Hennepin County CoC

 HUD CoC Builds Call for New Projects & Competition Information packet

FR-6800-N-25A

9/23/2024

This notice highlights some important information about the CoCBuilds NOFO but it is not intended to be exhaustive or complete. All applicants should carefully review 24 CFR part 578, the CoCBuilds NOFO announcement, the CoCBuilds NOFO, and related HUD, and Hennepin CoC materials/process for additional information - <https://www.hennepin.us/headinghomehennepin>

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## Background/funds available

On July 22, 2024, the U.S. Department of Housing and Urban Development (HUD) released the

Notice of Funding Opportunity (NOFO) for the Continuum of Care (CoC) Builds Program

Competition. The NOFO can be found at: [Continuum of Care (CoC) Builds | HUD.gov / U.S. Department of Housing and Urban Development (HUD)](https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps/CoCBuilds)

The CoCBuilds Program targets efforts to address and reduce persons experiencing

homelessness by adding new units of Permanent Supportive Housing (PSH) through awards for

new construction, acquisition, or rehabilitation projects. HUD is encouraging CoCs to leverage

funds provided for construction, acquisition, or rehabilitation of new PSH units with other funding

sources to maximize the amount of housing that can directed to meeting the needs of individuals

and families experiencing homelessness.

The Continuum of Care (CoC) Builds (CoCBuilds) NOFO aims to add new units of permanent supportive housing (PSH) through new construction, acquisition, or rehabilitation through one-time CoCBuilds awards under the CoC Program. Through the CoCBuilds NOFO, HUD is encouraging CoCs to leverage funds provided for construction, acquisition, or rehabilitation of new PSH units with other funding sources to maximize the amount of housing that can directed to meeting the needs of individuals and families experiencing homelessness.

This is a unique opportunity from HUD with specific scoring criteria and priorities. PSH is permanent housing in which supportive services are made available to assist individuals with a disability who are experiencing homelessness and families that are experiencing homelessness where at least one household member has a disability.

Each CoC-designated Collaborative Applicant may only submit one CoCBuilds application. However, if a CoC is working with a Tribe or Tribally Designated Housing Entity (TDHE) to provide units of PSH on Tribal reservation or trust lands, two applications may be submitted by the Collaborative Applicant; one for the CoC's geographic area not including Tribal reservation or trust lands, and one where the units will be located on Tribal reservation or trust lands. Each application may involve multiple sub-recipients who would contract to create the new PSH units.

The Maximum Award amount that Hennepin County CoC eligible for is $7,500,000. No more than 20% of each award may be used for other eligible CoC Program activities associated with the PSH projects (e.g., supportive services, operating costs – see Section IV.G.3 of the Builds NOFO), and no more than 10% of an award may be used for project administration. All funding is for grant terms up to five years, with an anticipated contract start date of October 1, 2025. Awards for acquisition, rehabilitation, or construction of a property are one-time funding. Awards for services, rental assistance, operations, and/or administration may be renewable as part of the annual CoC Program Competition.

Hennepin County, as the Collaborative Applicant for Hennepin County CoC, invite interested eligible agencies to apply for this opportunity. HUD is also strongly encouraging collaborations between homeless service providers and Healthcare organizations, and between homeless service providers and Public Housing Agencies.

Eligible project applicants are found at 24 CFR 578.15 and include nonprofit organizations; state governments; local governments; instrumentalities of state and local governments; Indian Tribes and Tribally Designated Housing Entities (TDHEs), as defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103); and public housing agencies, as such term is defined in 24 CFR 5.100, are eligible without limitation or exclusion.

This document and all information for the Hennepin CoC local competition is posted on the Hennepin CoC website: <https://www.hennepin.us/headinghomehennepin>

The Hennepin CoC Contact person for this process is Laura DeRosier, CoC Coordinator laura.derosier@hennepin.us

## HUD Overview of CoCBuilds

This overview section has taken parts relevant to the Hennepin CoC application process from the CoCBuilds NOFO, more information and resources can be found at:

[Continuum of Care (CoC) Builds | HUD.gov / U.S. Department of Housing and Urban Development (HUD)](https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps/CoCBuilds)

**HUD Goals:** HUD has the following six goals for this competition:

* Increase housing opportunities for people with high risk of levels of need.
* Increase the supply of permanent supportive housing units within CoC geographic areas to address individuals and families experiencing homelessness where one member of the household has a disability.
* Encourage coordination between housing providers, health care organizations, and social service providers.
* Ensure access to resources for projects to expand opportunities for new PSH units in States with populations less than 2.5 million.
* Ensure new PSH units are conveniently located near local services; e.g., walking distance, near reliable transportation services, provide access to telehealth.
* Affirmatively further fair housing by addressing barriers which perpetuate segregation, housing in under-resourced areas.

