



Allocation Plan for the FY2018 HUD Continuum of Care NOFA

Process of Completing the Allocation Plan

The Strategic Planning and System Performance (SPSP) Committee created the following plan to guide resource allocation through the FY2018 HUD Continuum of Care (CoC) Notice of Funding Availability (NOFA). Following an assessment of needs, gaps and system performance, SPSP quantified the following system gaps:

- 36 beds of permanent supportive housing for chronically homeless individuals. It would take an estimated \$600,000 of annual CoC funding to provide this capacity.
- 68 units of rapid rehousing to fill the need for medium acuity households identified through coordinated entry. The estimated cost to fill this gap with rapid rehousing is \$1.2 million annually.

System-Level Allocation Plan Recommendations

1. The Allocation Plan reallocates funding to reduce waste, increase performance and maximize the impact of limited funding on the coalition's goals to reduce the number of homeless, the length of time homeless and eliminate returns to homelessness.
2. SPSP Committee reaffirmed its recommendation to incorporate HUD's advice that CoC transitional housing dollars best be used with specific subpopulations – youth or people experiencing domestic violence and/or substance abuse. Only CoC-funded transitional housing projects with a currently active and well-documented focus on one of these subpopulations will be invited to renew CoC funding through the 2018 NOFA application process. This decision is consistent with the prior two years.
3. For the current funding round, the SPSP Committee prioritizes the Permanent Supportive Housing Gap for reallocated and bonus project funding. The Committee made this decision based on the compelling data on the increasing number of chronically homeless people presenting in the system which is reflected in the system gap increasing from 7 to 36 beds. SPSP was also compelled to make progress on the following goals by adding PSH units:
 - Strengthen the ability to house the most vulnerable households with the longest histories of homelessness
 - Increase progress toward the goal of ending chronic homelessness and
 - Reduce average length of time homeless (system performance measure #1)

4. In the current funding round, LCCH will incentivize grantees to commit to voluntary reallocation or the expansion of additional units on existing PSH contracts. Grantees who commit in their Letters of Intent will receive bonus points on their project applications.
5. SPSP reviewed the system performance of the infrastructure grants. Both HMIS and Coordinated Entry are operating well. The committee discussed some potential Coordinated Entry gaps and enhancements. Given that SPSP anticipates voluntary reallocation to be low this year and that the bonus project is likely to be restricted to permanent housing grants, the SPSP chose to prioritize PSH. If any of the anticipated outcomes listed above do not prove to be true, SPSP reserves the right to reevaluate the decision.

When HUD released the NOFA on June 20, it allowed for bonus funding to be used for new Coordinated Entry and HMIS grants in the current competition. The SPSP Committee reconvened to evaluate the strategic use of this funding. SPSP recommended splitting the pot of new and bonus funding to include both Coordinated Entry and Permanent Supportive Housing. SPSP recommends that up to \$49,966 be used for a coordinated entry grant that focuses on the identified coordinated entry gaps of locating clients, collecting client documentation and connecting clients with available units of housing. Remaining funding for new projects will support additional units of Permanent Supportive Housing.

6. The Collaborative Applicant will apply for the planning grant at the size to be determined by HUD. SPSP Committee anticipates that this project will not be ranked and will not compete with other projects for resources.

Ranking Guidance

1. Infrastructure grants are critical for measuring system performance, planning as a system and making the delivery of homeless assistance more open, inclusive and transparent. Both infrastructure grants will be ranked in Tier 1 to preserve these system functions.

As the FY18 Allocation Plan is drafted, HUD has yet to release any information on the upcoming NOFA. Therefore, much is still unknown, such as the amount of bonus projects, allowable project types and the competitiveness of Tier 2. Therefore, the committee was compelled to build on prior year's priorities and strategic direction. If substantial changes are released by HUD in the NOFA, the SPSP will revisit the priorities in the allocation plan to assure that the Lake County Continuum of Care is maximizing success in the funding competition.