

**Orange County  
Continuum of Care  
Homeless Assistance Programs**

**Letter of Intent (LOI)**  
For All CoC Funded Projects

**Part II  
Project Submittal**

**2016 Renewal Applicants**

**Released**  
July 13, 2016

**LOI/Part II Submission Deadline**  
July 27, 2016 at 12:00 pm (PST)

## TABLE OF CONTENTS

<b>Introduction</b> .....	3
LOI/Part II: Project Submittal Process.....	3
Project Priority Listing.....	4
Technical Requirements for Preparing the Letter of Intent Packet .....	5
Document Presentation Requirements.....	5
Required Documents that MUST be Completed for LOI/Part II .....	6
Certification of Consistency with Consolidated Plan (Exhibit 1).....	6
Environmental Reviews (Exhibit 2) .....	6
Financial Commitment (Exhibit 3) .....	7
Coordinated Entry System Participation (Exhibit 4) .....	7
Evaluation of LOI/Part I and II application components.....	8
Letter of Intent Timeline and Due Dates* .....	8
LOI/Part II (A) Submission .....	8
LOI/Part II(b): E-snaps Submission.....	8
Right of Orange County Continuum of Care to Waive Irregularities.....	9
Further Questions and Additional Resources.....	9
Additional Information .....	9

# ORANGE COUNTY CONTINUUM OF CARE

## 2016 RENEWAL APPLICATION

### LETTER OF INTENT /PART II: PROJECT SUBMITTAL

#### INTRODUCTION

Welcome to Part II: Project Submittal of the 2016 Letter of Intent (LOI) process under the 2016 Orange County Continuum of Care (CoC) Homeless Assistance Program. All renewal projects are currently under review for inclusion in the FY 2016 CoC Application. If the Commission to End Homelessness (C2eH)/CoC Board reallocates any projects, the agencies will be notified.

In Orange County, the Commission to End Homelessness (C2eH)/ CoC Board is the group of community stakeholders that sets local priorities for the FY 2016 CoC Notice of Funding Availability (NOFA) funding. Consequently, the C2eH, in collaboration with County staff, will evaluate 2016 CoC Program Notice of Funding Availability (NOFA) regulations to ensure successful application to the Department of Housing and Urban Development (HUD).

#### LOI/PART II: PROJECT SUBMITTAL PROCESS

LOI/Part II consists of all HUD required processes and documentation as well as completion of an electronic application in the e-snaps system.

**Project Renewal Threshold (per FY 2016 CoC Program NOFA, page 26).** A CoC must consider the need to continue funding for projects expiring in Calendar Year (CY) 2017. Renewal projects must meet minimum project eligibility, capacity, timeliness, and performance standards identified in the NOFA or they will be rejected from consideration for funding.

1. When considering renewal projects for award, HUD will review information in eLOCCS; Annual Performance Reports (APRs); and information provided from local HUD CPD Field Office, including monitoring reports and A-133 audit reports as applicable, and performance standards on prior grants, and will assess projects using the following criteria on a pass/fail basis:
  - a. Whether the project applicant's performance met the plans and goals established in the initial application as amended;
  - b. Whether the project applicant demonstrated all timeliness standards for grants being renewed, including that standard for the expenditure of grant funds have been met;
  - c. The project applicant's performance in assisting program participants to achieve and maintain independent living and record of success, except HMIS-dedicated projects are not required to meet this standard; and
  - d. Whether there is evidence that a project applicant has been unwilling to accept technical assistance, has a history of inadequate financial accounting practices, has indications of project mismanagement, has a drastic reduction in the population served, has made program changes without prior HUD approval, or has lost a project site.
2. **HUD reserves the right to reduce or reject a funding request from the project applicant for the following reasons:**

- a. Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
- b. Audit finding(s) for which a response is overdue or unsatisfactory;
- c. History of inadequate financial management accounting practices;
- d. Evidence of untimely expenditures on prior award;
- e. History of other major capacity issues that have significantly affected the operation of the project and its performance;
- f. History of not reimbursing sub-recipients for eligible costs in a timely manner, or at least quarterly; and
- g. History of serving ineligible program participants, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

## PROJECT PRIORITY LISTING

All project applications must be approved and ranked by the CoC. The Collaborative Applicant will then rank the approved project applications in either Tier 1 or Tier 2 as described in FY 2016 CoC Program NOFA.

**HUD will continue the Tier 1 and Tier 2 funding process; the process in the FY 2016 CoC Program Competition is similar to the last CoC Program Competitions. We are asking that all providers read the NOFA and pay close attention to details regarding HUD's new Tier II scoring on page 13 and 14 of the FY 2016 CoC Program NOFA.**

In the FY 2016 CoC Program NOFA, Tier 1 is equal to 93 percent the CoC's ARD amount approved on the final HUD-approved GIW [Grant Inventory Worksheet] and projects in this tier will be conditionally selected from the highest scoring CoC to the lowest scoring CoC, provided the project applications pass both eligibility and threshold review. Any type of new or renewal project application can be placed in Tier 1.

Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for the permanent housing bonus (before adjustments are made to permanent housing leasing, operating, and rental assistance line items based on changes to FMR) as described in Section II.B.4. of the NOFA. This does not include the amounts available for CoC planning and UFA Costs. Project applications that are in Tier 2 will be selected for FY2016 CoC Program funding using the process described in Section II.B.17 of the NOFA. Projects placed in Tier 2 will be assessed for eligibility and threshold requirements, and funding will be determined using the CoC Application score as well as the factors listed in Section II.B.17. in the NOFA.

If a project application straddles the Tier 1 and Tier 2 funding line, HUD will conditionally select the project up to the amount of funding that falls within Tier 1 as noted above; and then, using the CoC score and other factors as described in Section II.B.17 of the NOFA, HUD may fund the Tier 2 portion of the project. If HUD Does not fund the Tier 2 portion of the project, HUD may award project funds at the reduced amount, provided the project is still feasible with the reduced funding.

Per page 14 of the NOFA, HUD will award a point value to each new and renewal project application that is in Tier 2 using a 100-point scale:

- a. *CoC Score*. Up to 50 points in direct proportion to the score received on the CoC Application rounded to the nearest whole point. CoCs must receive at least 198 points out of the 200 CoC

Application points available to receive the full 50 points for the CoC Application score. For example, if a CoC received 100 out of 200 points on the CoC application, the project application would receive 25 out of 50 points for this criterion.

- b. *CoC Project Ranking.* Up to 35 points for the CoC's ranking of the project application(s). In order to more evenly distribute funding across CoCs and take into account the CoCs ranking of projects, point values will be assigned directly related to the CoCs ranking of projects. The calculation of point values will be 35 times times the quantity  $(1-x)$  where  $x$  is the ratio of the cumulative funding request for all projects or portions of projects ranked higher by the CoC in Tier 2 plus one half of the funding of the project of interest to the total amount of funding available in Tier 2. For example, if a CoC is eligible to apply for projects totaling \$500,000 in Tier 2 and applies for 5 projects ranked in Tier 2 of \$100,000 each: the highest ranked project would receive 31.5 points, and then subsequently ranked projects would receive 24.5, 17.5, 10.5, and 3.5 points.
- c. *Project Type.* Up to 5 points will be based on the type of project application submitted and the population that will be served with the following points available for the following project types:
  1. 5 points for renewal and permanent housing-permanent supportive housing and rapid rehousing, renewal safe haven, HMIS, SSO for centralized or coordinated assessment system, or transitional housing that exclusively serves homeless youth projects;
  2. 3 points for renewal transitional housing, except those transitional housing projects that exclusively serve homeless youth which will be scored as discussed in paragraph (1); and
  3. 1 point for renewal SSO project applications other than those for a centralized or coordinated assessment system.
- d. *Commitment to Policy Priorities.* Up to 10 points for how the permanent housing project application commits to applying the Housing First model. Transitional housing projects, safe haven, and SSO projects that are not for centralized or coordinated assessment can receive up to 10 points for how the project demonstrates that it is low-barrier, prioritizes rapid replacement and stabilization in permanent housing and does not have service participation requirements or preconditions to entry (such as sobriety or a minimum income threshold). HMIS projects and SSO projects for a centralized or coordinated assessment system will automatically receive 10 points.

## TECHNICAL REQUIREMENTS FOR PREPARING THE LETTER OF INTENT PACKET

1. One (1) printed original with signatures and one (1) complete copy. Both must be in binders with clearly labeled section tab dividers for all exhibits, attachments, and required documents.
2. One (1) electronic copy on a USB flash drive with completed LOI/Part I submittal. Exhibits and attachments, and other required documents are to be organized and separated per Document Presentation Requirements.

## DOCUMENT PRESENTATION REQUIREMENTS

1. Clearly identify which version is the original and which is the copy on the cover page of the submittal.
2. Tab Dividers will be clearly labeled between each exhibit and attachment.
3. All sections will be numbered separately within tab dividers, in accordance with the Supporting Documents Checklist.
4. Most recent documentation is submitted for each Exhibit and Attachment.

5. Complete all attachments and exhibits per LOI requirements. Do not leave any blank responses without an explanation (e.g., if the question is not applicable, indicate N/A).
6. All documents with a signature block must be signed by the authorized officer(s).
7. All supporting documents must be included in the submission.
8. All supporting documents must be legible.
9. Timely submittal.

## REQUIRED DOCUMENTS THAT MUST BE COMPLETED FOR LOI/PART II

Please complete all of the required forms listed below in your assigned USB.

