

## Summary of NOFO

The Continuum of Care (CoC) Program [24 CFR part 578] is designed to promote a communitywide commitment to the goal of ending homelessness; to provide funding for efforts by nonprofit providers, States, Indian Tribes or Tribally Designated Housing Entities [as defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103) (TDHEs)], and local governments to quickly rehouse homeless individuals, families, persons fleeing domestic violence, dating violence, sexual assault, and stalking, and youth while minimizing the trauma and dislocation caused by homelessness; to promote access to and effective utilization of mainstream programs by homeless individuals and families, and to optimize self-sufficiency among those experiencing homelessness.

**The deadline for submitting applications to HUD for the FY 2023 CoC Program Competition is 8:00 PM EST on September 28, 2023.**

### DV

HUD to consider as homeless: any individual or family who—

(1) is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual's or family's current housing situation, including where the health and safety of children are jeopardized;

(2) has no other safe residence; and

(3) lacks the resources to obtain other safe permanent housing.

This statutory change took effect on October 1, 2022.

### YHDP

The goal of the Youth Homelessness Demonstration Program (YHDP) is to support the development and implementation of a coordinated community approach to preventing and ending youth homelessness and sharing that experience with and mobilizing communities around the country toward the same end. The population to be served by the demonstration program is youth ages 24 and younger experiencing homelessness, including unaccompanied and pregnant or parenting youth.

The CoC Program NOFO permits YHDP project applicants to integrate YHDP Special Activities into the project design through the selection of these activities in YHDP Renewal and YHDP Replacement project applications. YHDP renewal applicants may continue to select previously approved Special YHDP Activities in their project application; however, YHDP Renewal applicants may also request to add new Special YHDP Activities through their renewal application.

If a recipient of YHDP funding determines that changing the project model of their grant would better serve youth experiencing homelessness in the area, the recipient must submit an application to replace the YHDP project through this competition. An example of this would be if a community decides that a JOINT TH-RRH project would better serve youth compared to an RRH project.

Project applications for YHDP Renewal and YHDP Replacement projects that HUD initially funded in FY 2017 (Round 2) or later are not ranked and HUD will select them for funding if they pass project eligibility and project quality threshold review, and for YHDP

Renewals, project renewal threshold; as explained in section III.C.5.d. of this NOFO. HUD will not reject Round 2 or later YHDP Replacement project applications during quality threshold review; however, HUD may require YHDP Replacement recipients to correct or revise information submitted after the final FY 2023 CoC Program Competition award announcement.

## **PLANNING**

HUD is establishing an alternative maximum amount for CoC Planning grant applications under this NOFO. Specifically, the maximum grant amount for CoC planning activities under 24 CFR 578.39 will be the greater of \$50,000 or 5 percent of the applicable FPRN, provided that the total grant amount for CoC planning activities does not exceed \$1,500,000. This new maximum replaces the 3 percent cap in 24 CFR 578.39(a) for purposes of awards under this NOFO.

## **PROJECT APPLICATIONS**

These following new budget line items (BLIs) will be built into the CoC Program Competition Application process. Applicants wishing to utilize these new BLIs can request a budget modification during the competition to add funds to these line items from an existing line item. Applicants may also request to expand existing renewal grants to add new funding to these BLIs.

**(1) VAWA Costs Budget Line Item.** On March 15, 2022, the President signed into law the Consolidated Appropriations Act of 2022 (Pub. L. 117-103, 136 Stat. 49), which included the Violence Against Women Act Reauthorization Act of 2022 (VAWA 2022). VAWA 2022 reauthorizes, amends, and strengthens the Violence Against Women Act of 1994, as amended (VAWA) (Pub. L. 103-322, tit. IV, sec. 40001-40703; 42 U.S.C. 13925 et seq.).

Section 605 of VAWA 2022 amends section 423(a) of the McKinney-Vento Homeless Assistance Act to add the following eligible Continuum of Care Program activity:

Facilitating and coordinating activities to ensure compliance with [the emergency transfer plan requirement in 34 U.S.C. 12491(e)] and monitoring compliance with the confidentiality protections of [the confidentiality requirement in 34 U.S.C. 12491(c)(4)].