Additionally, no more than 20 percent of each awardmay be used for other eligible CoC Program activities associated with the PSH project (e.g., supportive services, operating costs (Section IV.G.3 of this NOFO)), and no more than 10 percent of an award may be used for project administration.

**HUD’s policy priorities for CoC Builds**

Strategic Goal 1: Support Underserved Communities Fortify support for underserved communities and support equitable community development for all people.

* 1B: Reduce Homelessness: Strengthen Federal, State, Tribal and community implementation of the Housing First approach to reducing the prevalence of homelessness, with the ultimate goal of ending homelessness.

Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing – Ensure housing demand is matched by adequate production of new homes and equtable access to housing opportunities for all people.

* 2A: Increase the Supply of Housing Enhance HUD's programs that increase the production and supply of housing across the country.

Strategic Goal 4: Advance Sustainable Communities Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing’s role as essential to health.

* 4B: Strengthen Environmental Justice Reduce exposure to health risks, environmental hazards, and substandard housing, especially for low-income households and communities of color.
* 4C: Integrate Health and Housing Advance policies that recognize housing's role as essential to health.

The following are policy priorities specific to this CoCBuilds NOFO:

*Increasing Affordable Housing Supply.* The lack of affordable housing is the main driver of homelessness. This NOFO provides funding for new construction, rehabilitation, or acquisition that can increase permanent supportive housing stock in a CoC’s geographic area. CoCs, applicants, and developers should partner to determine an economical way to increase permanent supportive housing supply for individuals and families experiencing homelessness that considers adaptive reuse and conversion of hotel properties. Additionally, CoCs and applicants should engage local leaders to mitigate zoning and land use issues that may impact adding permanent supportive housing units to the CoC’s housing stock.

*Ensuring Access to Supportive Services and Public Services.* Providing voluntary supportive services to individuals and families experiencing homelessness, particularly for these households that also include a family member who has a disability, can ensure the households have the tools and resources needed to successfully maintain permanent housing. Applicants must ensure households that will reside in the units developed under this NOFO will have access to CoC Program supportive services as well as other public services such as easy access to local parks and recreation, post office, etc. Additionally, applicants proposing projects in rural areas are encouraged to consider the most cost-effective method for supportive services delivery (e.g., use of internet for check-ins with program participants) and access to public services.

*Partnering with Housing, Health, and Service Agencies.* Using cost performance and outcome data, applicants should improve how all available resources are utilized to end homelessness. This is especially important as the CARES Act and American Rescue Plan have provided significant new resources to help end homelessness. HUD encourages CoCs to maximize the use of mainstream and other community-based resources when serving persons experiencing homelessness and should:

* Work closely with public and private healthcare organizations and assist program participants who are interested in assistance with receiving primary care, housing related services, and with obtaining medical insurance to address healthcare needs. This includes developing close partnerships with public health agencies to analyze data and design approaches that reduce homelessness, improve the health of people experiencing homelessness, and prevent and address disease outbreaks, including HIV/AIDS.
* Partner closely with PHAs and state and local housing organizations to utilize coordinated entry, develop housing units, and provide housing subsidies to people experiencing homelessness. These partnerships can also help CoC Program participants exit permanent supportive housing through Housing Choice Vouchers and other available housing options. CoCs and PHAs should especially work together to implement targeted programs such as Emergency Housing Vouchers, HUD-VASH, Mainstream Vouchers, Family Unification Program (FUP) Vouchers, and other housing voucher programs targeted to people experiencing homelessness. CoCs should coordinate with their state and local housing agencies on the utilization of new program resources provided through the HOME Investment Partnerships - American Rescue Plan Program (HOME-ARP) that was created through the American Rescue Plan.
* Partner with local workforce development centers to improve employment opportunities.
* Work with Tribes and Tribal organizations to ensure that Tribal members can access CoC funded assistance when a CoC's geographic area borders a Tribal area.

