

Letter from Ann Oliva to Grant Recipients, CoC Leaders and Stakeholders

Grant Recipients, CoC Leaders and Stakeholders –

Now that we have a budget for Fiscal Year 2013, I thought it would be helpful to provide an update on key initiatives and issues that impact the Office of Special Needs Assistance Programs (SNAPS), Continuum of Care (CoC) Program and Emergency Solutions Grants (ESG) recipients, and the people whom we all serve. Below you will find information on the FY2012 CoC Program competition, FY2013 budget and 2013 CoC Program competition, ongoing implementation of the HEARTH Act regulations, and a discussion about priorities as we move forward.

As I pause to write this, I am struck by how hard CoC leadership and recipients are working at the local level to provide the best services possible to our program participants while also working to respond to all of the changes going on at the national level. I hope you find the following information useful, and please know how much we appreciate your efforts.

FY2012 Continuum of Care (CoC) Competition

Secretary Donovan announced renewal funding in two phases because, for the first time, we faced the possibility of not being able to fund all eligible renewals due to a flat appropriation in FY2012. In order to provide communities with the opportunity to make choices that - while certainly not optimal - would be most strategic, we included a ranking process in the FY2012 NOFA that required CoCs to prepare for the possibility of a 3.5% reduction from their Annual Renewal Demand (ARD) by prioritizing projects into two tiers—one that was relatively safe (Tier 1) and one that was potentially at risk (Tier 2). Each CoC responded to the 3.5% reduction differently, suggesting that CoCs seized the opportunity to rank and reallocate in ways that truly accounted for local priorities.

HUD is continuing to conduct scoring and review of the rest of the projects submitted by CoCs. Once all FY2012 awards have been announced, HUD will conduct a national debriefing on the competition. It is imperative that you watch this broadcast as it will help you prepare for the FY2013 CoC Program Competition. You can find a list of all [renewal awards](#) made to date on [HUD's website](#).

FY2013 Budget

As I discussed in a [listserv](#) last month, the FY2013 appropriation for the programs managed by SNAPS - adjusted for sequestration and a mandatory rescission - presents us with a difficult budget situation. In other words, the funding level is insufficient to cover the annual increase in CoC Program renewal demand and to maintain ESG funding at the FY2012 level. Congressional direction requires that at least \$190 million (calculated after sequestration) be allocated to ESG.

- HUD will allocate \$215 nationally to ESG, \$25 million over the Congressional minimum. While less than the 2012 allocation of \$286 million, it is nonetheless \$55 million over the \$160 million level provided for many years prior to FY2011. This change takes effect for ESG grants that have operating years that started as early as January 2013.
- CoCs and CoC Program recipients should expect the FY2013 CoC Program NOFA to require cuts exceeding the 3.5% that they had to plan for in FY2012. Based upon our preliminary projections, the FY2013 appropriation for the CoC Program will not be enough to provide funds for all existing renewals and those renewing for the first time in 2013.

Regrettably, we must suggest that CoCs begin planning now about how they could best implement these cuts by making strategic local decisions. More information will be provided in the FY2013 CoC Program NOFA.

FY2013 CoC Competition

In order to get back onto a more normal and timely CoC Program award schedule, it is likely that there will be a relatively short time between final announcements for FY2012 and the opening of the CoC Registration for FY2013.

The CoC Registration process is becoming more and more critical as we face potential budget shortfalls. The renewal projects and budgets submitted on the Grant Inventory Worksheets (GIWs) are the basis by which we make projections to calculate the national Annual Renewal Demand (ARD) and determine any cuts that may be necessary. It is critical that each CoC's GIW is accurate when CoC Registration closes. Although HUD allowed some changes to ARD after the CoC Registration closed in FY2012, the same cannot be guaranteed for FY2013. Therefore, CoCs should start reviewing their portfolios now to ensure they have enough information to accurately complete the FY2013 GIWs.

HEARTH Regulations and Implementation

The new ESG and CoC Program interim rules are currently in effect and will govern our programs until final regulations are issued by the Department. We know, based on comments and feedback already received, that there are some key adjustments that we need to make. However, some changes cannot be made without a change to the law – including our ability to allow non-profits to administer rental assistance for permanent housing.

In order to ensure that we have meaningful comments that reflect recipients' experience, the Department intends to re-open the public comment period for both the ESG and CoC Program interim rules so recipients, CoCs, and other stakeholders can provide additional comments after having the opportunity to administer grants under the interim rules. While re-opening these rules for comment will delay the final rules, we want to get them right. Once final, these rules will likely be in place for years. It is important to me and the SNAPS team that they be as clear and well-crafted as possible.

The HEARTH Act also included a new [Rural Housing Stability Assistance Program](#) (RHSP). The proposed rule for RHSP is currently open for [public comment](#), and HUD encourages *all* stakeholders to review this proposed rule by the July 1, 2013 extended deadline. Please note that this rule also includes a revised definition of chronic homelessness that would apply to all of the final rules implementing the HEARTH Act. The deadline for comment on the definition of chronic homelessness has not been extended; those comments are due on May 28, 2013.