See section VI.B for more information on compliance with VAWA 2022 and section III.B.4.a.(3) of this NOFO for more information on eligible VAWA costs. For general guidance on implementation of VAWA 2022, please also see [“The Violence Against Women Act Reauthorization Act of 2022: Overview of Applicability to HUD Programs,”](#) a notice HUD published in the Federal Register on January 4, 2023.

Section 605(a)(2) of VAWA 2022 amends section 423(a) of the McKinney-Vento Homeless Assistance Act to add the following eligible activity to the CoC program:

“Facilitating and coordinating activities to ensure compliance with the emergency transfer plan requirement in [34 U.S.C. 12491\(e\)](#) and monitoring compliance with the confidentiality protections in [34 U.S.C. 12491\(c\)\(4\)](#).”

HUD has determined that this new eligible activity category is not subject to the CoC program’s spending caps on administrative costs under section 423(a)(10), (11), and (12). This activity may be included in new project applications. It may also be added to eligible renewal projects through expansion or added to eligible renewal projects by shifting up to 10 percent of funds from one eligible activity to the VAWA costs line item.

**(a)** Examples of eligible costs for emergency transfer facilitation include the costs of

assessing, coordinating, approving, denying and implementing a survivor's emergency transfer which includes:

- (i) Assistance with moving costs. Reasonable moving costs to move survivors for an emergency transfer.
  - (ii) Assistance with travel costs. Reasonable travel costs for survivors and their families to travel for an emergency transfer.
  - (iii) Security Deposits. Grant funds can be used to pay for security deposits of the safe units the survivor is transferring to via an emergency transfer.
  - (iv) Utilities. Grant funds can be used to pay for costs of establishing utility assistance in the safe unit the survivor is transferring to.
  - (v) Housing Fees. Fees associated with getting survivor into a safe unit via emergency transfer, includes but not limited to application fees, broker fees, holding fees, trash fees, pet fees where the person believes they need their pet to be safe, etc.
  - (vi) Case management. Grant funds can be used to pay staff time necessary to assess, coordinate and implement emergency transfers.
  - (vii) Housing navigation. Grant funds can be used to pay staff time necessary to identify safe units and facilitate moves into housing for survivors through emergency transfers.
  - (viii) Technology to make an available unit safe. Grant funds can be used to pay for technology that the individual believes is needed to make the unit safe, including but not limited to doorbell cameras, security systems, phone and internet service when necessary to support security systems for the unit, etc.
- (b) Examples of eligible costs for monitoring compliance with the VAWA confidentiality requirements include the costs of ensuring compliance with the VAWA confidentiality requirements which includes:
- (i) Monitoring and evaluating compliance with VAWA confidentiality requirements.
  - (ii) Developing and implementing strategies for corrective actions and remedies.
  - (iii) Program evaluation of confidentiality policies, practices and procedures.
  - (iv) Training on compliance with VAWA confidentiality requirements.
  - (v) Reporting to Collaborative Applicant, HUD and other interested parties on compliance with VAWA confidentiality requirements
  - (vi) Costs for establishing methodology to protect survivor information.
  - (vii) Staff time associated with maintaining adherence to confidentiality requirements.

**(2) Rural Costs Budget Line Item.** Section 5707 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (PL 117-263, December 23, 2022, 136 Stat 2395) amends section 423(a) of the McKinney-Vento Homeless Assistance Act to include activities that address barriers to transitioning families in rural areas to permanent housing and additional activities to increase capacity to address the unique challenges CoCs face when serving people experiencing homelessness in rural areas.

Section 5707 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (PL 117-263, December 23, 2022, 136 Stat 2395) amends section 423(a) of the McKinney-Vento Homeless Assistance Act to allow projects in rural areas [as defined in section I.B.2.b.(26) of this NOFO] to use Continuum of Care Program funds to pay for the

following eligible activities:

- (a) Payment of short-term emergency lodging, including in motels or shelters, directly or through vouchers.
- (b) Repairs to units in which homeless individuals and families will be housed; or are currently not fit for human habitation.
- (c) Staff training, professional development, skill development, and staff retention activities.

