



May 16, 2016

## SNAPS In Focus: FY 2015 CoC Program Competition Recap

As we move into the FY 2016 Competition, I want to take a moment to reflect back on the FY 2015 Competition to explain the results and describe why we made some of the policy decisions we did.

The FY 2015 NOFA process was challenging for all Continuums of Care (CoCs), but especially for the CoCs and projects that lost funding. Although renewal funding has never been guaranteed, this year, CoCs had much more at stake, with both the possibility of increased funding for new projects and the risk of losing funding for renewals. I know many of our partners in communities had to make difficult decisions about which projects to prioritize. Those providers with projects that did not get renewed are going to face the extremely challenging task of finding alternative funding, downsizing, or closing and working to ensure that people currently served by those projects are not harmed. We will provide guidance and technical assistance resources to help CoCs and providers.

### Factors That Informed the FY 2015 Competition

Our approach to the past several Competitions, including the FY 2015 Competition, has been informed by many factors, including:

- **Policy Goals** - In 2010, the U.S. Interagency Council on Homelessness (USICH) published [\*Opening Doors: Federal Strategic Plan to Prevent and End Homelessness\*](#), which relied on input from an unprecedented number of stakeholders, including practitioners, researchers, public officials, and most importantly, people with lived experience. Since then, we have worked to align the CoC program with the goals and strategies in that plan.
- **Congressional Directive** - In our recent appropriations bills, Congress has directed HUD to make the CoC program more competitive and ensure that lower performing projects were not automatically renewed. These directives complement the HEARTH Act's focus on outcomes and system performance.
- **Research on Homelessness** – much of the research, including the [\*Family Options Study\*](#), have clearly indicated that permanent housing strategies, such as permanent supportive housing and rapid re-housing, are more cost effective and achieve the same or better outcomes than other types of homeless assistance. We work to support these research-based strategies through the Competition and encourage communities to adopt them.

Over the past several years, thanks in part to increases in funding for veteran homelessness programs, we have witnessed important progress on ending homelessness. Overall, the number of people experiencing homelessness has steadily declined and that progress was concentrated among the most vulnerable populations, including people living unsheltered, those who have disabilities, and families with children. However, when we look at the progress made at ending homelessness for non-veterans, this progress has been much slower, and in recent years, appears to have tapered off.



During this same period of time, funding for the CoC Program has been just enough to continue existing levels of assistance. It has become clear that we need to more efficiently prioritize our CoC Program resources to make significant strides in ending homelessness. Research and the experience of leading communities is telling us that prioritizing people with the greatest needs, focusing on data and performance, and relying on permanent housing strategies are key to ending homelessness. While communities have used the CoC program and the CoC application process to greatly improve homeless assistance, we also continue to fund many lower-performing projects and ones using outdated program models.

## Increasing Progress on Ending Homelessness

Those of us working in the federal government on homelessness programs have a deep commitment to ending homelessness. It is the reason I entered public service, and it is what motivates everyone in the SNAPS office and our friends working on homelessness here at HUD and throughout the federal government. It is what leads us to constantly try to improve our programs and make them more effective. For the FY 2015 CoC Competition, we made several changes to the CoC Competition that we hoped would accelerate progress to end homelessness. We had several goals in mind:

- Increase the focus on data and performance;
- Increase the capacity of coordinated entry systems to prioritize people who most needed assistance;
- Allocate resources to the types of projects that were most likely to reduce homelessness;
- Encourage CoCs to more actively manage and oversee the projects in their geographic areas to ensure that they are effective and efficient; and
- Ensure that homelessness programs are using housing first approaches to serve people who most need assistance and are doing so using client-driven approaches.

To better achieve these goals, we implemented numerous changes in the FY 2015 Competition:

- The CoC application focused even more on improving outcomes, lowering barriers, and developing partnerships with key mainstream partners.
- We significantly increased resources for CoC planning to the maximum allowed. These resources will enable CoCs to better analyze performance data and more actively manage their communities' response to homelessness. (See more on this topic in the [SNAPS In Focus: CoC Planning message](#).)
- We set a Tier 1 threshold of 85% of each CoC's Annual Renewal Demand (ARD) amount to ensure that CoCs had the opportunity to protect the highest priority projects in their communities.
- We created a robust competition among Tier 2 projects to encourage more reallocation to permanent housing, Homeless Management Information Systems (HMIS), and coordinated entry projects; encourage projects to use a housing first approach; and reward CoCs that were performing better at reducing homelessness and implementing strategies that would lead to further progress.