- HUD CoC Project Application (e-SNAPS)<sup>1</sup>
- **Exhibit 1:** Certification of Consistency in the Consolidated Plan (per CoC project)
- **Exhibit 2:** Environmental Reviews (per CoC project)<sup>2</sup>
  - **Attachment 1:** Limited Scope Environmental Review Form
  - **Attachment 2:** Environmental Review of Categorically Excluded Not Subject to Section 58.5
- **Exhibit 3:** Financial Commitment
  - Attachment 4: In-Kind Memorandum of Understanding (MOU)
  - Attachment 5: 25% Match documentation letters for 2015<sup>3</sup>
- **Exhibit 4:** Coordinated Entry System Participation
- **HUD Forms**
  - HUD Form 50070
  - HUD Form 2880
  - SF-424
  - SF-LLL

### Certification of Consistency with Consolidated Plan (Exhibit 1)

Applicants must submit a certification that the application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of local government or the State, in accordance with HUD's regulation in 24 CFR part 91, subpart F. The required certification must be submitted with the LOI/Part II by the submission deadline.

### Environmental Reviews (Exhibit 2)

The Environmental Review is required by HUD to ensure the project does not negatively impact the surrounding environment and that the property itself will not have adverse environmental or health effects on occupants. All CoC assistance is subject to the National Environmental Policy Act and

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<sup>1</sup> Submittal of CoC Project Application is dependent upon HUD opening e-SNAPS for the CoC Competition NOFA. CoC Project Application (s-SNAPS) to be due 14 days after HUD opens the e-SNAPS for the CoC Competition NOFA. Notice of e-SNAPS opening will be sent to agencies.

<sup>2</sup> Note: An environmental clearance letter for projects that have approved within the past five (5) years may be submitted in lieu of the Environmental Information Form.

<sup>3</sup> If match documentation letters will not be ready by submission deadline, they will be needed at time of e-snaps submission

applicable related Federal environmental authorities. Conditional selection of projects under the CoC Homeless Assistance competition is subject to the environmental review requirements of 24 CFR 582.230, and 882.804(c) as applicable.

The County of Orange will perform the Environment Review and once approved will present the agency with an environmental clearance letter. This environmental clearance letter is addressed per project and will be valid for the next five (5) years from the day dated, and may be submitted in lieu of the Environmental Forms (Attachment 1 and/or Attachment 2).

The recipient, its project partners and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this NOFA, or commit or expend HUD or local funds for such eligible activities under this NOFA, until the responsible entity (as defined by 24 CFR 58.2(a)(7)) has completed the environmental review procedures required by 24 CFR Part 58 and the environmental certification and Request for Release of Funds (RROF) have been approved or HUD has performed an environmental review under 24 CFR Part 50 and the recipient has received HUD approval of the property. HUD will not release grant funds if the recipient or any other party commits grant funds before the recipient submits and HUD approves its RROF (page 28 of the FY 2016 CoC Program NOFA).

### Financial Commitment (Exhibit 3)

#### **Match**

All eligible funding costs, except leasing, must be matched with no less than 25% cash or in-kind contribution. No match is required for leasing. The match requirements apply to project administration funds, along with the traditional expenses (operations, rental assistance, supportive services, and HMIS). Match must be met on an annual basis. HUD requires match letters to be submitted with the e-snaps application.

For an in-kind match, the recipient may use the value of property, equipment, goods, or services contributed to the project, provided that, if the recipient or sub recipient had to pay for such items with grant funds, the costs would have been eligible. If third party services are to be used as match, the third party service provider that will deliver the services must enter into a memorandum of understanding (MOU) before the grant is executed documenting that the third part will provide such services and value towards the project. HUD requires Match letters to be submitted with the e-snaps Application.

#### **Leverage**

Leveraged resources may include funding or in-kind contributions, such as services or equipment. Partners providing the leveraged resources may include: governmental entities, public or private nonprofit organizations, for profit private organizations, individuals, or other entities willing to partner.

### Coordinated Entry System Participation (Exhibit 4)

In the FY 2016 CoC Program NOFA, under HUD's Homeless Policy and Program Priorities II.A.1.b. the creation of an effective Coordinated Entry process, which is a key step in assessing the needs of homeless individuals and families and prioritizing them for assistance. The Orange County CoC is requiring that all CoC renewal projects participate in Coordinated Entry System and complete certification of such participation.

EVALUATION OF LOI/PART I AND II APPLICATION COMPONENTS

Once the LOI/Part I and LOI/ Part II process is completed, each project will be rated and ranked per the C2eH approved Ranking Policy and HUD requirements and guidelines from the FY 2016 CoC Program NOFA<sup>4</sup>. The LOI/Part I components and the project performance review will be used to determine the scores.

