

**The Realignment of HUD Continuum of Care Program Funding Continues:
Some California Continuums of Care Are Winners and Some Are Losers**

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The U.S. Department of Housing and Urban Development (HUD) continues to realign its annual Continuum of Care Program competitive funding which is nearly \$2 billion annually. As a result, some HUD designated continuums of care for homeless assistance¹ have seen a significant increase in total funding during the past couple of years, while others remain stagnant or experience decreases. Such was the case in California between 2014 and 2016 as noted in the following table. Of the 41 California continuums of care (CoCs) that submitted applications to HUD for CoC Program funding, 13 experienced decreases in funding during the past couple of years.

Table 1: Comparison of California Continuum of Care Program Awards for 2014 and 2016

Continuum of Care:		CoC Award In 2014	CoC Award in 2016	Change +/-	
				#	%
CA-500	San Jose/Santa Clara City & County CoC	\$15,896,617	\$20,015,353	\$4,118,736	26
CA-501	San Francisco CoC	\$25,648,425	\$31,804,009	\$6,155,584	24
CA-502	Oakland, Berkeley/Alameda County CoC	\$27,195,702	\$33,998,867	\$6,803,165	25
CA-503	Sacramento City & County CoC	\$18,719,062	\$19,511,838	\$792,776	4
CA-504	Santa Rosa, Petaluma/Sonoma County CoC	\$2,970,948	\$3,076,336	\$105,388	4
CA-505	Richmond/Contra Costa County CoC	\$10,767,490	\$13,076,992	\$2,309,502	21
CA-506	Salinas/Monterey, San Benito Counties CoC	\$2,121,998	\$1,967,620	-\$154,378	-7
CA-507	Marin County CoC	\$2,880,972	\$3,328,338	\$447,366	16
CA-508	Watsonville/Santa Cruz City & County CoC	\$2,274,747	\$1,953,274	-\$321,473	-14
CA-509	Mendocino County CoC	\$2,077,576	\$1,701,242	-\$376,334	-18
CA-510	Turlock, Modesto/Stanslaus County CoC	\$3,327,972	\$3,110,273	-\$217,699	-7
CA-511	Stockton/San Joaquin County CoC	\$4,543,476	\$4,290,724	-\$252,752	-6
CA-512	Daly City/San Mateo County CoC	\$7,563,895	\$8,583,356	\$1,019,461	13
CA-513	Visalia/Kings, Tulare Counties CoC	\$1,764,900	\$2,087,201	\$322,301	18
CA-514	Fresno City & County/Madera County CoC	\$7,682,593	\$9,006,586	\$1,323,993	17
CA-515	Roseville, Rocklin/Placer, Nevada Counties	\$1,081,122	\$1,269,692	\$188,570	17
CA-516	Redding/Shasta County CoC	\$373,349	\$346,705	-\$26,644	-7
CA-517	Napa City & County CoC	\$609,318	\$715,483	\$106,165	17
CA-518	Vallejo/Solano County CoC	\$1,158,800	\$1,288,063	\$129,263	11
CA-519	Chico, Paradise/Butte County CoC	\$578,630	\$528,301	-\$50,329	-9
CA-520	Merced City & County CoC	\$579,193	\$738,049	\$158,856	27
CA-521	Davis, Woodland/Yolo County CoC	\$453,504	\$487,860	\$34,356	8
CA-522	Humboldt County CoC	\$733,348	\$822,933	\$89,585	12
CA-523	Colusa, Glen, Trinity Counties CoC*	-	-	-	-

¹ Continuums of care are the planning body responsible for meeting the goals of the continuum of care program as outlined in the Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Interim Rule (see https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf).

