competitive Domestic Violence (DV) bonus projects. Eligible types of DV bonus projects:
  - RRH
  - TH-RRH
  - CES project focused on DV, demonstrating trauma-informed and victim-centered approach
- **$145,361** for one CoC planning project (not competitively ranked).

Tiered Funding Approach for Competitive Projects

HUD requires CoCs to rank projects that are subject to competition into two tiers, which are financial
thresholds. **Tier 1** is 100% of the ARD amount minus the ARD amount for YHDP renewal or replacement projects. **Tier 2** is the difference between Tier 1 and the maximum possible amount of 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). YHDP renewal or replacement projects and CoC planning grant projects are non-competitive and therefore do not need to be ranked or tiered. In summary:

- $3,576,166 is our Tier 1 amount
- $242,268 is our possible maximum Tier 2 amount
  - $3,818,434 total of Tier + Tier 2

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**

1. First, all CoC planning projects
2. Then, Unified Funding Agency (UFA) cost projects
3. Then, all renewal and replacement YHDP projects
4. Then, DV bonus projects 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 project.
5. Then, projects fully in in Tier 1 based on CoC score from highest to lowest CoC score
6. Then, projects fully in Tier 2 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). Points will be assigned directly related to the CoCs ranking of projects
   c. Commitment to Housing First. Up to 10 of 100 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.

**Summarized HUD Policy Priorities for 2021**

1. **Ending homelessness** for all persons (vets, youth, families, chronically homeless)
2. Using a Housing First approach (rapid placement, no preconditions)
3. Reducing unsheltered homelessness (addressing encampments, ID PH options)
4. Improving system performance (performance measures, CES, project effectiveness)
5. Partnering with Housing, Health, and Service agencies (health & PHA partnerships)
6. Racial Equity (system & program changes to address disparities)
7. Persons with Lived Experience (inclusion in CoC planning process).

**Major NOFO Changes for 2021**
1. **Indian tribes** have been added to the list of entity types that can be Collaborative Applicants and recipients of funds. Tribal areas can become CoC areas or be added to contiguous CoC areas.

2. Using **Housing First** is again being required.

3. 10 bonus points are being added for creation of new PSH and RRH projects that **coordinate with housing and healthcare organizations**.

4. More points are being given for coordination with public housing authorities (PHA) in using new **American Rescue Plan (ARP) vouchers** and **homeless preferences** for other vouchers.

5. More points are being added for addressing **racial equity** factors, including (a) identifying and eliminating barriers to equity, and (b) using equity in rating and ranking project applications.

6. Points are being added for how **COVID-19-related challenges** have been addressed.

7. **Unsheltered homelessness** won’t be considered this year due to COVID-19.

**Local Process and Timeline Requirements**

HUD requires that CoC’s carry out a **fair and objective local process**, free of **conflict of interest**, for soliciting, reviewing, ranking, and selecting (or rejecting) new and renewal projects for CoC funds. This process should emphasize the following elements that carry significant points in the competition:

1. Publicly posted **objective scoring criteria**, such as cost effectiveness, type of population served, type of housing, and commitment to Housing First, should account for at least 33% of local competitive points.

2. Publicly posted **system performance measures** (using HMIS), such as returns to homelessness, first-time homelessness, and jobs/income growth, should account for at least 20% of local competitive points.

3. Assessment of each project’s success in **housing placement outcomes** and **rapidity of housing placement**, and how the CoC considers the **severity of client barriers** when ranking projects.

4. Promotion of **racial equity** by including **diverse participation in project review and selection** and **scoring project’s efforts to assess and eliminate racial/ethnic barriers** to participation.

5. Performance review of existing projects and **reallocation** of funds from lower performing projects to new higher performing projects (should have reallocated at least 20% since 2016).

6. **Timeline issues** – CoC must have:
   - Local application deadline no later than **30 days** before HUD deadline (November 16)
   - Notice to applicants of ranking results no later than **15 days** before the HUD deadline
   - Website posting of consolidated application at least **2 days** before HUD deadline.

**Eligible Applicants for Project Funds**

Nonprofit organizations, States, local governments, instrumentalities of State and local governments, public housing agencies, and tribal organizations are eligible.
Eligible Project Types in 2021 NOFO

The 2021 process is open to a variety of CoC and YHDP renewal and new project application types that are detailed below.

Renewal Applications

Renewal projects are existing CoC and YHDP projects of any type that are expiring between 1/1/22 and 12/31/22. They are eligible to apply in 2021 for one year of continuation funding for their existing term activities (i.e., leasing, rental assistance, supportive services, operations, HMIS, and admin); non-term activities are not eligible for renewal (i.e., acquisition, construction, and rehab).

- **Consolidation option** – applicants with more than one renewal project of the same type (e.g., PSH for chronically homeless adults) can choose to consolidate up to 10 such projects into a single consolidated project. But combined CoC-YHDP consolidations aren’t allowed.

Note: YHDP renewals are not subject to competition this year.

