

2017 RFP for New Housing Projects using McKinney-Vento BONUS FUNDS (8-2-17)

PART I.

General Information on Request for Proposals

All members of the Balance of Washington State Continuum, Grantees and potential applicants are invited to submit a request for McKinney-Vento Bonus Funds for housing persons who are homeless. Proposals are limited to projects providing permanent housing for homeless persons and specifically are limited to four types of eligible projects:

- 1) Permanent Supportive Housing (PSH) for Chronically Homeless (CH) Families and Individuals;
- 2) Permanent Supportive Housing (PSH) meeting the DedicatedPlus requirements (including those who meet all Chronic Homeless definitions except for not having had at least 4 separate occasions of homelessness).
- 3) Rapid Rehousing (RRH) for Families, Individuals and Unaccompanied Youth; or
- 4) Joint Transitional Housing and Permanent Housing RRH (TH and PH-RRH) for Individuals and Families available to persons who are homeless (including Domestic Violence Victims).

Requests may only be made for projects located within the 33-county jurisdiction of the Washington Balance of State Continuum (all counties with the exception of Snohomish, King, Pierce, Clark, Yakima and Spokane).

Applicants may request Bonus Funds for the following eligible activities: operations, leasing, rental assistance, supportive services and up to 10% administration. Capital costs such as acquisition, construction, reconstruction or conversion are not eligible for grant assistance. Grantees with existing grants meeting one or more of the 4 project type categories above, may apply for funds to expand their existing eligible renewal project grant to serve more persons or increase units.

To be considered, Preliminary Applications must be submitted by the application deadline of 4:00 PM August 28, 2016.

Applicants should communicate with their local county continuum to determine if two or more new project proposals are being submitted from the same county. If that is the case, the local county continuum should send its priority rankings in a letter or e-mail to Nick Mondau at nick.mondau@commerce.wa.gov so that the Balance of State Continuum may respect the priorities of the local continuum (see Part II. below "Project Selection System").

Potential applicants who have not already discussed their preliminary project design with Ian Kinder-Pyle (360-725-2976 ian.kinder-pyle@commerce.wa.gov or John Epler, Continuum Consultant, (206-794-5125 johnepler@comcast.net) should contact one of to discuss the project concept and seek technical assistance.

Funds Available through Request for Proposals/Eligible Projects

We anticipate approximately \$372,507 will be available for the Bonus Funds. Applicants may apply for no more than one-half this amount (\$186,253) for a single project. Applicants should request no more grant funds than are needed to assure the success of the project.

Funds will be awarded as follows: Funds will be allocated to the highest rated Bonus Fund project first and then subsequently the remainder of funds will be offered to each project rated the next highest until all funds are exhausted. If funds offered are less than the full request of an applicant, the applicant will be given the opportunity to propose a scaled-back project which must still meet the test of feasibility. In the event the funds are not claimed by applicants in this manner, the CoC may offer the remaining funds the next highest rated project and so on. If the funds are not claimed in this manner, the CoC may offer the funds to a higher rated project to scale up their project scope.

In addition, in the event that additional funds become available through recapture of funds or release of additional funds from HUD, the Continuum may make additional funds available to applicants for Bonus funds using this same process.

All projects will need to prioritize beds for placement to the most vulnerable homeless persons first. Applicants must employ a “Housing First” approach in serving participants. Housing First is a model of housing assistance that is offered without preconditions (such as sobriety or a minimum income threshold or employability criteria) or service participation requirements. If the applicant is not planning on using a housing first model, please contact John Epler at 206-794-5125 johnepler@comcast.net to discuss the approach proposed.

PSH projects serving Chronic Homeless persons must meet the HUD definition of “chronically homeless” and offer permanent housing. Only persons who are disabled and have 1) been on the streets or in shelters for a year or more OR 2) experienced 4 or more episodes of homelessness in the past 3 years, are considered chronically homeless. Persons currently living in Transitional Housing are generally not considered eligible for PSH, even if they had met the criteria for homelessness prior to entering Transitional Housing (Applicants planning on serving persons currently residing in Transitional Housing, should contact John Epler at 206-794-5125 to discuss their project concept).

