

**Orange County
Continuum of Care
Homeless Assistance Programs**

Letter of Intent (LOI)
For All CoC Funded Projects

**Part II
Project Review**

2015 Renewal Applicants

Released
October 2, 2015

LOI/Part II Submission Deadline
October 16, 2015 at 12pm (PST)

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ORANGE COUNTY CONTINUUM OF CARE

2015 RENEWAL APPLICATION

LETTER OF INTENT FORM/PART II: PROJECT REVIEW

INTRODUCTION

Welcome to Part II: Project Review of the 2015 Letter of Intent (LOI) process under the 2015 Orange County Continuum of Care (CoC) Homeless Assistance Program. If your agency has reached this part of our application, your LOI/Part I documents have been assessed and your agency has passed the Administrative Agency review. The evaluation process helps to ensure a high quality of standards for renewal applicants, and may also be used to make funding decisions at the local level.

In Orange County, the Commission to End Homelessness (C2eH) is the group of community stakeholders that sets local priorities for the FY 2015 CoC Notice of Funding Availability (NOFA) funding. Consequently, the C2eH, in collaboration with County staff, will evaluate 2015 HUD NOFA regulations along with agency and project performance on past grant(s) to ensure successful execution going forward. **Please note that renewal funding is not guaranteed upon submission of the Letter of Intent (LOI) Part I and II documents to the CoC.**

LOI/PART II: PROJECT REVIEW PROCESS

The general purpose of the LOI/Part II process is to 1) assess project performance by evaluating application components; and 2) rank and score projects¹. The results of the LOI/Part II process will be presented to the Ad Hoc Committee for recommendation and the C2eH for final approval for agencies to submit into E-snaps.

In particular, the LOI/Part II process will include the following steps:

1. Review Technical Requirements
2. Review Document Presentation Requirements
3. Evaluate Part I and II Application Components
4. Rank and Score Projects on Project Priority Listing
 - System-Wide Analytics and Projections (SWAP) Tool
 - Annual Performance Report (APR)
 - Housing First Model

Project Renewal Threshold (per HUD NOFA). A CoC must consider the need to continue funding for projects expiring in CY 2016. Renewal projects must meet minimum project eligibility, capacity, timeliness, and performance standards identified in this NOFA or they will be rejected from consideration for funding.

¹ HUD requires all CoCs to rank and tier projects.

- a. Whether the project applicant's performance met the plans and goals established in the initial application as amended;
- b. Whether the project applicant demonstrated all timeliness standards for grants being renewed, including that standard for the expenditure of grant funds have been met;
- c. The project applicant's performance in assisting program participants to achieve and maintain independent living and record of success, except HMIS-dedicated projects are not required to meet this standard; and
- d. Whether there is evidence that a project applicant has been unwilling to accept technical assistance, has a history of inadequate financial accounting practices, has indications of project mismanagement, has a drastic reduction in the population served, has made program changes without prior HUD approval, or has lost a project site.

HUD reserves the right to reduce or reject a funding request from the project applicant for the following reasons:

- a. Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
- b. Audit finding(s) for which a response is overdue or unsatisfactory;
- c. History of inadequate financial management accounting practices;
- d. Evidence of untimely expenditures on prior award;
- e. History of other major capacity issues that have significantly affected the operation of the project and its performance;
- f. History of not reimbursing sub-recipients for eligible costs in a timely manner, or at least quarterly; and
- g. History of serving ineligible program participants, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

PROJECT PRIORITY LISTING

All project applications must be approved and ranked by the CoC. The Collaborative Applicant will then rank the approved project applications in either Tier 1 or Tier 2 as described in FY 2015 HUD NOFA.

HUD will continue the Tier 1 and Tier 2 funding process; however the process in the FY 2015 CoC Program Competition is completely different from the past CoC Program Competitions (2015 NOFA, page 15) .We are asking that all providers read the NOFA and pay close attention to details regarding HUD's new Tier II scoring.