CA-524	Yuba City/Sutter County CoC	\$2,490	\$2,490	\$0	0
CA-525	El Dorado County CoC	\$12,419	\$9,817	-\$2,602	-21
CA-526	Tuolumne, Amador, Calaveras, Mariposa Counties CoC	\$314,389	\$313,976	-\$413	0
CA-527	Tehama County CoC**	-	\$5,511	\$5,511	100
CA-529	Lake County CoC*	-	-	-	-
CA-530	Alpine, Inyo, Mono Counties CoC**	-	\$3,091	\$3,091	100
CA-600	Los Angeles City & County CoC	\$91,956,831	\$104,971,653	\$13,014,822	14
CA-601	San Diego City and County CoC	\$16,170,164	\$18,229,194	\$2,059,030	13
CA-602	Santa Ana, Anaheim/Orange County CoC	\$19,526,012	\$22,354,847	\$2,828,835	14
CA-603	Santa Maria/Santa Barbara County CoC	\$1,448,116	\$1,667,801	\$219,685	15
CA-604	Bakersfield/Kern County CoC	\$3,750,970	\$5,469,432	\$1,718,462	46
CA-606	Long Beach CoC	\$8,167,924	\$7,641,265	-\$526,659	-6
CA-607	Pasadena CoC	\$2,876,396	\$3,176,554	\$300,158	10
CA-608	Riverside City & County CoC	\$9,857,934	\$9,385,526	-\$472,408	-5
CA-609	San Bernardino City & County CoC	\$6,962,571	\$10,339,584	\$3,377,013	49
CA-611	Oxnard, San Buenaventura/Ventura County CoC	\$1,896,944	\$2,174,740	\$277,796	15
CA-612	Glendale CoC	\$2,345,056	\$2,371,801	\$26,745	1
CA-613	Imperial County CoC	\$205,945	\$191,704	-\$14,241	-7
CA-614	San Luis Obispo County CoC	\$1,075,961	\$928,536	-\$147,425	-14
	Total for California:	\$307,573,759	352,946,617	+45,372,858	+14.7

*CoC did not submit a CoC Program application to HUD for funding in 2014 and 2016.

** CoC did not submit a CoC Program application to HUD for funding in 2014.

The potential loss of funding for existing projects and the potential gain of funding for new projects will continue to be the primary reasons for the realignment of the annual continuum of care program funding.

Loss of Funding for Existing Projects

The loss of funding for existing projects can happen as a result of a combination of any of the following three factors: a) tiering; b) poor performance; and c) cost-effectiveness.

a. Tiering

For the past few years, HUD has required continuums of care to rank funding requests for new and renewal projects in Tier 1 or 2. Projects ranked in Tier 2 are at risk of being defunded, while projects ranked in Tier 1 are generally safe.

HUD continued the Tier 1 and Tier 2 funding process in the FY 2016 CoC Program Competition to “promote a more competitive process among CoCs” as stated on page 35 of the FY 2016 Registration Notice for the CoC Program Competition.

b. Poor Performance

HUD has clearly stated that poor performance will result in projects being “rejected from consideration for funding” as noted on page 33 of the Registration Notice:

“A CoC must consider the need to continue funding for projects expiring in FY 2016. Renewal projects must meet minimum project eligibility, capacity, timeliness, and performance standards identified in this NOFA or they will be rejected from consideration for funding.”

This was further emphasized on page 28,

“HUD retains the discretion to withhold funding, in whole or part, for any project that has significant capacity issues related to performance, financial management, or other unresolved audit or monitoring findings.”

CoCs are discouraged from submitting projects through the grant application for renewal funding if they have low rates of project participants that should be 1) retaining permanent housing or exiting to permanent housing; 2) increasing earned income; and 3) accessing mainstream resources, including public assistance. CoCs are also encouraged not to submit projects that have high rates of empty beds, unspent grant funds, and that have not adopted a low barrier approach to help potential project participants obtain permanent housing, or that have not adopted a housing first approach to help project participants to maintain their housing.²

c. Cost-effectiveness

HUD strongly encourages CoCs to consider whether or not a project is cost-effective before submitting the project for renewal funding. HUD urges CoCs to reallocate projects that are not cost-effective often citing transitional housing projects that serve families as an example. According to HUD, research has shown that transitional housing for families is too costly and serves fewer families than Rapid Rehousing, which is considered a best practice. As a result, CoCs should seriously consider reallocating transitional housing projects that serve families to rapid rehousing projects that serve families.

HUD stated on page 3 in the 2016 Registration Notice that

² Page 21 of the 2016 CoC Program Registration noted Housing First as Housing First approach to remove barriers to housing, remove service participation requirements or preconditions to program participation, and prioritize rapid placement and stabilization in permanent housing. Also see, https://www.usich.gov/resources/uploads/asset_library/Housing_First_Checklist_FINAL.pdf.

“CoCs may use the reallocation process as stated in Section II.A.2.i of this Notice to create: new permanent supportive housing projects that serve chronically homeless individuals and families, including unaccompanied youth; new rapid rehousing projects for homeless individuals and families, including unaccompanied youth, coming directly from the streets or emergency shelter, or persons fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homelessness; new projects for dedicated HMIS; or new Supportive Services Only (SSO) projects for centralized or coordinated assessment systems.”