Rapid Rehousing (RRH) projects provide for rapid placement and stabilization of individuals and families in permanent housing. Applicants for RRH are strongly encouraged to develop their program to include assistance to the most vulnerable populations, including chronic homeless families and individuals.

Joint TH and PH-RRH projects include 2 existing program components – transitional housing and permanent housing/RRH – in a single project the needs of homeless persons.

Applicants should review additional detail on definitions and program requirements found in HUD McKinney-Vento Regulations at 24 CFR 578, a copy of which is attached to the e-mail transmitting this Request For Proposals and may also refer to the definitions in the Section III.A.3.d, h and j of the 7-14-17 HUD NOFA.

Bonus Fund Application Timelines

7/27/17 – Continuum Webinar to discuss RFPs and priorities for the 2017 McKinney-Vento competition

8/2/17 – DRAFT Request for Proposals (RFP) published and posted on the Continuum website

8/7/16 – Suggested date by which to advise Continuum of interest to apply for funds. Contact Ian Kinder-Pyle 360-725-2976 ian.kinder-pyle@commerce.wa.gov or John Epler at 206-794-5125 johnepler@comcast.net

8/28/17 4:00 PM - Deadline for submission of Preliminary Application and leverage letters to Ian Kinder-Pyle at ian.kinder-pyle@commerce.wa.gov

9/1/17 - Supplemental Information to support the CoC application due from all Grant Applicants and County Continuum of Care Coordinators

9/1/17 - Notice of Continuum decision on project applications

9/6/17 – Final project applications completed in E-Snaps

9/18-9/22 Final Priority Ranking of all projects

9/25/17 – The Continuum submits all selected applications to HUD as part of the Continuum of Care Application

Rating Criteria for Scoring Bonus Fund Applications

The Continuum will use the following rating criteria to score and select New Bonus Project Applications. Each application will be scored on the overall quality of the project, and the extent to which the applicant is able to clearly demonstrate the following:

1) Project Prioritizes Based on Greatest Need/Vulnerability (0-20 points). All projects will receive points on how well they describe the severity of need of the population they propose to serve and how they will prioritize the most vulnerable populations. To receive full points, applicants must clearly describe: the system they will use to determine severity of need for the population to be served; the outreach process used to engage homeless persons living on the streets or in shelter; the process for prioritizing persons with the most severe needs; and identify the specialized needs of vulnerable populations they will serve such as unaccompanied youth, families with children, Veterans, victims of domestic violence, and chronic homeless persons.

Applicants should carefully review HUD CPD 14-012 *Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status* (attached)

and consider the requirements found in HUD CPD Notice 17-01 *Notice Establishing Additional Requirements for a CoC Coordinated Entry/Assessment System* (attached).

(2) Housing First (0-20 points). Applicants will receive points based on the extent to which the New Bonus project will follow a Housing First model. To receive full points, the applicant must demonstrate the extent of experience it has in operating a successful Housing First program and must clearly describe a program design that meets the following definition of Housing First: Housing First is a model of housing assistance that is offered without preconditions (such as sobriety or a minimum income threshold or employability criteria) or service participation requirements. Included is the extent to which the applicant commits to provide low-barrier housing. Rapid placement and stabilization in permanent housing are primary goals.

(3) Mainstream Services (0-20 points). Applicants will receive points based on the extent to which the project is fully leveraging mainstream resources for supportive services. To receive full points, applicants must demonstrate the leveraging of Medicaid resources available in the state. Applicants will receive points as follows:

(a) Applicants may receive up to 10 points for demonstrating that specific activities are in place to identify and enroll all Medicaid-eligible program participants, regardless of whether the project applicant's state is participating in Medicaid expansion under the Affordable Care Act; and

(b) Applicants may receive up to 10 points for demonstrating that the project includes Medicaid-financed services, including case management, tenancy supports, behavioral health services, or other services important to supporting housing stability. Project applicants may include Medicaid-financed services either by the recipient receiving Medicaid coverage payments for services provided to project participants or through formal partnerships with one or more Medicaid billable providers (e.g., Federally Qualified Health Centers). No points will be awarded for Medicaid-financed health services provided in a hospital setting. Where projects can demonstrate that there are barriers to including Medicaid-financed services in the project, applicants will receive up to 10 points under this paragraph for demonstrating that the project leveraged non-Medicaid resources available in the CoC's geographic area, including mainstream behavioral health system resources such as mental health or substance abuse prevention and treatment block grants or state behavioral health system funding.