HUD has determined that this new eligible Rural cost category may be included in new project applications or added to eligible renewal projects through expansion. HUD will publish a list of CoCs located in rural areas as defined in section I.B.2.b.(26) of this NOFO.

### **POLICY PRIORITIES FOR HUD**

This NOFO supports [HUD's Strategic Plan for Fiscal Years \(FY\) 2022-2026](#) to accomplish HUD's mission and vision. Each of the five goals in the [Strategic Plan](#) include what HUD hopes to accomplish, the strategies to accomplish those objectives, and the indicators of success.

HUD will pursue two overarching priorities focused on increasing equity and improving customer experience across all HUD programs.

#### **Applicable Goals and Objectives from HUD's Strategic Plan**

##### 1. Strategic Goal 1: Support Underserved Communities

Fortify support for underserved communities and support equitable community development for all people.

##### 2. Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing

Ensure housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people.

##### 3. Strategic Goal 3: Promote Homeownership

Promote homeownership opportunities, equitable access to credit for purchase and improvements, and wealth-building in underserved communities.

##### 4. Strategic Goal 4: Advance Sustainable Communities

Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing's role as essential to health.

### **HUD Homeless Policy Priorities**

**(1) Ending homelessness for all persons.** In 2022, the United States Interagency Council on Homelessness (USICH) presented All In: The Federal Strategic Plan to Prevent and End Homelessness to the President and Congress. The plan is built around six pillars: three foundations—equity, data and evidence, and collaboration—and three solutions—housing and supports, crisis response, and prevention. The work funded through this NOFO will support the actions and strategies proposed within the pillars. 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 (e.g., veterans, youth,

families, those experiencing chronic homelessness, and people with disabilities, including those living with HIV/AIDS). 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.** In recent years, the number of people experiencing unsheltered homelessness has risen significantly, including a rising number of encampments in many communities across the country. People living unsheltered have extremely high rates of physical and mental illness and substance use disorders. 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. CoCs should work with law enforcement and their state and local governments to eliminate policies and practices that criminalize homelessness.

**(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 2023 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.

**(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. This is especially important as the CARES Act and American Rescue Plan have provided significant new resources to help end homelessness. HUD encourages CoCs to maximize the use of mainstream and other community-based resources when serving persons experiencing homelessness and should:

**(a)** 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. This includes developing close partnerships with public health agencies to analyze data and design approaches that reduce homelessness,

improve the health of people experiencing homelessness, and prevent and address disease outbreaks, including HIV/AIDS.

**(b)** 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. These partnerships can also help CoC Program participants exit permanent supportive housing through Housing Choice Vouchers and other available housing options. CoCs and PHAs should especially work together to implement targeted programs such as Emergency Housing Vouchers, HUD-VASH, Mainstream Vouchers, Family Unification Program (FUP) Vouchers, and other housing voucher programs targeted to people experiencing homelessness. CoCs should coordinate with their state and local housing agencies on the utilization of new program resources provided through the Homelessness Assistance and Supportive Services Program (HOME-ARP) that was created through the American Rescue Plan.

**(c)** Partner with local workforce development centers to improve employment opportunities.

**(d)** 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 over-represented 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, such as: developing a coordinated community response created in partnership with a racially diverse set of stakeholders and people experiencing homelessness and partnering with organizations with experience serving underserved populations. 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.*** Discrimination on the basis of gender identity or sexual orientation manifests differently for different individuals and often overlaps with other forms of prohibited discrimination. 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.*** The people who know best what solutions will effectively end homelessness are those who are experiencing homelessness. HUD expects CoCs to include people with lived homeless expertise and experience in their local planning and decision-making process. 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. CoC leaders and stakeholders should prioritize hiring people who have experienced homelessness in areas where their expertise is needed.

