



Funding Policy for the HUD Continuum of Care NOFA

BACKGROUND

The Lake County Coalition for the Homeless (LCCH) created the following policies to detail the LCCH process for submission of an application for the HUD Continuum of Care (CoC) Notice of Funding Availability (NOFA). The following process is designed to ensure compliance with HUD standards while maximizing the use of funds to further the strategic goals of the LCCH which aim to end homelessness in Lake County. The process was designed to have participation from multiple committees and work groups within LCCH to have maximum feasible involvement while eliminating conflicts of interest. The process was designed to ensure projects are rated, ranked, reviewed, and selected objectively.

LCCH's by-laws define conflicts of interest as "No person may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents." Further clarification of how this applies will be outlined in each phase of the process.

The process takes place in three key stages:

1. Planning phase: during this phase, the groundwork for the decision-making process is completed which includes project monitoring, funding work group formation and board approval of the allocation plan and funding policies.
2. Local decision phase: during this phase, organizations apply for funds and the Funding Work group develops project rankings.
3. NOFA phase: this phase is initiated by HUD's release of the NOFA. Projects are assigned funding amounts, the results published, appeals are heard and the application is submitted to HUD.

The participating entities are:

- LCCH Board of Directors: responsible for approving the funding policies and the allocation plan each year
- Steering Council: approves the Continuum of Care application (formerly known as the Exhibit 1) which is the application from the system and does not include project ranking
- Strategic Planning and System Performance Committee (SPSPC): develops the allocation plan and assists with the appointment of Funding Work Group (FWG) members. As needed, this body will work to assure that the funding process fulfills the needs outlined in the Allocation Plan.

- Project Performance and Monitoring Committee (PPMC): assesses the quality and compliance of programs, develops application and review tools, sets benchmarks, appoints members to the Funding Work Group (FWG) members and provides performance data to the FWG during the local decision phase.
- Funding Work Group (FWG): a team of five individuals who do not have a conflict of interest, who determine the project rankings and funding amounts based on the approved allocation plan. Two members are appointed by SPSPC, two by PPMC and one member that is mutually agreed upon.
- Appeals Work Group (AWG): a team of three individuals who do not have a conflict of interest, who did not serve on the Funding Work Group and who make determinations on appeals.
- Applicants: member organizations who are seeking funds via the NOFA process who submit letters of intent (LOI) and applications during the funding process. Adherence to deadlines by Applicants throughout the NOFA process is critical. Depending on the nature of an error, missed deadlines may result in lost points in a program’s scoring or exclusion from the competition altogether.
- Collaborative Applicant: acts as an impartial facilitator to all participating entities, updates written policies, facilitated and provides technical assistance to the Funding Work Group, publishes LOIs and application instructions, trains applicants on the application process and reviews eSNAPS applications, publishes the rankings and funding recommendations and submits the final application. The Collaborative Applicant may be the applicant for CoC funding for infrastructure, including HMIS, but this does not constitute a conflict of interest within the outlined responsibilities. Any representative from the Collaborative Applicant will recuse themselves from the room when the Funding Work Group ranks and scores infrastructure applications, which includes HMIS.

PLANNING PHASE

The LCCH Board of Directors, Strategic Planning and System Performance Committee, Project Monitoring and Performance Committee and Collaborative Applicant all cooperate during this phase to provide a decision-making structure for the NOFA. These steps should be scheduled to culminate with the approved allocation plan at least one month prior to the anticipated NOFA release date. This phase is the longest and may last for many months to gather, analyze and report information to guide the funding process.

During this phase, LCCH members with a financial interest in the outcome of the application process are not considered to have a conflict of interest since dollar figures are not a factor and only issues relating to the system’s structure and performance are a concern.

Many steps occur simultaneously to one another but follow this general order during the planning phase:

1. With the input of LCCH stakeholders the **Collaborative Applicant** updates the written funding policies and works with the LCCH Board of Directors to gain approval for a final working document. The Board of Directors can delegate their approval to the Steering Committee or other entity with a

vote.

2. The **Project Performance and Monitoring Committee** (PPMC) will have been monitoring the performance of funded CoC agencies prior to and during this phase. A report on the results of the monitoring will be made available to the FWG prior to the anticipated end of the planning phase.
 - a. The PPMC will communicate the results of monitoring to the FWG who will consider these in concert with the allocation plan. As part of the communication, the PPMC will identify underperforming projects and opportunities for reallocation.
 - b. The PPMC will create application tools for the upcoming funding round with accompanying performance benchmarks and provide them to the Collaborative Applicant for eventual distribution during the Local Decision phase.
 - c. The PPMC will identify two coalition members, and cooperate with the SPSPC on a third person, who are free from conflicts of interest, to serve on the FWG. As well, the PPMC will identify one person and cooperate with the SPSPC on a second and third person, all who are free from conflicts of interest, to serve on the Appeals Work Group.
 - d. The application tools will include objective questions that ensure the projects are reviewed, rated, ranked, and selected objectively.
3. The **Strategic Planning and System Performance** Committee (SPSPC) will review available information to identify unmet needs, prioritize those needs, including housing, services and infrastructure (HMIS, Coordinated Entry), and define the number of units needed by program type and population for the LCCH to further its objectives.
 - a. The SPSPC will create an allocation plan based on their determination of HUD's priorities, local system performance measures, related homelessness data and the overall needs of the system.
 - b. The SPSPC will consider full or partial reallocation of funds as a key strategy to fulfilling the LCCH's mission via the NOFA process. As appropriate, projects will be approached regarding reallocation. Involuntary reallocation based on unspent funds or project performance and/or project costs relative to established benchmarks will also be considered.
 - c. The Allocation plan will be submitted to the Board of Directors for approval. It will include proportions of project types to be funded and set criteria for rankings including population groups, renewal/new programs and infrastructure. The plan should provide for flexibility during the NOFA phase by the Funding Work Group (FWG) so that the FWG may make decisions that maximize the funding potential as it relates to LCCH's goals.
 - d. The SPSPC will also identify two coalition members, and cooperate with the PPMC on a third person, who are free from conflicts of interest, to serve on the funding work group. As well,

the SPSPC will identify one person and cooperate with the PPMC on a second person, both who are free from conflicts of interest, to serve on the Appeals Work Group.