(4) Leveraging (0-5 points). Applicants may receive points based on the extent to which the project will leverage additional resources to develop a comprehensive project that meets the needs of the homeless and ensure successful program outcomes. To receive full points, applicants must demonstrate, with a written commitment, that the cash or in-kind value of leveraged commitments is at least 200 percent of the total request to HUD. Applicants will be rated based upon the amount of valid, firm commitments in signed letters meeting HUD requirements and submitted to the Continuum by 8/28/17. (see "2017 Information on Leverage Letter Requirements").

(5) Readiness (0-10 points) Applicants will receive points based upon the extent of the project's readiness to proceed. The score will be based upon a) a narrative describing the actions to be

taken (including but not limited to staffing, training, developing program operating procedures, work with landlords (if appropriate), and any steps involved in the development of the housing resource - to prepare for an early and successful start of the program and b) a projected timeline of major steps, indicating the number of months between each step beginning from the execution of a HUD contract to beginning and full occupancy.

(6) Capacity (0-10 points) Applicants will receive points based on the extent to which the applicant's experience is relevant to the type of participants to be served and the type of housing proposed. Among the areas applicants could discuss are: the experience of the organization (especially experience in undertaking similar activities - including the population to be served and the type of housing and services to be provided); and the experience of proposed staff (or the standards it will use in recruiting/hiring for positions in the project).

(7) Cost Effectiveness (0-5 points) – The extent to which the grantee utilizes funds in a cost-effective manner, determined by 1) the number of households served at a point in time as a percentage of the grant request and 2) the number of households served at a point in time as a percentage of the total project cost.

8) Soundness of the Approach/Likelihood of Success (0-20 points) Applications will be scored based upon the description of the project and its proposed outcomes. Consideration will include the feasibility of the project design and the likelihood that it will result in the stabilization of the persons it serves. Outcomes proposed will be considered based on the appropriateness of proposed activities that would result in their achievement.

9) The project will Provide Homeless Housing in a County Not Currently Served by McKinney-Vento CoC Assistance (0 or 5 points) To broaden the range of assistance throughout the 33-county Continuum, 5 points will be given to projects proposed in counties which do not currently have McKinney-Vento CoC grants.

10) - Extent to which project supports the current HUD Policy Priorities (0-5 points) NOTE: Rating criteria #1, #2 and #3 (above) are also included in the HUD priorities, but the applicant will be rated based upon their response to the following 4 priority areas. 2017 HUD priorities include:

- Ending homelessness of all persons - How your project will either serve persons with the highest needs and longest experiences of homelessness or facilitates the rapid placement of persons in stable housing.
- Creating a systematic response to homelessness – How your organization works with the local county continuum to enhance coordinated approaches to ending homelessness in your community and how your organization makes homelessness assistance open, inclusive and transparent.
- Strategically allocating and using resources – How your project will be effective and cost-effective in serving people experiencing homelessness.

- Use a Housing First approach - How your project will help homeless persons move quickly into permanent housing and will use client-centered service methods – options tailored to meet the unique needs of participants.

Threshold Criteria

All Applications must meet the following threshold requirements:

1. Submit a complete application by the deadline
2. The applicant’s organizational capacity is adequate to successfully manage McKinney-Vento funds, including consideration of their ability to manage existing McKinney-Vento grants.
3. The applicants meet the HUD eligibility requirements and thresholds.
4. The proposed activities meet McKinney-Vento eligibility requirements.
5. The grant request is reasonable based upon the proposed scope.
6. A review of their latest Independent Audit reveals no major findings unaddressed (Evidence of agency’s adequate capacity determined by the applicant’s response to the Audit findings) and the receipt of the summary pages of the applicant’s most recent Audit.
7. For applicants with current HUD McKinney-Vento grants, the latest HUD Monitoring letter reveals no major findings unaddressed (Applicants who currently have HUD McKinney grants must also include the latest HUD monitoring letter and, if appropriate, evidence of actions to clear findings or evidence findings have been cleared by HUD).
8. The overall application will be reviewed to determine if the new project is likely to improve the Continuum’s outcome performance and will contribute to reducing homelessness.
9. The project and the applicant meet or will meet HUD’s McKinney-Vento threshold requirements (found on pages 29-35 of the 2017 HUD NOFA) as stated in the attached document entitled “HUD’s Threshold Requirements”.
10. The Continuum must receive by the 9/1/17 deadline, both a county continuum response and a grantee response to the Continuum’s request for *“Supplemental Information to Support the Balance of State CoC Application”*.
11. To demonstrate organizational capacity, if an applicant for Bonus Funds is currently operating McKinney-Vento funded project(s), the most recently reported performance scores for those grants must equal at least the average of all project performance score.
12. The applicant has submitted all items listed below under “Preliminary Application Components”.

Preliminary Application Components:

Following are the required documents for a Preliminary Application for Bonus Funds to be submitted to ian.kinder-pyle@commerce.wa.gov and johneppler@comcast.net:

- A completed 2017 Application Narrative and Budget “Response to Rating Criteria”
- Copies of Leverage letters from donating organizations (see “2017 Information on Leverage Letter Requirements”, an attachment to the e-mail transmitting this RFP)
- The Summary Pages of the most recently completed Independent Audit Letter showing significant findings and issues and, as appropriate, evidence of adequate responses to findings and issues identified.

- Applicants who currently have HUD McKinney grants must send a copy of the latest HUD monitoring letter and, if appropriate, evidence of actions to clear findings (or evidence HUD has cleared the findings).
- Projects serving persons with disabilities must provide a brief statement on how they will ensure that persons with disabilities are given opportunities to interact with other persons without disabilities.

Note: Applicants who have been selected for the Continuum's Priority Project List to be sent to HUD, will be required to also complete a HUD project application in E-SNAPS.

Technical Assistance

Contact Ian Kinder-Pyle at 360-725-2976 ian.kinder-pyle@commerce.wa.gov or John Epler at 206-794-5125 johnnepler@comcast.net for any questions or for technical assistance in preparing your application. Priority for TA will be given to projects in counties not currently served by HUD McKinney-Vento funds and applicants not currently administering HUD McKinney-Vento funds.

PART II.
**GENERAL POLICIES AND PROCEDURES OF THE BALANCE OF WASHINGTON STATE
CONTINUUM OF CARE RELATED TO THE ANNUAL COMPETITION PROCESS AND
CRITERIA FOR THE AWARD OF MCKINNEY-VENTO HOMELESS GRANTS
(8-2-17)**

POLICIES

The principle of fair play through an open, inclusive and transparent application process will be employed throughout the competition.

The Continuum will manage the application process with an openness throughout, including significant information exchange and the assignment of staff to help clarify and assist applicants throughout the process. RFPs will be broadcast to the broadest mailing list possible to maximize opportunities for all potential applicants throughout the Continuum to participate. Criteria for selecting Bonus Funds applications will give preference to applicants from counties without current HUD McKinney-Vento grants. Technical Assistance will be prioritized to assist applications from counties without McKinney-Vento grants and to applicants not currently operating McKinney-Vento grants. Application criteria are developed in an open process of the Continuum of Care Steering Committee with minutes of meetings at which all interested parties are invited to join and participate. The rating criteria are reviewed and subject to modification by the Continuum Steering Committee on an annual basis.

Members of the Rating and Ranking Committee are composed of persons invited by staff of the Continuum to participate in the rating and ranking process. Persons are chosen for their non-conflicted position and experience with activities to end homelessness. No applicants may participate in a Committee to review and rate projects who are competing or potentially competing for project funding in the current round of competition. Membership on the Committee will reflect as much as feasible the major geographical framework of the Continuum - with at least one representative from the eastern and the western regions of the state. In addition, to the extent feasible, a former homeless person will be included (as has been the case from 2011-2017).