In the FY 2015 NOFA, Tier 1 is equal to 85 percent the CoC's ARD amount approved on the final HUD-approved GIW and projects in this tier will be conditionally selected from the highest scoring CoC to the lowest scoring CoC, provided the project applications pass both eligibility and threshold review. Any type of new or renewal project application can be placed in Tier 1. Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for the permanent housing bonus. This does not include the amounts available for CoC planning and UFA Costs. Projects placed in Tier 2 will be assessed for eligibility and threshold requirements, and funding will be determined using the CoC Application score as well as the factors listed in the NOFA.

Per page 60 of the NOFA, HUD will award a point value to each new and renewal project application that are in Tier 2 using a 100 point scale:

- a. *CoC Score.* Up to 60 points in direct proportion to the score received on the CoC Application rounded to the nearest whole point. CoCs must receive at least 198.5 points out of the 200 CoC Application points available to receive the full 60 points for the CoC Application score. For example, if a CoC received 100 out of 200 points on the CoC application, the project application would receive 30 out of 60 points for this criterion.
- b. *CoC Project Ranking.* Up to 20 points for the CoC's ranking of the project application(s). In order to more evenly distribute funding across CoCs and take into account the CoC's ranking of projects, point values will be assigned directly related to the CoCs ranking of projects. The calculation of point values will be 20 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 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 18 points and then the subsequently ranked projects would receive 14, 10, 6, and 2 points.
- c. *Project Type.* Up to 10 points will be based on the type of project application submitted and the population that will be served with the following points available for the following project types:
 1. 10 points for renewal and new permanent housing (permanent supportive housing and rapid re-housing), renewal Safe Haven, Homeless Management Information System, Supportive Services Only (SSO) for Centralized or Coordinated Assessment System, or transitional housing that exclusively serve homeless youth projects;
 2. 3 points for renewal transitional housing, except those transitional housing projects that exclusively serve homeless youth which will be scored as discussed in paragraph (1); and
 3. 1 point for renewal SSO project applications
- d. *Commitment to Policy Priorities.* Up to 10 points for how the permanent housing project application commits to applying the Housing First model. Transitional housing projects and SSO projects that are not for centralized or coordinated assessment can receive up to 10 points for how the project demonstrates that it is low-barrier, prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions to entry (such as sobriety or a minimum income threshold). HMIS projects and SSO projects for a centralized or coordinated assessment system will automatically receive 10 points.

TECHNICAL REQUIREMENTS FOR PREPARING THE LETTER OF INTENT PACKET

1. One (1) printed original with signatures and one (1) complete copy in binders with clearly marked section tab dividers for all exhibits, attachments and required documents.
2. One (1) electronic copy on a USB flash drive with completed LOI/Part II, exhibits and attachments along with other pertinent documentation to be organized and separated per Document Presentation requirements.

DOCUMENT PRESENTATION REQUIREMENTS

1. **No late submissions** will be accepted.
2. **Clearly identify** which version is the original and which is the copy on the front page of the document.
3. All sections will be numbered separately with tabs in accordance with the Supporting Documents Checklist.
4. **Most recent** documentation for each Exhibit and Attachment.
5. Dividers with tabs clearly labeled between each exhibit and attachments.
6. **Complete** all attachments and exhibits per LOI requirements. Do not leave any blank responses without an explanation. If the question is not applicable, please indicate N/A.
7. All documents with a signature block must be **signed** by the authorized officer(s).
8. All supporting documents must be included in the submission. No exceptions.
9. All supporting documents must be legible.
10. Double-sided.

REQUIRED DOCUMENTS THAT MUST BE COMPLETED FOR LOI/PART II

Please complete all of the required forms listed below in your assigned USB.

- HUD CoC Project Application
- Exhibit 1: Certification of Consistency in the Consolidated Plan (per CoC project)
- Exhibit 2: Environmental Information Form (per CoC project)²
 - Attachment 1: Limited Scope Environmental Review Form
 - Attachment 2: Environmental Review of Categorically Excluded Not Subject to Section 58.5
- Exhibit 3: Project Performance Review
 - Attachment 3a: Project Performance Renewal – Self Certification (PSH projects only)
 - Attachment 3b: Most recent APR submitted to HUD
- Exhibit 4: Financial Commitment
 - Attachment 4: In-Kind Memorandum of Understanding (MOU)
 - Attachment 5: 25% Match documentation letters for 2015³
- Exhibit 5: Housing First Model Assessment
 - Attachment 6: eSnaps Application Section 3B. Project Description, items 4 (Housing First) a., b., c., and d.
 - Attachment 7a: Supporting Documents for eSnap Section 3B questions b or c – copy of program rules, service plans, or applicable documents
 - Attachment 7b: Table of effective dates of any organizational or program documents submitted under Attachment 7a.
- HUD Forms

² Note: An environmental clearance letter for projects that have approved within the past five (5) years may be submitted in lieu of the Environmental Information Form.