LOCAL DECISION PHASE

The Collaborative Applicant, Applicants, PPMC and SPSPC all cooperate in this phase to provide the Funding Work Group with the information necessary to determine project rankings for the eventual NOFA release. During this phase, any employee or representative from an agency with a financial interest in the outcome of the application process are considered to have a conflict of interest. The Collaborative Applicant will be considered free from conflicts of interest within the defined role outlined above. Decision making on financial matters should be limited to individuals who are free from conflicts of interest. This process should be scheduled to begin at least one month prior to the anticipated NOFA release date.

Steps may occur simultaneous to one another but follow this general order during the Local Decision Phase:

1. This phase begins with the publication of the approved allocation plan and collection of letters of intent (LOI) from **Applicants** by the **Collaborative Applicant**. LOIs are reviewed by the Collaborative Applicant to assure there are appropriate applicants to fulfill the allocation plan.
2. As needed the **SPSPC** will solicit applications, or recommend adjustments by applicants, to fill gaps in the allocation plan. The SPSPC will have one week from the receipt of the LOI to follow-up, at which time applications will be distributed.
3. After LOI review and follow-up is complete, the **Collaborative Applicant** will distribute application materials, developed by the PPMC, to potential applicants. Any member agency may apply. Membership is open to any entity willing to commit to working with the coalition as outlined in the LCCH by-laws.
4. **Applicants** will have two weeks in which to complete their materials and submit them to the Collaborative Applicant. Applicants may vary from the details provided in their LOI.
5. The **PPMC** will provide monitoring data on applicants to the Collaborative Applicant who will package this information along with the applications for the **Funding Work Group**.
6. The **FWG** will be oriented to the funding round by the Collaborative Applicant, the SPSPC and the PPMC. The purpose of these meetings is to prepare the FWG as much as possible for the ranking and funding responsibilities. The FWG will develop project rankings based on the applications tools provided by PPMC and the allocation plan provided by SPSPC.

NOFA PHASE

This phase begins with the release of the NOFA by HUD. During this phase the Collaborative Applicant, Applicants, Funding Work Group, Appeals Work Group, and Steering Council work together on the final submission to HUD of LCCH's funding application. During this phase, members with a financial interest in the outcome of the application process are considered to have a conflict of interest. Decision making on financial matters should be limited to individuals who are free from conflicts of interest except for the Collaborative Applicant who will function within the defined role.

Depending on the release date of the NOFA these steps may occur simultaneous to one another and simultaneous to some items in the Local Decision Phase. Generally, the steps will follow this order during the NOFA phase:

1. Within two weeks of the NOFA's release the **Collaborative Applicant** will hold a training session for all applicants on the eSNAPS application process. **Applicants** will be asked to follow through with an eSNAPS application by a local deadline determined by the Collaborative Applicant.
2. At the beginning of the NOFA phase the **Funding Work Group** will meet to fully review the annual HUD NOFA scoring factors and the approved allocation plan. The FWG will work from the project rankings to assign funding amounts. The **Collaborative Applicant** will act as a resource to the Funding Work Group throughout to provide technical support as needed. The FWG will have four weeks to make their determination. Upon completion, the ranking and funding amounts will be published by the Collaborative Applicant for review by CoC members and the public. During the ranking/reviewing process the FWG will consider the following factors:
 - a. Like projects should be reviewed relative to each other.
 - b. System Capacity needs should be considered in each ranking decision.
 - c. Distinctions should be made between reallocation (new project) and reclassification (same project).
 - d. The FWG has the prerogative to adjust funding levels and rank order to improve the likelihood that more projects will be funded according to the specified priorities of the allocation plan.
 - e. The Collaborative Applicant may act as a resource but no funded member of the LCCH may interact with the FWG in a manner intended to influence FWG decisions. The FWG should consider the information in the applications as the limit of the available information and should not seek additional information from applicants. As needed the Collaborative Applicant may act as a conduit for additional details.
3. As needed, **Applicants** may appeal the published rankings and funding amounts. Appeals will be limited to technical errors on application scoring. The **Appeals Work Group** has one week to review the merits of an appeal and, if at least 2 of the 3 members agree that an error has been made, then the decision will be forwarded to the **Funding Work Group** so that adjustments to the recommended rankings and funding amounts may be made. The Funding Work Group will have one week to make their adjustments.
4. During this time, the **Collaborative Applicant** will work with the **Steering Council** on the Continuum of Care application (formerly known as the Exhibit 1), the portion of the CoC Application that does not include project application rankings, to create an approved version that will be included in the application.
5. The Collaborative Applicant will review all project applications in eSNAPS to assure that they will meet HUD's project quality threshold. The Collaborative Applicant will coordinate with the applicant to address any necessary corrections.

6. Using the final determination on rankings and funding amounts by the Funding Work Group, and the approved Continuum of Care Application (formerly known as the Exhibit 1), the **Collaborative Applicant** will submit the final application to HUD.