Gain of funding for new projects

CoCs could gain or increase their total funding by applying for new projects through the Permanent Housing Bonus as noted on page 35 of the 2016 Registration Notice:

“HUD will continue the Permanent Housing Bonus. All CoCs may create new projects through the permanent housing bonus up to 5 percent of the CoC’s FPRN for the following types of new projects for those CoCs that meet the criteria provided in V.4. of this Notice and additional criteria provided in the FY 2016 CoC Program Competition NOFA:

- a. New permanent supportive housing projects that will serve 100 percent chronically homeless families and individuals including youth experiencing chronic homelessness; and
- b. New rapid rehousing projects that will serve homeless individuals and families, including youth, coming directly from the streets or emergency shelters, or fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homeless.”

In summary, future allocation of HUD CoC funding will primarily be the result of CoC decisions to submit renewal applications that align, or do not align, with best and evidence-based practices. Transitional housing and supportive services only projects will likely be defunded if they are placed in Tier 2, if they are performing poorly, or if they are not cost-effective.

It is important to note that low performing permanent supportive housing projects and rapid rehousing projects placed in Tier 2 could also be defunded if not reallocated. This year, many CoCs may not have enough transitional housing and supportive services only projects to place in Tier 2 before considering reallocation or risk losing them. If the total number of transitional housing and supportive services only projects do not equal the amount of funds required by HUD to be placed in Tier 2, which was 5% of the CoCs final pro rata need in 2016, permanent supportive housing and rapid rehousing projects will likely be placed in Tier 2. If they are low performing they could be defunded if reallocation does not take place.

The realignment of HUD CoC funding will also happen primarily through the permanent housing bonus. CoCs that are awarded bonus funding will see the total amount of their annual CoC funding increase each year because bonus funding has equaled up to 15% of the CoCs final pro rata need, though in 2016 the amount was 5% unlike 2015 when the amount was 15%.

Thus, CoCs that are successful in receiving bonus funding this year and next year, and that do not have any renewal projects defunded during the same period of time, will be the big winners. CoCs that do not receive bonus funds and have renewal projects defunded will be the big losers.

Tiering and the permanent housing bonus, as previously noted, was part of the 2016 CoC Program competition and perhaps it will be for at least a couple of more years. If so, in a couple of years a similar table like Table 1 above will further reveal the CoC winners and losers in California.

Whereas Table 1 above shows a comparison of CoC funding for 2014 and 2016, the following two tables show a comparison of funding for 2014 and 2015 (see table 2) and for 2015 and 2016 (see Table 3).

Table 2: Comparison of California Continuum of Care Program Awards for 2014 and 2015