³ If match documentation letters will not be ready by submission deadline, they will be needed at time of e-snaps submission

Certification of Consistency with Consolidated Plan (Exhibit 1)

Applicants must submit a certification that the application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of local government or the State, in accordance with HUD's regulation in 24 CFR part 91, subpart F. The required certification must be submitted with the LOI by the submission deadline.

Environmental Reviews (Exhibit 2)

The Environmental Review is required by HUD to ensure the project does not negatively impact the surrounding environment and that the property itself will not have adverse environmental or health effects on occupants.

All CoC assistance is subject to the National Environmental Policy Act and applicable related Federal environmental authorities. Conditional selection of projects under the CoC Homeless Assistance competition is subject to the environmental review requirements of 24 CFR 582.230, and 882.804(c) as applicable. (A clearance letter will be prepared by the County if an environmental review was completed on the project within the past five (5) years. If applicable, please include the clearance letter in lieu of the environmental information form).

The recipient, its project partners and their contractors may not acquire, rehabilitate, convert, lease (under TRA where participants are required to live in a particular structure or area as described in Section III.C.3.h. (3)(a), repair, dispose of, demolish or construct property for a project under this CoC NOFA, or commit or expend HUD or local funds for such eligible activities, until the responsible entity has completed the environmental review procedures required by Part 58 and the environmental certification and Request for Release of Funds (RROF) have been approved or HUD has performed an environmental review under Part 50 and the recipient has received HUD approval of the property. The expenditure or commitment of Continuum of Care assistance or nonfederal funds for such activities prior to this HUD approval may result in the denial of assistance for the project under consideration.

Project Performance Review (Exhibit 3)⁴

This year, each housing type will be evaluate utilizing different performance tools.

Transitional Housing Performance Review

Last year, the CoC used the Program Performance Report (PPR) for each agency's project(s). This year, 211OC will produce the transitional housing project performance review report by using HUD approved System-Wide Analytics and Projections (SWAP) Tool developed by Focus Strategies and in collaboration with the National Alliance to End Homelessness (NAEH). The SWAP Tool is a suite of tools designed to help communities plan and prioritize changes to bring about the greatest possible reduction in homelessness.

For more information about the SWAP Tool, please visit <http://focusstrategies.net/swap/>.

⁴ Project Performance data on Attachment 3 and 4 will be reviewed by 211OC to ensure accuracy.

SWAP Tool has the ability to generate performance measurement report on exits to permanent housing, annual household utilization, percentage of household entered from homelessness and did not enter from homelessness, length of stay, percentage of missing HUD responses and recidivism.

Permanent Supportive Housing Performance Review

Like last year, permanent supportive housing project providers will complete Attachment 3a: Project Performance Renewal – Self Certification. As in the previous year, the measurements are aligned with HUD system and project performance measures.

Rapid Rehousing Performance Review

Given that rapid rehousing projects are newly reallocated, there is not sufficient data to evaluate performance utilizing the SWAP Tool. The following criteria will be utilized to review performance for rapid rehousing projects:

- Project entry from homelessness from HMIS
- 2nd quarter Universal Data Elements Quality Report - <http://ochmis.org/reports2/quarter-two-2015-hmis-universal-data-element-data-quality/>

Financial Commitment (Exhibit 4)

Match

All eligible funding costs, except leasing, must be matched with no less than 25% cash or in-kind contribution. No match is required for leasing. The match requirements apply to project administration funds, along with the traditional expenses (operations, rental assistance, supportive services, and HMIS). Match must be met on an annual basis. HUD requires match letters to be submitted with the e-snaps application.

