

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

**Letter of Intent (LOI)**  
For All CoC Funded Projects

**Part II  
Project Submittal**

**2017 Renewal Applicants**

**Released**  
August 7<sup>th</sup>, 2017

**LOI/Part II Submission Deadline**  
August 21<sup>st</sup>, 2017 at 3:00 pm (PST)

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# ORANGE COUNTY CONTINUUM OF CARE 2017 RENEWAL APPLICATION LETTER OF INTENT /PART II: PROJECT SUBMITTAL

## INTRODUCTION

Welcome to Part II: Project Submittal of the 2017 Letter of Intent (LOI) process under the 2017 Orange County Continuum of Care (CoC) Homeless Assistance Program. All renewal projects are currently under review for inclusion in the FY 2017 CoC Application. If the Commission to End Homelessness (C2eH)/CoC Board reallocates any projects, the agencies will be notified.

In Orange County, the Commission to End Homelessness (C2eH)/CoC Board is the group of community stakeholders that sets local priorities for the FY 2017 CoC Notice of Funding Availability (NOFA) funding. Consequently, the C2eH, in collaboration with County staff, will evaluate 2017 CoC Program Notice of Funding Availability (NOFA) regulations to ensure successful application to the Department of Housing and Urban Development (HUD).

## LOI/PART II: PROJECT SUBMITTAL PROCESS

LOI/Part II consists of all HUD required processes and documentation as well as completion of an electronic application in the e-snaps system.

**Project Renewal Threshold (per FY 2017 CoC Program NOFA, page 35).** A CoC must consider the need to continue funding for projects expiring in Calendar Year (CY) 2018. Renewal projects must meet minimum project eligibility, capacity, timeliness, and performance standards identified in the NOFA or they will be rejected from consideration for funding.

1. When considering renewal projects for award, HUD will review information in eLOCCS; Annual Performance Reports (APRs); and information provided from local HUD CPD Field Office, including monitoring reports and A-133 audit reports as applicable, and performance standards on prior grants, and will assess projects using the following criteria on a pass/fail basis:
  - 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 the 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.

2. **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 2017 CoC Program NOFA.

**HUD will continue the Tier 1 and Tier 2 funding process; the process in the FY 2017 CoC Program Competition is similar to the last CoC Program Competitions. HUD will establish each CoC's Tier 1 and Tier 2 amounts based on the total amount of funds requested by eligible renewal project applications on the Renewal Project Listing combined with the eligible renewal project amount(s) that were reallocated as listed on the reallocation forms in the CoC Priority Listing. HUD will post a report that lists each CoC's estimated ARD, Tier 1 amount, CoC planning amount, and permanent housing bonus amount on the HUD Exchange. HUD has also posted the final GIWs on the HUD Exchange. We are asking that all providers the read FY 2017 CoC Program NOFA.**

In the FY 2017 CoC Program NOFA, Tier 1 is equal to the greater of the combined amount of ARA for all permanent housing and HMIS projects eligible for renewal up to \$1,000,000 or 94 percent of the CoC's FY 2017 ARD, as described on in Section III.A.3.a., page 18 of the FY 2017 CoC Program NOFA. The CoC's ARD amount will be based on the amount of funds requested by eligible renewal project applications on the Renewal Project Listing combined with the eligible renewal project amount(s) that were reallocated. 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, except for CoC Planning and UFA projects, which are not ranked. However, in the event insufficient funding is available under this NOFA to award all Tier 1 projects, Tier 1 will be reduced proportionately, which could result in some Tier 1 projects falling into Tier 2. Therefore, CoCs should carefully determine the priority and ranking for all project applications in Tier 1 as well as Tier 2, which is described below. **The FY 2017 Continuum of Care (CoC) Program Competition NOFA Estimated the Annual Renewal Demand for Orange County CoC at \$21,703,735. The estimated ARD at 94 percent for Tier 1 is \$20,401,511.**

Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for the permanent housing bonus (before adjustments are made to permanent housing leasing, operating, and rental assistance budget line items based on changes to FMR) as described in Section II.B.2.b. of this NOFA.

This does not include the amounts available for CoC planning and UFA Costs. Project applications that are in Tier 2 will be selected for FY 2017 CoC Program funding using the process described in Section II.B.17. of the NOFA. Projects placed in Tier 2 will be assessed for eligibility and threshold requirements, and funding will be determined using the CoC 16 of 65 Application score as well as the factors listed in Section II.B.17. of the NOFA.

If a project application straddles the Tier 1 and Tier 2 funding line, HUD will conditionally select the project up to the amount of funding that falls within Tier 1 as stated above; and then, using the CoC score and other factors described in Section II.B.17. of the NOFA, HUD may fund the Tier 2 portion of the project. If HUD does not fund the Tier 2 portion of the project, HUD may award the project at the reduced amount, provided the project is still feasible with the reduced funding (e.g., is able to continue serving homeless program participants effectively).

Per page 16 of the NOFA, HUD will award a point value to each new and renewal project application that is in Tier 2 using a 100 point scale:

- a. *CoC Score.* Up to 50 points in direct proportion to the score received on the CoC Application. For example, 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. CoCs must receive all 200 CoC Application points available to receive the full 50 points for the CoC Application score.
- b. *CoC Project Ranking.* Up to 40 points for the CoC's ranking of the project application(s). To more evenly distribute funding across CoCs and take into account the CoCs ranking of projects, point values will be assigned directly related to the CoCs ranking of projects. 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 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 for how the permanent housing project application commits to applying the Housing First model. Transitional housing, Joint TH and PH-RRH component, safe haven, 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. Both must be in binders with clearly labeled 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 submittal. Exhibits, attachments, and other required documents are to be organized and separated per Document Presentation Requirements.