Continuum of Care:		CoC Award In 2014	CoC Award in 2015	Change +/-	
				#	%
CA-500	San Jose/Santa Clara City & County CoC	\$15,896,617	\$20,204,762	\$4,308,145	+27.1
CA-501	San Francisco CoC	\$25,648,425	\$30,968,697	\$5,320,272	+20.7
CA-502	Oakland, Berkeley/Alameda County CoC	\$27,195,702	\$28,980,863	\$1,785,161	+6.6
CA-503	Sacramento City & County CoC	\$18,719,062	\$19,138,664	\$419,602	+2.2
CA-504	Santa Rosa, Petaluma/Sonoma County CoC	\$2,970,948	\$3,087,262	\$116,314	+3.9
CA-505	Richmond/Contra Costa County CoC	\$10,767,490	\$11,104,352	\$336,862	+3.1
CA-506	Salinas/Monterey, San Benito Counties CoC	\$2,121,998	\$1,972,200	(\$149,798)	-7.1
CA-507	Marin County CoC	\$2,880,972	\$3,264,434	\$383,462	+13.3
CA-508	Watsonville/Santa Cruz City & County CoC	\$2,274,747	\$2,261,790	(\$12,957)	-0.6
CA-509	Mendocino County CoC	\$2,077,576	\$1,777,940	(\$299,636)	-14.4
CA-510	Turlock, Modesto/Stanislaus County CoC	\$3,327,972	\$2,963,830	(\$364,142)	-10.9
CA-511	Stockton/San Joaquin County CoC	\$4,543,476	\$4,180,278	(\$363,198)	-8.0
CA-512	Daly City/San Mateo County CoC	\$7,563,895	\$9,455,481	\$1,891,586	+25.0
CA-513	Visalia/Kings, Tulare Counties CoC	\$1,764,900	\$1,923,277	\$158,377	+9.0
CA-514	Fresno City & County/Madera County CoC	\$7,682,593	\$8,737,368	\$1,054,775	+13.7
CA-515	Roseville, Rocklin/Placer, Nevada Counties	\$1,081,122	\$1,256,067	\$174,945	+16.2
CA-516	Redding/Shasta County CoC	\$373,349	\$317,347	(\$56,002)	-15.0
CA-517	Napa City & County CoC	\$609,318	\$712,708	\$103,390	+17.0
CA-518	Vallejo/Solano County CoC	\$1,158,800	\$1,254,088	\$95,288	+8.2
CA-519	Chico, Paradise/Butte County CoC	\$578,630	\$531,742	(\$46,888)	-8.1
CA-520	Merced City & County CoC	\$579,193	\$659,165	\$79,972	+1.38
CA-521	Davis, Woodland/Yolo County CoC	\$453,504	\$474,575	\$21,071	+4.6
CA-522	Humboldt County CoC	\$733,348	\$819,897	\$86,549	+11.8
CA-523	Colusa, Glen, Trinity Counties CoC*	-	-	-	-
CA-524	Yuba City/Sutter County CoC	\$2,490	\$2,490	\$0	0.0
CA-525	El Dorado County CoC	\$12,419	\$10,556	(\$1,863)	-15.0
CA-526	Tuolumne, Amador, Calaveras, Mariposa Counties CoC	\$314,389	\$313,840	(\$549)	-0.2
CA-527	Tehama County CoC**	-	\$5,629	-	-
CA-529	Lake County CoC*	-	-	-	-
CA-600	Los Angeles City & County CoC	\$91,956,831	\$99,691,350	\$7,734,519	+8.4
CA-601	San Diego City and County CoC	\$16,170,164	\$17,859,969	\$1,689,805	+10.5
CA-602	Santa Ana, Anaheim/Orange County CoC	\$19,526,012	\$22,025,895	\$2,499,883	+12.8
CA-603	Santa Maria/Santa Barbara County CoC	\$1,448,116	\$1,607,635	\$159,519	+11.0
CA-604	Bakersfield/Kern County CoC	\$3,750,970	\$4,790,096	\$1,039,126	+27.7
CA-606	Long Beach CoC	\$8,167,924	\$6,965,080	(\$1,202,844)	-14.7
CA-607	Pasadena CoC	\$2,876,396	\$3,112,977	\$236,581	+8.2
CA-608	Riverside City & County CoC	\$9,857,934	\$9,289,429	(\$568,505)	-5.8
CA-609	San Bernardino City & County CoC	\$6,962,571	\$9,366,053	\$2,403,482	+34.5
CA-611	Oxnard, San Buenaventura/Ventura County CoC	\$1,896,944	\$1,970,367	\$73,423	+3.9
CA-612	Glendale CoC	\$2,345,056	\$2,319,804	(\$25,252)	-1.1
CA-613	Imperial County CoC	\$205,945	\$191,131	(\$14,814)	-7.2
CA-614	San Luis Obispo County CoC	\$1,075,961	\$935,156	(\$140,805)	-13.1
CA-615	Alpine, Inyo, Mono Counties CoC	-	\$2,862	-	-
Total for California:		\$307,573,759	\$336,507,106	\$28,933,347	+9.4

*CoC did not submit a CoC Program application to HUD for funding in 2014 and 2015.

** CoC did not submit a CoC Program application to HUD for funding in 2014.

Table 3: Comparison of California Continuum of Care Program Awards for 2015 and 2016