## Eligible Project Components, Types, Activities and Match

24 CFR 578.37 states CoC funds may be used to pay for the eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five components: Permanent Housing – Permanent Supportive Housing (PH-PSH) or Rapid Rehousing (PH-RRH); Transitional Housing (TH); Supportive Services Only (SSO); Homeless Management Information System (HMIS); and in some cases, homelessness prevention. For the CoCBuilds competition, HUD allows the following to be considered for funding: New PH-PSH which must include a capital costs budget for new construction, acquisition, or rehabilitation.

The application may also request no more than 20 percent of an award for CoC Program eligible activities and costs associated with such new PH-PSH projects (see Section IV.G.1 of this NOFO), and no more than 10 percent for administrative costs. Non-capital costs funds awarded under this NOFO may be eligible for renewal in the CoC Program Competition.

**Eligible activities** and expenses within each component type are defined in 24 CFR 578 and available at: [CoC Eligible Activities - List of CoC Eligible Activities - HUD Exchange](https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/coc-eligible-activities-overview/list-of-coc-eligible-activities/)

**Match** – as with CoC Program funds, this Program requires cost sharing or matching of 25%. Under the HEARTH Act, projects funded follow a simplified match requirement that includes both cash and in-kind contributions. All eligible funds, except leasing, must be matched with no less than a 25% cash or in-kind match. The match must be used for eligible activities as defined by the CoC Program Interim Rule 24CFR 578.72, part D.

Beyond match, leverage of other housing and services resources is strongly advised and will be considered in part for selection of projects for funding.

Sources of leverage recommended for applicants are:

* Healthcare services or cash from a healthcare provider or insurer
* Rental Assistance from non-CoC sources

## Local CoC Goals and Roles/Responsibilities

CoC regions must select one PH-PSH (Permanent Supportive Housing Project) project to submit a full application to HUD through the CoCBuilds Competition.

Under the CoCBuilds competition, Hennepin County CoC aims to accomplish this by:

* Strategically allocating funds in conjunction with other funding sources
* Selecting projects that respond most to benefitting population disparately impacted by homelessness.
* Providing consultation to selected project to ensure compliance, competitiveness, sustainability and alignment with Hennepin CoC goals
* Compliance with all HUD requirements for project selected

Project review and selection will be conducted by the CoC Funding Committee, Lived Experience Advisory Group, and Hennepin County Housing & Economic Development.

The project selected will be responsible for completing the full project application, submitting the required documents, and budget forms to Hennepin County for entry into grants.gov by the local set deadline.

## Project Applicant Solicitation - Requirements/Timeline

All interested projects seeking CoCBuilds funding through Hennepin CoC must submit the below documents for consideration. One project will be selected to submit a full application if eligible. Hennepin County will provide the narrative questions & documents necessary to submit a full application once project is selected.

1. **Intent to Apply** – the Intent to Apply is required as part of the Hennepin CoCBuilds applications. This must be submitted by the CoC established deadline.
2. **CoC Builds Project Questions pre-application** – these questions are due along with the Intent to Apply for all interested applicants.
3. **Attachment A: MHFA Multifamily Workbook**
4. **Attachment B: Rental Assistance and Services budget**
5. **Supporting documents:**
* Nonprofit status proof, if applicable
* Acknowledgement of federal requirements for CoCBuilds
* Development budget, showing secured and unsecured funds (supply
* Project timeline
* Evidence of site control, if available
* Letter of commitment for rental assistance, if available
* Letter of commitment for healthcare services, if available

This funding opportunity and all required documents will be posted on the Hennepin CoC website and sent out to the Hennepin CoC e-mail listserv. We encourage CoC membership to share the announcement with their networks.