For an in-kind match, the recipient may use the value of property, equipment, goods, or services contributed to the project, provided that, if the recipient or sub recipient had to pay for such items with grant funds, the costs would have been eligible. If third party services are to be used as match, the third party service provider that will deliver the services must enter into a memorandum of understanding (MOU) before the grant is executed documenting that the third part will provide such services and value towards the project. HUD requires Match letters to be submitted with the e-snaps Application.

Leverage

Leveraged resources may include funding or in-kind contributions, such as services or equipment. Partners providing the leveraged resources may include: governmental entities, public or private nonprofit organizations, for profit private organizations, individuals, or other entities willing to partner.

HUD will award up to 1 point to CoCs that demonstrate the extent to which the amount of assistance to be provided will be supplemented with resources from other public and private sources, including mainstream programs. The point will be awarded to CoCs that have a minimum 150 percent in leveraging and where the project applicant(s) have attached the commitment letter(s) to their project applications and those letters are dated within 60 days of the application deadline.

If your organization is recommended for inclusion in the CoC application, you will be required to attend an optional workshop at 2-1-1 Orange County in order to complete CoC Application in E-snaps. At the workshop, agencies will update/complete budget worksheets and all HUD required forms in E-snaps and finalize the electronic application.

Housing First Model Assessment (Exhibit 5)

Under the 2015 NOFA, HUD has placed a strong emphasis on us of the Housing First model to increase access to housing options for households that often face multiple barriers to housing. Housing First is a model of housing assistance that prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions (such as sobriety or a minimum income threshold). Projects using a housing first approach often have supportive services; however, participation in these services is based on the needs and desires of the program participant. Transitional housing and supportive service only projects can be considered to be using a housing first model for the purposes of the NOFA if they operate with low-barriers, work to quickly move people into permanent housing, do not require participation in supportive services, and, for transitional housing projects, do not require any preconditions for moving into the transitional housing (e.g., sobriety or minimum income threshold). Additional information regarding Housing First is in Section II.A.6. of the NOFA.

HUD recognizes that there may be some instances where the Housing First approach is not appropriate for a particular permanent or transitional housing project. For example, this may include projects where residents are focused on obtaining support to recover from substance use disorders, and such projects may be alcohol and drug free to support their continued sobriety. However, in general, Housing First approaches are encouraged across all types of projects.

EVALUATION OF LOI/PART I AND II APPLICATION COMPONENTS

Once the LOI/Part I and LOI/ Part II process is completed, each project will be rated and ranked per the C2eH approved Ranking Policy and HUD requirements and guidelines from the 2015 HUD NOFA⁵.

The following application components *may* be utilized in this scoring process:

1. LOI/ Part I: Agency Administrative Review
 - a. Document and Presentation Requirements
 - b. HMIS standing
 - c. Participation in Local Continuum of Care
 - d. Financial Assessment (Exhibit 3: Attachment 8)
2. LOI/Part II: Project Review
 - a. Project Performance Review (Exhibit 3)
 - b. Annual Performance Report (APR) (Attachment 3a and 3b)
 - c. Financial Commitment: Leverage and Match (Exhibit 4: Attachment 4 and 5)
 - d. Housing First Model Assessment (Exhibit 5)

⁵ HUD requires that all CoC project applications be scored and ranked.

LETTER OF INTENT TIMELINE AND DUE DATES*

	Due Dates
Release of LOI/Part II	October 2, 2015
Acknowledge Receipt of LOI/Part II	October 6, 2015
Technical Assistance Workshop for LOI/Part II	October 6, 2015 from 10 a.m. to noon
E-snaps Workshop (optional)	October 5 through October 14, 2015
Deadline for LOI/Part II	October 16, 2015 at 12:00pm (PST)
Submit project application into eSnaps	October 16, 2015
Submit hardcopy of eSnaps to Zulima Pelayo	October 16, 2015
Receive notification of ranking	November 4, 2015
CoC Collaborative Application (Early) Submission	November 19, 2015

***NOTE:** Dates subject to change

LOI/PART II (A) SUBMISSION

Renewal applicants are required to complete this LOI/Part I by answering all questions and providing the required documentation to pass the threshold. Renewal applicants passing the threshold will be recommended for submission of their application in e-snaps and inclusion in the HUD NOFA competition. The LOI/Part II must be time-stamped on the cover page of the original and complete copies by 211OC staff. It is the sole responsibility of the Respondent to ensure that delivery is made prior to the Due Date and Time. Delivery receipts are available upon request.