New Project Applications

In 2021, CoCs may submit new projects created through (1) reallocation, (2) CoC bonus, (3) combination of reallocation and CoC bonus, (4) DV bonus, and (5) YHDP replacement. To be eligible for any new project, 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 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. No more than 50% of the funds may be used on the original project activities being transitioned.

New Reallocation and/or CoC Bonus Projects-

The following project types are eligible in 2021 to be created through reallocation of existing renewal funding (amount varies based upon Board reallocation decisions) and/or the CoC bonus, which can be
no more than 5% of ARD (242,268 in our case). One or more projects can be created, 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
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 2021 NOFO provides a set-aside of $102 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 15% of its Preliminary Pro Rata Need (in our case $149,015). 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 priorities, trauma-informed, client centered, 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
- **Need** for the Project. Up to 25 points based on the extent the CoC quantifies the need
- **Quality** of the Project Applicant. Up to 25 points based on the previous performance.

Because CoCs must rank all new DV Bonus projects, care must be taken to avoid unintended consequences for lower projects. This is 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.

**YHDP Replacement Projects**

In 2021, 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 includes written approval by both the CoC and Youth Advisory Board (YAB). Eligible replacement project types:

- **PSH**
- **TH-RRH**
- **TH or Crisis Residential TH**
- **CES** focused on youth
- **Supportive Services Only** (SSO) – e.g., housing search, case management, drop-in centers, legal services, or street outreach (SO)
- **Host homes** and **kinship care**
- **Other innovative project** approved by YAB and CoC that provides evidence it will achieve positive outcomes and be cost effective.

The NOFO has a long list of **special program flexibilities** that are beyond the scope of this summary. 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 details, please see the CoC NOFO, especially pp. 36-40. Both the Youth Advisory Board (YAB) and CoC Board must approve YHDP replacement projects in writing.
### Summary of CoC Scoring Factors in 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Summary Description &amp; Sub-Points</th>
<th>Total Points</th>
</tr>
</thead>
</table>
| **1. CoC Coordination & Engagement** | *Inclusive membership* - 1  
*Invitation process new members* - 1  
*Solicits opinions from knowledgeable individuals* - 1  
*Accepts proposals from new organizations* - 1  
*Coordination with Federal, State, Local, Private, and Other Organizations* - 2  
*Ensuring Families are not Separated* - 2  
*Collaboration Related to Children and Youth* - 3  
*Addressing the Needs of Victims of DV* - 5  
*Addressing the Needs of LGBT Individuals* - 5  
*Coordinates with Public Housing Agencies* - 10  
*Discharge Planning* - 3  
*Uses a Housing First approach* - 10  
*Street Outreach* - 3  
*Prevents criminalization* - 2  
*Increases RRH beds* - 10  
*Increases mainstream benefits access* - 4  
*CES effectiveness* - 3  
*Promoting Racial Equity* - 7  
*Including persons with lived experience* - 1  
*Addressing COVID-19* - 20  
*Promoting volunteering/community service* - 2  
*Section 3 Requirements* - (-2) | 96 pts |
| **2. Project Capacity, Review, and Ranking** | *Objective criteria used to review to applications* - 8  
*System performance measures used for applications* - 8  
*Comparable Database to Evaluate DV providers* - 2  
*Rapid Return to Permanent Housing and Severity of Barriers Experienced by Program Participants* - 4  
*Promote Racial Equity in ranking process* - 1  
*Reallocating Projects* - 4  
*Ranking process publically announced* - 3 | 30 pts |
| **3. HMIS** | *HIC timely and complete* - 1  
*Comparable Database for DV Providers in place* - 2  
*85% Bed coverage rate* - 6  
*LSA timely and complete* - 2 | 11 pts |
| **4. PIT Count** | *Commitment to sheltered and unsheltered count in 2022* - 2  
*Commitment to special youth count in 2022* - 1 | 3 pts |
| **5. System Performance** | *Reducing Homelessness - Individuals and Families* - 1  
*Reduction in the Number of First Time Homeless* - 3  
*Length of Time Homeless* - 6  
*Permanent Housing Placement or Retention* - 5  
*Returns to Homelessness* - 4  
*Jobs and Income Growth* - 4 | 23 pts |
| **6. Coordinate with Housing & Healthcare** | *Leveraging Housing Resources* - 5  
*Leveraging Healthcare Resources* - 5 | 10 bonus pts |
| **Total** | | 163 (+10 bonus pts) |
Resource Summary

2. 2021 CoC NOFA: https://www.hud.gov/program_offices/comm_planning/coc/competition
5. Training and Resources: www.hudexchange.info/homelessness-assistance/
7. Subscribe to HUD Listserv: www.hudexchange.info/mailinglist
8. HUD Exchange, Ask A Question (AAQ): https://www.hudexchange.info/program-support/ask-a-question
10. Application Pages:
12. E-snaps Information: https://www.hudexchange.info/programs/e-snaps/
13. Santa Cruz County HAP webpage: http://homelessactionpartnership.org/