Project Selection Criteria

The Rating Criteria will be provided to all interested parties as part of the Invitation to Apply Notice/RFP. The criteria are approved each year by the Continuum. There may be separate selection criteria dependent upon the need to respond to the HUD NOFA (for instance, the 2016 Project Selection Process includes 3 separate rating systems – Renewal, Reallocation and Bonus Fund applications.) For 2017, the rating and ranking criteria are posted on the Continuum website as part of the RFPs and included in e-mail communications to all potential interested persons in the Balance of State jurisdiction.

Rating criteria for renewals will be based primarily upon objective and outcome-based data on the performance of the existing project; and projects requesting new funds (Bonus and Reallocation) will be based largely upon the quality of the proposal, capacity, extent to which they serve the most difficult populations, housing first commitments and leverage. The full set of criteria can be found in the RFPs of each of the application types.

If two or more Bonus Fund applications are submitted from the same county, the local Continuum should provide their priority ranking of the projects (preferably with the applications and before the deadline). If two or more applications are ranked differently at the local level than by the Balance of State (BoS) Continuum process, the Balance of State Continuum will apply the ranking of the local Continuum in developing the BoS Continuum's ranking list (for example if two projects submitted from a local Continuum are ranked numbers 2 and 4 in the BoS Competition and the local Continuum ranked those projects 2 and 1 respectively, the BoS Continuum will switch the order so that local Continuum project #1 is ranked #2 and local Continuum project #2 is ranked #4 in the BoS Continuum rankings. In the event that no local county preference letter is received on a timely basis, the rankings of the BoS Continuum will govern the final rankings.

Encouragement of applications from counties and new applicants not previously funded with McKinney-Vento Funds

The Continuum continues to encourage new applications from counties and from applicants which have not previously received HUD McKinney-Vento funding. Counties are notified of this preference in the Request for Proposals. In addition, applications from new counties will be given bonus points in the rating system. Finally, applications from previously unfunded counties and applicants which have not previously received McKinney-Vento funds will be offered priority for technical assistance to help them prepare.

General Timing of Application Process

The following guidelines will be followed to the extent feasible in completing the annual application process:

- Notices inviting applications for various categories are forwarded to the broadest e-mail list maintained by the Continuum as soon as the analysis of the annual HUD NOFA is completed, project and Continuum of Care application forms are available from HUD and input from the Continuum Steering Committee is obtained to set priorities and application processes for the competition. This notice will also be posted on the Continuum's website. All major amendments or changes will be similarly announced by e-mail communication on a timely basis and major actions will be posted on the website.
- By HUD requirement, all project applications are due to the Collaborative Applicant at least 60 days prior to the submission date deadline for the Continuum's Application to HUD.
- By HUD requirement, at least 15 days prior to the deadline for submission of Continuum's Application to HUD, any applicants whose application is 1) rejected by the

Continuum or 2) otherwise will not be sent to HUD as part of the Continuum's application, will be provided written notice of the results, the reasoning for the decision and advised of the opportunity to appeal the results prior to submission of the Continuum's CoC application. Applicants will be advised as soon as feasible to allow adequate time for potential correction of any error in the process.

- Prior to the submission of the Continuum and Project Applications to HUD, the Final Project Listing and the Continuum's Application will be posted on the Continuum website and the full membership, stakeholders and interested parties will be provided an e-mail, communicating the results of the Project Listing (including information on the projects rejected and accepted) and the Continuum's Application. All parties will be advised by e-mail where on the Continuum's website the information is located.
- In addition, the Continuum has established a goal of posting the Continuum's Consolidated Application with attachments on the Continuum website at least three days prior to the HUD submission deadline.

Establishing Project Ranking and HUD Project Priority List

Projects are rated by a Ranking and Rating Committee using qualitative and performance-based information. Applications for Renewal of Existing Grants (Renewals) are ranked primarily on performance outcome data obtained through the Annual Performance Report and HMIS, whereas applications for new projects rely on a combination of project/applicant capacity, project quality and project impact.

The overall approach to developing the Continuum's Project Priority List is to start by ranking the Renewal projects in order of their performance score against all other Renewal projects, integrate Bonus projects into the List based on their score against all other Bonus projects and rank all Reallocated projects at the bottom of Tier 1 based upon their score in the Reallocation competition.