The LOI/Part II including all Exhibits and Attachments must be hand delivered by 12:00 pm Pacific Standard Time on October 16, 2015 to:

2-1-1 Orange County
 Attention: Zulima Pelayo
 1505 E. 17th Street, Suite 108
 Santa Ana, CA 92705

If your agency meets the requirements under LOI/Part II and is recommended for renewal and inclusion in the 2015 HUD CoC application, your agency will be notified to submit your application in E-snaps.

LOI/PART II(B): E-SNAPS SUBMISSION

Applicants advancing to Part II will be required to complete and submit information in HUD’s electronic application system, E-snaps. Applicants will be advised of strict timelines in which to complete the electronic application process. Failure to complete the project application within the established timeframe may preclude the submission of the renewal application in the final submission to HUD.

The completed 2015 Continuum of Care Associated application will be submitted to HUD for final approval. The submission date will be as determined by HUD in the 2015 application cycle.

NOTE: HUD, as the awarding agency, has the authority to rescind funds for projects, which it deems to be low, or non-performing, or which may be deemed to be operating outside of the parameters identified in the original agency application.

LOI/Part II consists of all HUD required processes and documentation as well as completion of an electronic application in the e-snaps system. Applicants recommended to continue to Part II of the application process will receive additional instructions and information regarding HUD requirements and the completion of the electronic application in e-snaps. It is the responsibility of the applicant to ensure that their HUD e-snaps application is correct, complete and submitted in a timely manner. Failure to do so may result in the non-submission of the incomplete project renewal to HUD. HUD will assess, as part of their project review process, applicant and project sponsor eligibility, as well as capacity and quality. This review also considers an applicant’s spending history on current homeless assistance grants, if applicable. HUD expects that grantees should be making drawdowns at least quarterly. Applicants who do not submit a complete and accurate application within the specified timeframe will not be included in the final CoC application to HUD.

RIGHT OF ORANGE COUNTY CONTINUUM OF CARE TO WAIVE IRREGULARITIES

The Orange County Continuum of Care reserves the right to:

1. Withdraw this solicitation at any time without prior notice and, furthermore, makes no representation that any contract occur and that funds will be awarded by HUD to any respondent to this solicitation.
2. Waive any irregularities in the LOI process and to reject any and all submissions not in the best interest of the Continuum of Care.
3. To request additional information and material. In addition, once released, the application from HUD may require and warrant the request of supplemental material.
4. Not renew grants that have exhibited serious capacity issues in prior grants, including performance and financial problems, HMIS participation, or unresolved monitoring issues, or based on the best interest of the entire CoC Application. HUD will review applications and make the final funding decision.
5. Retain all submitted LOIs. Selection or rejection of a LOI does not affect these rights.

FURTHER QUESTIONS AND ADDITIONAL RESOURCES

211OC is available to answer questions on the Letter of Intent, application deadlines, process, training, or to provide copies of application materials. For further questions or technical assistance, please contact 211OC.

211OC Staff Person	Phone	Email
Zulima Pelayo	(714) 589-2358	zpelayo@211oc.org

Specific questions regarding your HUD grant amount, HUD guidelines and etc. should be directed to your local HUD field office representative. **Please DO NOT contact the HUD office regarding Orange County’s local application deadlines or process**, as 211OC is available to answer those questions.

ADDITIONAL INFORMATION

Agencies will be required to comply with terms set forth by the CoC and HUD. In addition, all applicants are strongly advised to review all applicable terms, conditions and federal requirements.

It is strongly recommended that you obtain and review information related to the Continuum of Care Program, the CoC Interim Rule, and the HEARTH Act Regulations, along with any other related documents prior to completion of this LOI/Part I. In addition, HUD will provide updates via their website at <https://www.hudexchange.info/>.