Technical Assistance and Training

Technical assistance resources are key to the implementation of HEARTH. HUD has already released many tools related to the Homeless Definition, ESG, and the CoC Program, such as user guides, webinars, and factsheets. In June, we plan to launch a new series of technical assistance materials that use technology and interactive formats to break information down into more digestible pieces and to stimulate learning in new and more effective ways for all of our stakeholders.

SNAPS is also working on other technical assistance products that will help CoCs and project recipients with—

- Implementing the Affordable Care Act
- Ensuring compliance with the [Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity](#)
- Coordinating with educational providers to ensure that all children are enrolled in school and connected to appropriate services, including early childhood educational opportunities such as Head Start.
- Coordinating HUD homeless assistance funding with TANF, per the information memorandum entitled "[Use of TANF \(Temporary Assistance for Needy Families\) Funds to Serve Homeless Families and Families At Risk of Experiencing Homelessness](#)"

What Can CoCs and Recipients do to Maintain and Increase Progress on Ending Homelessness?

We are now in the third year of implementing [Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness \(FSP\)](#), which established a plan for ending veterans and chronic homelessness by 2015 and family homelessness by 2020. Although we have seen reductions in veterans and chronic homelessness, we have not made the progress necessary to meet our goals. By being strategic and focusing resources only on the most effective strategies, we think further progress is achievable, despite the budget constraints of the foreseeable future. However, CoCs and grant recipients are going to need to make proactive, thoughtful decisions to invest homeless assistance funding more efficiently and effectively.

Community stakeholders should consider the following:

1) Develop a community-wide plan to address homelessness, including a conscious strategy of how to use CoC and ESG Program funds to support the strategy.

- Conduct a formal and [inclusive strategic planning](#) process.
- [Analyze your portfolio](#) of grants to determine if you have the right mix of housing and services to meet the needs of the homeless households that present for assistance. CoCs should begin considering whether funding for some projects, in whole or in part, should be reallocated in 2013 to make resources available for new efforts.
- Prioritize the use of ESG funds for [proven strategies](#), especially rapid re-housing. Secretary Donovan already encouraged jurisdictions to target new funds toward assisting individuals and families living on the streets or in emergency shelter in his [video message](#) on the Emergency Solutions Grants program.

2) Direct assistance to those who need it most and in ways that promote ending homelessness.

- [Implement coordinated assessment](#) to properly connect individuals and families with the right level of housing and services to meet their needs. A first-come, first-served approach to admitting people into projects should be replaced with a CoC-wide plan to ensure that placements are the result of a comprehensive assessment process, represent the best use of resources to address the household's needs, and meet the goal of getting families and individuals out of homelessness as quickly as possible.
- [Prioritize chronically homeless persons](#)—particularly those with long histories of homelessness—in permanent supportive housing. Specific actions may need to be taken to

ensure that renewal projects prioritize chronically homeless persons and those most in need when units turn-over.

- Identify and work to reduce barriers that are adversely impacting the ability of programs to serve persons that need assistance the most. [Recent research conducted by HUD](#) shows that many transitional housing programs have established such rigorous eligibility criteria that it is harder for families in shelter to get into a Transitional Housing program than it is to get into public housing. These kinds of policies should be identified and changed so that we can *increase* access rather than create barriers for vulnerable families.

3) Invest in and use data to drive decision-making on homelessness, both for the overarching plan and for annual allocation decisions.

- Take responsibility for your data. Assess your data tools, counting methodologies, and HMIS and determine if changes and/or improvements need to be made. Ensure the CoC is actively responsible for the HMIS and reinforcing full participation in HMIS by all local homeless providers.
- Focus relentlessly on results – and on collecting and using quality data. Better data is essential to doing more of what works and to stop doing what doesn't.

4) Form strategic partnerships with mainstream agencies and funders to prevent and end homelessness.

- Strengthen relationships with mainstream providers, in particular with public housing agencies. Engage with public housing agencies in strategic conversations and find ways to work together – maybe through establishing a local homeless preference or set asides for permanent supportive housing or those transitioning out of it. Explore partnerships with mental health or substance abuse providers to provide the “support” for permanent supportive housing.
- Ensure that each person is enrolled in any mainstream benefit program for which they are eligible. With the rollout of the Affordable Care Act (ACA) be sure to stay informed and participate in any training opportunities that become available.
- Partner with programs that serve veterans in your community. Be involved in your VA Medical Center's plan to end homelessness and work with your [VA Network Homeless Coordinator](#) and Supportive Services for Veterans Families (SSVF) providers in your community to ensure you are identifying veterans who are experiencing homelessness, or at imminent risk of homelessness, and linking them to VA services and supports.

I hope this information and discussion of strategic priorities has been helpful and has provided some guidance on how to proceed, even in the face of budget shortfalls. We will continue to do our best to keep you updated on progress related to HEARTH implementation as well as the other items discussed above.

As always, thank you for your service to people who are homeless and at-risk of homelessness.

Ann Marie Oliva
Director, Office of Special Needs Assistance Programs