To minimize anomalies in program management and outcome data, Renewal projects will be rated based upon outcome data obtained from the most recent two Annual Project Report (APRs) and HMIS years. Recognizing that some small projects with limited participant turnover (particularly PSH projects) are at a disadvantage in some outcome categories because they have too small of a universe in data (several APR outcome data sources measure results of only those exiting) to provide a fair measure of their success, Renewal applicants with 3 or fewer exits per year will receive the average score of all other Renewals with 4 or more exits for that outcome measure. Renewal projects will be ranked in both Tier 1 and Tier 2 in the order of their ranked scores against other Renewal projects.

All Reallocation applications will be placed in Tier 1 in recognition of their cooperation to change their existing renewal-eligible grant to improve their program outcomes and relate their projects more strongly to the priorities of the Continuum and HUD. In the two future competitions, they will continue to be placed in Tier 1 until there is sufficient performance data

from APRs and HMIS so that they may be scored and rank fairly against other renewal projects with at least two years of performance data.

Similarly, new projects obtaining funding through Bonus Funds will not, in their first and second renewal periods, be placed in competition with other renewals until they have reported on two years of performance.

Lower-scoring Renewal projects and all New Bonus projects will be placed in Tier 2.

The Continuum's HMIS project will be included in Tier 1 of the Project Priority List as it is an essential service to all counties in the Continuum. The Continuum's Planning Only grant is, by HUD requirement, not included in the Priority Project List.

The Continuum Rating and Ranking Committee (composed of non-conflicted members) will propose the ranking placement of projects from the three application pools (Renewal, Reallocation and Bonus) into a single Project List for submission to HUD.

Because each application category pool (Renewal, Reallocation and Bonus) has its own unique criteria, it will be necessary for the Ranking and Rating Committee to propose how to integrate the ranked lists of projects from the three pools into a single Project List while considering the best interests of the Continuum. The Rating and Ranking Committee will seek the advice of the Continuum Steering Committee as needed by discussing general methodologies for melding the three categories. This will be done by discussing options broadly to "blind" out information that might identify or reveal specific projects impacted. The ultimate decision on placement will rest with the non-conflicted Rating and Ranking Committee.

New Bonus Applications received after the Continuum's project application deadline (or which are substantially incomplete by the deadline), or which do not otherwise meet threshold requirements, will be rejected. Renewal and Reallocation Applications received after the Continuum's project application deadline (or which are substantially incomplete at the deadline) are subject to rejection or placement at the bottom of Tier 2. Applicants or projects not meeting the HUD threshold requirements and/or the Continuum Threshold requirements for the specific category (Renewal, Bonus or Reallocation) of application included in the RFP for that category, are subject to rejection. As indicated above, applicants may appeal a decision of the Continuum following procedures in the Continuum's Policies and Procedures. A written appeal to the Continuum (Collaborative Applicant – WA Dept. of Commerce, nick.mondau@commerce.wa.gov) must be received within 5 days of receipt of rejection or will not receive further consideration.

HUD Scoring System

The following is provided to give applicants and interested parties additional information on HUD policies and competition procedures/criteria that may affect an individual project application:

The HUD NOFA for the 2017 competition indicates that HUD will assign points to projects listed in Tier 2 of the Continuum's ranked Project List after it has been received by HUD. Since these steps will be applied after the Continuum submits the its Project Priority List, these adjustments will affect the order of funding in Tier 2 and which projects receive funding. The following are points that make up the final ranking scores for projects:

1. Continuum of Care score – Each project listed in the Continuum's Project Priority List will receive up to 50 points based upon the relative score of the Continuum's application rated against all other continuum's competing nationally.
2. Project List Ranking – Each project in Tier 2 will receive up to 40 points depending on the ranking of the project based upon their percentage of all grant requests in Tier 2. This will result in the highest rated project in Tier 2 receiving close to 40 points and the lowest rated project receiving close to 0 points.
3. Commitment to Housing First – Up to 10 points for Permanent Housing applications committed to applying the Housing First model; and up to 10 points for Transitional Housing, Safe Havens and Supportive Services Only projects demonstrating that they will operate as a low-barrier project, prioritizing rapid placement and stabilization in permanent housing and do not have service participation requirements or other preconditions to entry.