Continuum of Care:		CoC Award In 2015	CoC Award in 2016	Change +/-	
				#	%
CA-500	San Jose/Santa Clara City & County CoC	\$20,204,762	\$20,015,353	-\$189,409	-1
CA-501	San Francisco CoC	\$30,968,697	\$31,804,009	\$835,312	+3
CA-502	Oakland, Berkeley/Alameda County CoC	\$28,980,863	\$33,998,867	\$5,018,004	+17
CA-503	Sacramento City & County CoC	\$19,138,664	\$19,511,838	\$373,174	+2
CA-504	Santa Rosa, Petaluma/Sonoma County CoC	\$3,087,262	\$3,076,336	-\$10,926	0
CA-505	Richmond/Contra Costa County CoC	\$11,104,352	\$13,076,992	\$1,972,640	+18
CA-506	Salinas/Monterey, San Benito Counties CoC	\$1,972,200	\$1,967,620	-\$4,580	0
CA-507	Marin County CoC	\$3,264,434	\$3,328,338	\$63,904	+2
CA-508	Watsonville/Santa Cruz City & County CoC	\$2,261,790	\$1,953,274	-\$308,516	-14
CA-509	Mendocino County CoC	\$1,777,940	\$1,701,242	-\$76,698	-4
CA-510	Turlock, Modesto/Stanslaus County CoC	\$2,963,830	\$3,110,273	\$146,443	+5
CA-511	Stockton/San Joaquin County CoC	\$4,180,278	\$4,290,724	\$110,446	+3
CA-512	Daly City/San Mateo County CoC	\$9,455,481	\$8,583,356	-\$872,125	-9
CA-513	Visalia/Kings, Tulare Counties CoC	\$1,923,277	\$2,087,201	\$163,924	+9
CA-514	Fresno City & County/Madera County CoC	\$8,737,368	\$9,006,586	\$269,218	+3
CA-515	Roseville, Rocklin/Placer, Nevada Counties	\$1,256,067	\$1,269,692	\$13,625	+1
CA-516	Redding/Shasta County CoC	\$317,347	\$346,705	\$29,358	+9
CA-517	Napa City & County CoC	\$712,708	\$715,483	\$2,775	0
CA-518	Vallejo/Solano County CoC	\$1,254,088	\$1,288,063	\$33,975	+3
CA-519	Chico, Paradise/Butte County CoC	\$531,742	\$528,301	-\$3,441	-1
CA-520	Merced City & County CoC	\$659,165	\$738,049	\$78,884	+12
CA-521	Davis, Woodland/Yolo County CoC	\$474,575	\$487,860	\$13,285	+3
CA-522	Humboldt County CoC	\$819,897	\$822,933	\$3,036	0
CA-523	Colusa, Glen, Trinity Counties CoC*	-	-	-	-
CA-524	Yuba City/Sutter County CoC	\$2,490	\$2,490	\$0	0
CA-525	El Dorado County CoC	\$10,556	\$9,817	-\$739	-7
CA-526	Tuolumne, Amador, Calaveras, Mariposa Counties CoC	\$313,840	\$313,976	\$136	0
CA-527	Tehama County CoC	\$5,629	\$5,511	-\$118	-2
CA-529	Lake County CoC*	-	-	-	-
CA-530	Alpine, Inyo, Mono Counties CoC	\$2,862	\$3,091	\$229	+8
CA-600	Los Angeles City & County CoC	\$99,691,350	\$104,971,653	\$5,280,303	+5
CA-601	San Diego City and County CoC	\$17,859,969	\$18,229,194	\$369,225	+2
CA-602	Santa Ana, Anaheim/Orange County CoC	\$22,025,895	\$22,354,847	\$328,952	+1
CA-603	Santa Maria/Santa Barbara County CoC	\$1,607,635	\$1,667,801	\$60,166	+4
CA-604	Bakersfield/Kern County CoC	\$4,790,096	\$5,469,432	\$679,336	+14
CA-606	Long Beach CoC	\$6,965,080	\$7,641,265	\$676,185	+10
CA-607	Pasadena CoC	\$3,112,977	\$3,176,554	\$63,577	+2
CA-608	Riverside City & County CoC	\$9,289,429	\$9,385,526	\$96,097	+1
CA-609	San Bernardino City & County CoC	\$9,366,053	\$10,339,584	\$973,531	+10
CA-611	Oxnard, San Buenaventura/Ventura County CoC	\$1,970,367	\$2,174,740	\$204,373	+10
CA-612	Glendale CoC	\$2,319,804	\$2,371,801	\$51,997	+2
CA-613	Imperial County CoC	\$191,131	\$191,704	\$573	0
CA-614	San Luis Obispo County CoC	\$935,156	\$928,536	-\$6,620	-1
Total for California:		\$336,507,106	352,946,617	+16,439,511	+5

*CoC did not submit a CoC Program application to HUD for funding in 2015 and 2016.