As a result of the steps we implemented in this Competition, many communities will receive funding for new projects that will house tens of thousands of people experiencing homelessness. At the same time, many renewal projects were not funded and face the difficult task of finding alternative funding for, downsizing, or closing down longstanding programs. I believe the most important outcome of the Competition is that CoCs, even some who lost funding this year, made very hard choices that will position them to make more progress in the future. I have been impressed with the way so many CoCs carefully evaluated projects and prioritized the ones that are higher performing and will ultimately lead to better outcomes. Homelessness systems will be more efficient and effective because of these efforts.

## Initial Outcomes of the FY 2015 Competition

Here are some of our early estimates of the changes in projects that we funded nationally:

- Funding for permanent supportive housing projects increased by approximately \$165 million to \$1.41 billion. Of this, approximately \$115 million represents 7,500 additional permanent supportive housing units, and the rest is a result of increases needed to keep up with rising housing costs.
- Funding for rapid re-housing projects doubled to \$197 million. We estimate that this funding will serve approximately 30,000 more households experiencing homelessness than if there had been no increase.
- Funding for transitional housing projects declined by \$155 million to \$171 million. As a result, CoC Program-funded transitional housing will serve approximately 15,000 fewer households than the previous year.

We have done some analysis of these changes, especially for unaccompanied youth and families with children. Overall, funding for projects serving unaccompanied youth will rise by over 50 percent. Permanent supportive housing, rapid re-housing and transitional housing projects combined will serve twice as many youth as the previous year. CoCs created many new youth rapid re-housing projects. The CoC Program will also provide more funding for projects serving families with children. While we will serve fewer families in transitional housing, many more will receive rapid re-housing. As a result, The CoC Program will serve approximately 20,000 more families with children in permanent supportive housing, rapid re-housing, and transitional housing combined. CoCs also dedicated more of their existing permanent supportive housing to people experiencing chronic homelessness. While the number of units of permanent supportive housing will increase by about 7,500 (containing approximately 10,000 beds), the number of dedicated permanent supportive housing beds will rise by about 15,000.

The decreases in transitional housing and other projects will create hardships for many communities. However, in looking at the net impact of these changes, it is clear that these changes will result in the CoC Program serving more people experiencing homelessness and serve them better than ever before.

## Preliminary CoC and Project Score Observations

I know many of our partners are interested in knowing what factors made CoCs more or less competitive and why certain projects did not receive funding. We will be providing debriefing resources in the next few weeks that will explain each CoC's score, but here are a few preliminary observations.



The range of CoC scores was very large. The highest possible score was 203, and the weighted median was 158.25. Congratulations to Houston, Pasadena/Harris, Fort Bend Counties CoC, who received the highest score in this Competition of 188. Meanwhile, the lowest scoring CoC received a score of 49.5. There were many factors that influenced a CoC's score, but the most important one was improving the performance of the CoC, especially in areas such as reducing the number of people experiencing homelessness in the community and improving permanent housing outcomes. Other priorities, such as engaging partners such as Public Housing Authorities (PHAs) and Domestic Violence (DV) and youth-serving organizations, and a high level of data coverage and quality were also very important.

CoC score was a large part of the Tier 2 project score, however, there were three other reasons that affected whether individual projects received funding aside from the CoC's score.

- **Reallocation** - One of the most important factors in a project's score was whether CoCs reallocated projects. Transitional housing projects (except for those that serve youth) and supportive services only (SSO) projects (except for those for coordinated entry) received fewer points than other project types. This provided a strong incentive for CoCs to reallocate from those project types to create new permanent housing, HMIS, and SSO-coordinated entry projects. CoCs that reallocated received more funding, and those that did not were much more likely to lose funding. About 270 projects totaling \$44 million were not awarded because of a combination of the project type and the fact that they were not fully using housing first practices. CoCs would have received this funding if they had reallocated to permanent housing projects using housing first practices, new HMIS projects, or new projects for coordinated entry.
- **Project Ranking** - A project that was ranked at the top of Tier 2 was much more likely to be funded than one at the bottom of Tier 2. The local CoC ranking process mattered not just to determine which projects were placed in Tier 1, but to determine which ones were higher ranked within Tier 2, and thus more likely to be funded.
- **Housing First Practices** - Projects that committed to using housing first practices received more points and were more likely to be funded than those that did not. Over 80 projects totaling nearly \$9 million were not funded, but would have been if they had committed to using housing first practices.

I want to close by thanking our many partners in communities. You make very challenging decisions that affect many people's lives. Your work to end homelessness has resulted in very large declines in homelessness over the past 6 years, and it has positioned us to continue that progress in the future. There is much more work ahead, but together, I am confident that we can finally and forever end homelessness.

Thank you.

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