Hennepin CoC Program Competition timeline:

* **September 23, 2024** - Hennepin CoCBuilds Project Application package release
* **October 2, 2024** – Intent to apply letter due Laura.DeRosier@Hennepin.us
* **October 11, 2024 -** Project Application package due to Hennepin
* Project Question pre-application
* Attachment A – MHFA Multifamily workbook, if applicable
* Attachment B – Project Services Budget
* **October 14 - October 25th** – Project review/selection
* **October 25 - Selection Notification**
* **October 28 – November 14th** - CoC Builds Application work with CoC
* ​**November 15, 2024** - Final application narrative and documents due
* **November 18-20, 2024** - Project Application submitted by CoC to HUD in grants.gov

## Threshold Requirements:

**Applicant Eligibility**

Eligible project applicants for the CoC Program under 24 CFR 578.15, nonprofit organizations, States, local governments, instrumentalities of State and local governments, Indian Tribes, and TDHE’s. For-profit entities are not eligible to apply.

As required in the Code of Federal Regulations (CFR) at 2 CFR 25.200 and 24 CFR Part 5 Subpart K, all applicants requesting financial assistance must have a Unique Entity ID (UEID) and have an active registration in the System for Award Management (SAM) [www.sam.gov](http://www.sam.gov) before submitting an application.

Further details and additional rules that apply to applicants selected for award are described in deatil on [Funding Opportunities | HUD.gov / U.S. Department of Housing and Urban Development (HUD)](https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps) (click on Eligibility Requirements for Applicants of HUD Grant Programs – 2024).

## Project Eligibility & Quality Thresholds

Projects seeking Hennepin CoCBuilds funds must meet the following requirements:

1. Applicant already has federal capital funds committed to the project for which they are requesting funds.
2. Applicant and any subrecipients are not excluded from receiving federal funds.
3. Applicant and any subrecipients are eligible recipients of CoCBuilds funding NOFO.
4. Applicant acknowledges and commits to following federal requirements related to CoCBuilds funding, including:
* [Administrative, National and Departmental Policy Requirements and Terms for HUD](https://www.hud.gov/sites/dfiles/CFO/documents/FY_24_Admin_Reqs_and_Terms.pdf) [Financial Assistance](https://www.hud.gov/sites/dfiles/CFO/documents/FY_24_Admin_Reqs_and_Terms.pdf)
* Environmental Review
* Uniform Relocation Assistance and Real Property Acquisition Policies (URA)
* Lead-Based Paint Requirements
1. The proposed project will meet HUD Permanent Supportive Housing requirements.
2. If selected by the CoC, applicant commits to work with CoC staff to develop and refine the project proposal.
3. If selected by the CoC, applicant commits to submit to CoC staff a final full project application narrative by the CoC’s deadline.
4. If awarded funds by HUD, applicant commits to use Coordinated Entry to fill units with eligible and prioritized households.
5. If awarded funds by HUD, applicant commits to use HMIS to track and report outcomes of the project as required.

## Review, score and selection of projects

1. **Review and Score process**

All projects that submit the required documents: Intent to Apply, CoCBuilds Project Questions pre-application, Attachment A: MHFA Proforma, if applicable, and Attachment B: Services budget, by the set timeline will be reviewed and scored by the CoC Funding committee and the Hennepin Housing and Economic Development team.

Threshold requirements will be checked first for all project applicants. Projects that do not meet the thresholds will not be scored.

The committee may, but is not required to, request clarifications or additional information from applicants if the information is not clear enough to score the project.

The committee will read each applicants materials and score individual elements. The committee will use an objective review and rating tool that aligns with the intent to apply and project questions, along with supporting documentation.

1. **Scoring Criteria**

Threshold review: Projects must meet minimum project eligibility, capacity & timeliness standards identified in the CoCBuilds NOFO:

* Submit all application materials within the established timelines/deadlines
* Meet eligibility requirements under the CoCBuilds Competition for program applicants & sub-recipients
* Demonstrate the financial and management capacity to conduct the project and administer federal funds under the NOFO
* Identify as a PH-PSH project
* Establish eligibility of project participants and propose to serve the eligible populations
* Agree to utilize the Homeless Management Information System (HMIS)
* Agree to take referrals through Hennepin County’s Coordinated Entry System (CES)
* A minimum of 25% match from other sources, and leverage for housing & healthcare if practicable.
* Request less than 20% for services and less than 10% for administrative funds.
* Have the required forms and certifications as outlined in the CoCBuilds NOFO

Following this local review, HUD will also review projects to assure thresholds are met.

