As stated in the Notice of Funding Availability (NOFA) for the Fiscal Year (FY) 2017 Continuum of Care Program Competition (FR-6100-N-25), HUD is accepting applications for eligible renewal projects and new, permanent housing projects created through reallocation or the permanent housing bonus.

2017 NOFA Updates (not inclusive) – Potential project applicants are strongly encouraged to review all applicable CoC NOFA materials.

- Policy priorities continue to focus on: 1) ending homelessness for all persons; 2) creating a systemic response to homelessness, 3) strategically allocating and using resources, and 4) use of a Housing First approach.

- Tier 1 funding is equal to 94 percent of a CoC’s Annual Renewal Demand (ARD); 2016 Tier 1 was 93%. Note that the Tier 1 / Tier 2 ‘straddle’ remains part of the priority listing requirement.

- Tier 2 funding is equal to 6% of the CoC’s ARD – plus – amount eligible (6%) for new permanent housing projects created through the Permanent Housing Bonus option.

- Types of new project applications permitted through the reallocation process are:
  - Permanent supportive housing projects that meet requirements of DedicatedPLUS or the standard 100 percent dedicated for chronically homeless individuals and families;
  - Rapid rehousing projects that served individuals and families, including unaccompanied youth who meet the criteria outlined in the NOFA;
  - Joint TH and PH-RRH component projects;
  - Dedicated HMIS; and
  - Supportive services to develop or operate a new centralized or coordinated assessment system

- Types of new project applications permitted through the permanent housing bonus, which is 6 percent of a CoC’s Final Pro Rata Need (PPRN) are:
  - Permanent supportive housing projects that meet requirements of DedicatedPLUS or the standard 100 percent dedicated for chronically homeless individuals and families;
Rapid rehousing projects that served individuals and families, including unaccompanied youth who meet the criteria outlined in the NOFA; and

Joint TH and PH-RRH component projects.

2017 NOFA Scoring

**Consolidated Application**
Please review the 2017 CoC NOFA in its entirety (link also posted) but pay special attention to Section VII, pages 43-56, as this section describes the consolidated application scoring criteria in detail - on a 200-point scale:

a. CoC coordination and Engagement = 43 points total
b. Project Ranking, Review, and Capacity = 29 points total
c. HMIS = 13 points total
d. PIT = 6 points total
e. System Performance = 49 points total
f. Performance and Strategic Planning = 60 points total
g. CoC Merger Bonus = 25 bonus points total **NEW**

**Tier 2 Project Applications**

As in 2016, project applications ranked in Tier 1 will be conditionally funded according to the CoC’s priority listing, but project applications ranked in Tier 2 will once again be individually reviewed against a 100-point scale:

a. CoC Score: Up to 50 points in direct proportion to the CoC Consolidated Application score.
b. CoC Project Ranking: Up to 40 points for the CoC’s ranking of the project application.
c. Commitment to Housing First: Up to 10 points for how the permanent housing project application commits to applying the Housing First model.

2017 Reallocation Options

Reallocation is the process by which a CoC may shift funds in whole or in part from existing eligible renewal projects to create one or more new permanent housing projects without decreasing the CoC’s Annual Renewal Demand (ARD). See the CoC’s Project Review-Ranking Packet 1 – Intro for more information.
As stated in the Notice of Funding Availability (NOFA) for the Fiscal Year (FY) 2017 Continuum of Care Program Competition (FR-6100-N-25), CoCs may create through the reallocation process:

- Permanent supportive housing projects that meet requirements of DedicatedPLUS or the standard 100 percent dedicated for chronically homeless individuals and families;
- Rapid rehousing projects that served individuals and families, including unaccompanied youth who meet the criteria outlined in the NOFA;
- Joint TH and PH-RRH component projects;
- Dedicated HMIS; and
- Supportive services to develop or operate a new centralized or coordinated assessment system.

To better determine ROCC capacity to create new permanent housing projects through reallocation and to provide assistance to agencies intending to apply for funding through the 2016 HUD CoC process, it is critical that all projects funded through the FY 2017 CoC Competition consider the following available options.

**CoC Renewal Grant Options**

Eligible renewal projects may elect one of four options in the FY 2017 CoC Competition:

1. Apply for renewal of its existing project for the full amount awarded through the FY 2016 CoC Competition and confirmed by HUD on the 2017 Grant Inventory Worksheet (GIW),

2. Apply for renewal of its existing project but request less than the amount awarded as part of the FY 2016 CoC Competition and confirmed by HUD on the 2017 GIW. Under this scenario, a project may elect to use the funds no longer requested for its current project to create a new, permanent housing project. In other words, the project would continue its existing project at a reduced amount and use the remaining money to create a new PH project. Alternatively, the project may surrender the funds no longer requested so that other agencies may create new, permanent housing projects. *This is a potential option for projects where unspent funds have been returned to/recaptured by HUD.*

3. Reallocate its entire eligible renewal amount to create a new eligible project it will operate.
4. Elect not renew its existing grant through the FY 2017 CoC Competition. *If this is an option your agency is considering, please advise Jo Zimmer, CoC consultant/coordinator, as soon as possible.*

**HUD Policy Priorities**

As discussed during recent CoC Meetings, HUD's policy priorities continue to focus on the goals articulated in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness.* Accordingly, CoCs and individual projects will continue to be evaluated on the extent to which they are committed – as demonstrated through policies, practice, and performance – to these goals:

1. Creating a systemic response to homelessness
2. Strategically allocating resources
3. Ending chronic homelessness
4. Ending family homelessness
5. Ending youth homelessness
6. Ending veteran homelessness
7. Using a Housing First approach

To accomplish these goals and to maximize the potential for retaining the ROCC’s full ARD going forward, projects are asked to:

1. Consider contributing to the pool of funds available for reallocation, if feasible.

2. All current CoC grantees should review how programs are structured and operated, including expenditure rates. If your program has consistently been unable to spend down the full award, it would be prudent to consider asking for less funding in the 2017 CoC renewal application.

3. Implement a Housing First Approach. All projects should consider implementing a Housing First/Low Barrier model, if it has not done so already; this applies to ALL project types.