## DOCUMENT PRESENTATION REQUIREMENTS

1. Clearly identify which version is the original and which is the copy on the front page of the submittal.
2. Tab Dividers will be clearly labeled between each exhibit and attachment.
3. All sections will be numbered separately within tab dividers, in accordance with the Supporting Document Checklist.
4. Most recent documentation is submitted on each Exhibit and Attachment.
5. Do not leave any blank responses without an explanation (e.g., is the question is not applicable, indicate N/A).
6. All documents with a signature block must be signed by the authorized officer(s).
7. All supporting documents must be included in the submission.
8. All supporting documents must be legible.

## 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 (e-SNAPS)<sup>1</sup>
- **Exhibit 1:** Certification of Consistency in the Consolidated Plan (per CoC project)
- **Exhibit 2:** Environmental Reviews (per CoC project)
  - **Attachment 1:** Limited Scope Environmental Review Form or Environmental Review of Categorically Excluded Not Subject to Section 58.5
- **Exhibit 3:** Financial Commitment
  - **Attachment 2:** In-Kind Memorandum of Understanding (MOU)
  - **Attachment 3:** 25% Match documentation letters for 2017
- **Exhibit 4:** Coordinated Entry System Participation
- **Exhibit 5:** Project Performance Measures Acknowledgement
- **Exhibit 6:** Housing First Model Assessment
  - **Attachment 4:** Documents supporting Housing First Model
- **HUD Forms**  
(HUD form attachments have been moved to e-snaps as fillable forms that only require a checkbox certification with the project applicant's authorized representative information. Please enter into e-snaps and download as a PDF)
  - HUD Form 50070
  - HUD Form 2880
  - SF-424
  - SF-LLL

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<sup>1</sup> For detailed instruction on entering data into e-SNAPS visit HUD's CoC Renewal Project Application Detailed Instructions for FY 2017 CoC Program Competition: <https://www.hudexchange.info/resources/documents/FY-2017-Renewal-Project-Application-Detailed-Instructions.pdf>

### Certification of Consistency with Consolidated Plan (Exhibit 1)

Each project applicant must submit a certification by the jurisdiction in which the proposed project(s) will be located that the applicant's application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made in accordance with the provisions of the consolidated plan regulations at 24 CFR part 91, subpart F. Form HUD-2991 must be completed and dated between May 1, 2017 and time of LOI/Part II Submission

### 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.

The County of Orange will perform the Environment Review and once approved, will present the agency with an environmental clearance letter. This environmental clearance letter is addressed per project and will be valid for the next five (5) years from the day dated, and may be submitted in lieu of the Environmental Review Forms.

The recipient, its project partners and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this NOFA, or commit or expend HUD or local funds for such eligible activities under this NOFA, until the responsible entity (as defined by 24 CFR 58.2(a)(7)) has completed the environmental review procedures required by 24 CFR Part 58 and the environmental certification and Request for Release of Funds (RROF) have been approved or HUD has performed an environmental review under 24 CFR Part 50 and the recipient has received HUD approval of the property. HUD will not release grant funds if the recipient or any other party commits grant funds before the recipient submits and HUD approves its RROF (page 28 of the FY 2017 CoC Program NOFA).

### Financial Commitment (Exhibit 3)

#### **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 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.

### Coordinated Entry System Participation (Exhibit 4)

The creation of an effective Coordinated Entry process is a key step in assessing the needs of homeless individuals and families and prioritizing them for assistance. The Orange County CoC is requiring that all CoC renewal projects participate in the Coordinated Entry System and complete certification of such participation.

### Project Performance Acknowledgement Review (Exhibit 5)

This year, each program housing type has been evaluated based on the performance measures that are outlined on Exhibit 5. These project performance measures were shared with the CoC At Large on May 4<sup>th</sup>, 2017 and were approved by the Commission, which functions as the CoC Board, on May 12<sup>th</sup>, 2017. The project performance measures are aligned with the United States Department of Urban and Housing Development. The Orange County CoC is requiring that all CoC renewal projects acknowledge and understand the performance measures used to review project performance for renewal project(s).

### Housing First Model Assessment (Exhibit 6)

Under the 2017 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). 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).

## 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 FY 2017 CoC program NOFA<sup>2</sup>.

### LETTER OF INTENT TIMELINE AND DUE DATES\*

	Due Dates
Release of LOI/Part II	August 7, 2017
Acknowledge Receipt of LOI/Part II	August 8, 2017
Technical Assistance office hours at 1505 E. 17 <sup>th</sup> Street, Santa Ana, CA, 92705	August 15, 2017 August 16, 2017 August 17, 2017
by <b>appointment only</b>	
<b>Deadline for LOI/Part II</b>	<b>August 21, 2017 at 3:00pm (PST)</b>
Grace period for submittal of LOI/Part II	August 21, 2017 from 3:00pm to 4:00pm (PST)

<sup>2</sup> HUD requires that all CoC project applications be scored and ranked.



**\*NOTE:** Dates subject to change

### LOI/PART II: SUBMISSION

Renewal applicants are required to complete this LOI/Part II by answering all questions and providing the required documentation.

It is the sole responsibility of the Agency 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 3:00 pm Pacific Standard Time on August 21<sup>st</sup>, 2017 to:

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

### 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 will 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
Jocelyn Gaspar	(714) 589-2358	jgaspar@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 II. In addition, HUD will provide updates via their website at <https://www.hudexchange.info/>.