**Project Quality Assessment**

CoCBuilds assessment elements fall into three categories:

1. Need/Impact:
* Number of units proposed for population
* Funding request per unit
* Commitment to Housing First implementation
* Lived Experience involved in project
1. Strength of project team
* Developer/Owner experience
* Property Management experience
* Service provider experience
* Team collaboration
1. Competitiveness of project
* Readiness and project timeline
* Level of community integration
* Experience promoting racial equity
* Healthcare and Housing leverage commitment

## Resources:

* ​​HUD Virtual Binders (Detailed descriptions of eligibility, record keeping & other requirements for the HUD CoC grantees): CoC and ESG Virtual Binders - HUD Exchange
* Laws, Regulations & Notices that apply to CoC programs - [Laws, Regulations and Notices | HUD.gov / U.S. Department of Housing and Urban Development (HUD)](https://www.hud.gov/program_offices/comm_planning/coc/regulations)
* Other Federal Requirements that apply to CoC grantees - [Funding Opportunities | HUD.gov / U.S. Department of Housing and Urban Development (HUD)](https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps)

Full Application approximate timeline for consultation process for selected project

|  |  |  |
| --- | --- | --- |
| Activity | Purpose | Date (approximate) |
| 1.Full Application kick-off meeting2.Mid-point check-in and consultation | - Review Full Application elements for HUD- Discuss & set priorities- Establish check in & consultation with LEAG- Review progress on priority area actions & next steps- Address any emerging issues with application or project | October 28-31stOctober 4th – 8th  |
| 3.Drafts of application due | -Provide feedback on application narratives-Arrange further consult as needed | October 10th  |
| 4.Final check-in and material review for attaching  | -Inform about development-Get input or questions about project- Focus on forms/materials | October 24th  |
| 5.Final application materials submitted to CoC | -Ensure timely submission of project application to HUD with other CoC materials | November 15th  |
| 6.Hennepin County submits Grants.gov | Project – be available for last minute requests  | November 15th - 18th  |

## Appendix – Hennepin CoC Builds Rating Factors

Projects will be reviewed and scored using a 100-point scale. Review will focus on three key areas: 1) Need for and impact of the project, 2) Strength of the project team, and 3) Competitiveness of the project.

|  |  |
| --- | --- |
| **Need and Impact** | **45** |
| 1 | Number of units for target population | 10 |
| 2 | Priority 1 area (10) or Priority 2 area (5) | 10 |
| 3 | Funding requested per unit | 5 |
| 4 | Housing First/Low barrier | 10 |
| 5 | Lived Experience involvement | 5 |
| 6 | Alignment with local plan/support | 5 |
| **Strength of Project Team** | **25** |
| 7 | Developer experience (must have at least 4 projects for full points) | 9 |
| 8 | Property manager experience (must have at least 4 projects for full points) | 6 |
| 9 | Service provider experience (must have at least 4 projects for full points) | 6 |
| 10 | Team cohesion | 4 |

|  |  |
| --- | --- |
| **Competitiveness of Project** | **35** |
| **Readiness/timeline** |  |
| 11 | Site control | 3 |
| 12 | Environmental review | 1 |
| 13 |  Percent Total Development Cost (TDC) secured | 3 |
| 14 | Construction start date by October 1, 2026 | 2 |
| 15 | Construction completion/occupancy certificate date by October 1, 2028 | 1 |
| 16 | Full occupancy date by January 1, 2029 | 1 |
| **Community integration** |  |
| 17 | Community-based services | 2 |
| 18 | Proximity to public transit | 2 |
| 19 | Mixed development OR Moving On support plan | 2 |
| **Racial Equity** |  |
| 20 | Evidence of recent consultation or partnership underserved/grassroots group | 3 |
| 21 | Evidence of recent program(s) to improve racial equity | 3 |
| **Healthcare services** |  |
| 22 | Services committed now | 4 |
| 23 | Services that will be committed by November 7th  | 2 |
| **Rental assistance** |  |
| 24 | Rental assistance committed now | 4 |
| 25 | Rental assistance that will be committed by November 7th  | 2 |