**(9) Increasing Affordable Housing Supply.** The lack of affordable housing is the main driver of homelessness. CoCs play a critical role in educating 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. CoCs should be communicating with jurisdiction leaders, including for the development of Consolidated Plans, about the harmful effects of the lack of affordable housing, and they should engage local leaders about steps such as zoning and land use reform that would increase the supply of affordable housing. This FY 2023 CoC NOFO awards points to CoCs that take steps to engage local leaders about increasing affordable housing supply.

## **SCORING**

In the FY 2023 CoC Program Competition, CoCs may receive up to 14 points on the CoC Application if the FY 2023 CoC Priority Listing includes new project applications created through reallocation or the CoC Bonus that utilizes housing vouchers and healthcare provided through an array of healthcare services providers.

*Tier 1.* Tier 1 is equal to 93 percent of the CoC's Annual Renewal Demand (ARD) as described in section I.B.2.b.(1) of this NOFO minus the Annual Renewal Amounts (ARAs) of YHDP Renewal and YHDP Replacement projects that were initially awarded through the FY 2017 YHDP Competition (Round 2) or later. HUD will conditionally select project applications in Tier 1 from the highest scoring CoC application to the lowest scoring CoC application and according to the rank assigned by the CoC on the FY 2023 CoC Priority listing, provided the project applications pass both project eligibility and project quality threshold review, and if applicable, project renewal threshold.

HUD will award a point value to each new, renewal, YHDP Renewal and YHDP Replacement project application that is in Tier 2 using a 100-point scale, and conditionally select applications in Tier 2 using this point value from the highest scoring project application to the lowest:

**(a) CoC Score.** Up to 50 points in direct proportion to the score received on the CoC Application; e.g., if a CoC received 100 out of 200 points on the CoC Application, the project application would receive 25 out of 50 points for this criterion.

**(b) CoC Project Ranking.** Up to 40 points for the CoC's ranking of the project application(s). To consider the CoCs ranking of projects, HUD will assign point values directly related to the CoCs' ranking of project applications. The calculation of point values will be 40 times the quantity  $(1-x)$  where  $x$  is the ratio of the cumulative funding requests for all projects or portions of projects ranked higher by the CoC in Tier 2 plus one half of the funding of the project of interest to the total amount of funding available in Tier 2 for the CoC. For example, if a CoC is eligible to apply for projects totaling \$500,000 in Tier 2 and applies for 5 projects ranked in Tier 2 of \$100,000 each: the highest-ranked project would receive 36 points, and then the subsequently ranked projects would receive 28, 20, 12, and 4 points.

**(c) Commitment to Housing First.** Up to 10 points based on the project application's

commitment to follow a Housing First approach as defined in section I.B.2.b.(15) of this NOFO. Dedicated HMIS projects and supportive service only for centralized or coordinated assessment system (SSO-CE) projects will automatically receive 10 points.

### **Program-Specific Requirements**

a. **Advancing Racial Equity.** In accordance with Executive Order [13985](#), *Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and federal fair housing and civil rights laws, HUD is emphasizing rating factors regarding CoC evaluation of racial disparities as well as 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, such as: developing a coordinated community response created in partnership with a racially diverse set of stakeholders and people experiencing homelessness and partnering with organizations with experience serving underserved populations. 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. Note that any actions taken in furtherance of this section must be consistent with federal nondiscrimination requirements.

All applicants must address the four bullets outlined in Rating Factor V.B.1.q. Advancing Racial Equity in Homelessness.

**b. Participative Planning and Implementation.** Applicants must identify the steps they will take to ensure that traditionally underserved populations (such as Black, Latino, and Indigenous and Native American persons; Asian American persons, Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons who live in rural areas, persons with disabilities, and others adversely affected by persistent poverty or inequality) will be able to meaningfully participate in the planning process. The applicant must identify the specific populations that it will include, identify community organizations that represent these populations, and describe how these populations will be included in the planning process. For capital investment projects, recipients should commit to and demonstrate plans to employ low- and very low-income persons and/or use Section 3 businesses at levels beyond those required by Section 3.