LETTER OF INTENT TIMELINE AND DUE DATES\*

	Due Dates
Release of LOI/Part II	July 13, 2016
Acknowledge Receipt of LOI/Part II	July 15, 2016
Technical Assistance Workshop for LOI/Part II	July 18, 2016 from 1:00pm to 2:30pm
E-snaps Workshops	To be announced upon the opening of E-snaps
<b>Deadline for LOI/Part II</b>	<b>July 27, 2016 at 12:00pm (PST)</b>
Grace Period for submittal of LOI/Part II	July 27, 2016 from 12:00pm to 1:00pm (PST)
Submit project application into eSnaps	July 27, 2016 at 12:00pm (PST)
Submit hardcopy of eSnaps to Zulima Pelayo	Two (2) weeks after opening of E-snaps
Receive notification of ranking	August 30, 2016
CoC Collaborative Application (Early) Submission	September 14, 2016

\*NOTE: Dates subject to change

LOI/PART II (A) SUBMISSION

Renewal applicants are required to complete this LOI/Part II by answering all questions and providing the required documentation.

It is the sole responsibility of the Agency to ensure that delivery is made prior to the Due Date and Time. Delivery receipts are available upon request. The LOI/Part II including all Exhibits and Attachments must be hand delivered by 12:00 pm Pacific Standard Time on July 27, 2016 to:

2-1-1 Orange County  
 Attention: Zulima Pelayo  
 1505 E. 17th Street, Suite 108  
 Santa Ana, CA 92705

LOI/PART II(B): E-SNAPS SUBMISSION

Applicants completing LOI/Part II will be required to complete and submit information in HUD’s electronic application system, E-snaps. Applicants will be advised of strict timelines in which to complete the electronic application process. Failure to complete the project application within the established timeframe may preclude the submission of the renewal application in the final submission to HUD.

The completed FY2016 Continuum of Care Associated application will be submitted to HUD for final approval. The submission date will be as determined by HUD in the 2016 application cycle. Applicants

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<sup>4</sup> HUD requires that all CoC project applications be scored and ranked.

will receive additional instructions and information regarding HUD requirements and the completion of the electronic application in e-snaps. It is the responsibility of the applicant to ensure that their HUD e-snaps application is correct, complete and submitted in a timely manner. Failure to do so may result in the non-submission of the incomplete project renewal to HUD. HUD will assess, as part of their project review process, applicant and project sponsor eligibility, as well as capacity and quality. This review also considers an applicant’s spending history on current homeless assistance grants, if applicable. HUD expects that grantees should be making drawdowns at least quarterly.

Applicants who do not submit a complete and accurate application within the specified timeframe will not be included in the final CoC application to HUD.

**NOTE:** HUD, as the awarding agency, has the authority to rescind funds for projects, which it deems to be low, or non-performing, or which may be deemed to be operating outside of the parameters identified in the original agency application.

### RIGHT OF ORANGE COUNTY CONTINUUM OF CARE TO WAIVE IRREGULARITIES

The Orange County Continuum of Care reserves the right to:

1. Withdraw this solicitation at any time without prior notice and, furthermore, makes no representation that any contract occur and that funds will be awarded by HUD to any respondent to this solicitation.
2. Waive any irregularities in the LOI process and to reject any and all submissions not in the best interest of the Continuum of Care.
3. To request additional information and material. In addition, once released, the application from HUD may require and warrant the request of supplemental material.
4. Not renew grants that have exhibited serious capacity issues in prior grants, including performance and financial problems, HMIS participation, or unresolved monitoring issues, or based on the best interest of the entire CoC Application. HUD will review applications and make the final funding decision.
5. Retain all submitted LOIs. Selection or rejection of a LOI does not affect these rights.

### FURTHER QUESTIONS AND ADDITIONAL RESOURCES

211OC is available to answer questions on the Letter of Intent, application deadlines, process, training, or to provide copies of application materials. For further questions or technical assistance, please contact 211OC.

211OC Staff Person	Phone	Email
Zulima Pelayo	(714) 589-2358	<a href="mailto:zpelayo@211oc.org">zpelayo@211oc.org</a>

Specific questions regarding your HUD grant amount, HUD guidelines and etc. should be directed to your local HUD field office representative. **Please DO NOT contact the HUD office regarding Orange County’s local application deadlines or process**, as 211OC is available to answer those questions.

### ADDITIONAL INFORMATION

Agencies will be required to comply with terms set forth by the CoC and HUD. In addition, all applicants are strongly advised to review all applicable terms, conditions and federal requirements.

It is strongly recommended that you obtain and review information related to the Continuum of Care Program, the CoC Interim Rule, and the HEARTH Act Regulations, along with any other related

documents prior to completion of this LOI/Part I. In addition, HUD will provide updates via their website at <https://www.hudexchange.info/>.