

Leveraging Housing and Health Care Resources

Through HUD's Special NOFO, Continuums of Care (e.g., the Kentucky Balance of State Continuum of Care) are being incentivized to create new permanent housing projects (i.e., PSH and RRH) that pair CoC program funds with housing resources (e.g., units/vouchers) not funded with CoC or Emergency Solutions Grant (ESG) funds and with resources provided from health care organizations for health care services for program participants. HUD will evaluate CoCs on the extent to which their proposed permanent housing projects, when evaluated collectively, leverage housing and health care resources. CoCs that are able to demonstrate that at least 50 percent of the units/vouchers proposed across all permanent housing projects are coming from non-CoC/ESG housing providers and that are able to demonstrate that an amount equal to at least 50 percent of all CoC funds requested for permanent housing projects will be provided by health care organizations will receive full points in the national competition relating to leveraging resources. Receiving these points helps the KY BoS CoC be more competitive, which helps every project proposed locally have a better chance of being selected by HUD for funding.

In the KY BoS CoC local competition for the Special NOFO, KHC will evaluate housing and health care leveraging on a project-by-project basis and award points to projects accordingly. Where possible, projects are strongly encouraged to exceed the 50 percent thresholds set by HUD for the CoC in order to offset projects unable to leverage housing or health care resources or who are not able to reach the 50 percent benchmark.

I. Leveraging Housing Resources

Applicants that demonstrate they have proposed a new PH project (i.e., PSH, RRH, or the RRH portion of a Joint TH/RRH project) that utilizes housing subsidies or subsidized units not funded through CoC or ESG Programs (e.g., Housing Choice Vouchers, HOME-ARP, HOPWA) will be awarded points in the local competition as follows:

- 100% of units/vouchers* from non-CoC/ESG source = 10 pts
- More than 50% = 8 pts
- 50% = 6 pts
- 30% to 49% = 4 pts
- Less than 30% but more than zero = 2 pts
- None = 0 pts

For example, if a new PSH project proposes to provide 100% of its units through vouchers formally dedicated through written agreement from a Public Housing Authority (PHA) to the project while using CoC Services funds to provide on-going services to the program participants, the project would be awarded 10 pts. If a project proposed 4 units – two funded through CoC Leasing funds and two provided by a PHA (formally dedicated to the project via written agreement), this would equal 50% leveraged resources and thus the project would receive 6 pts.

***Note about RRH projects:** Housing organizations providing the non-CoC/ESG resource must commit to serving a certain percent of the program participants anticipated to be served by the project. RRH projects interested in points for leveraging housing should consult with KHC to confirm understanding of this requirement.

Written Commitment Required:

Project applicants must submit to KHC a letter of commitment, contract, or other formal written document that clearly demonstrates:

- The number of subsidies or units being provided to support the project; and
- The date the subsidies/units will be available for households experiencing homelessness.
- In the case of RRH projects, the housing provider must state the percentage of program participants it will serve (see note above regarding RRH projects).

Letters must be on the partnering housing provider's letterhead. Contracts or other formal written agreements such as Memorandums of Understanding/Agreement must be signed by both parties. KHC is required to attach these written agreements to the CoC's Consolidated Application that KHC will submit to HUD on behalf of the CoC.

A sample Memorandum of Agreement (MOA) can be found on the [Unsheltered and Rural Homelessness Special NOFO page](#) of the KHC website. KHC is required to attach these written agreements to the CoC's Consolidated Application that KHC will submit to HUD on behalf of the CoC.

II. Leveraging Health Care Resources

Applicants that demonstrate they have proposed new permanent housing projects (i.e., PSH, RRH, or the RRH portion of a Joint TH/RRH project) that utilize health care resources to help individuals and families experiencing homelessness will be awarded points in the local competition as follows:

- Amount provided by health care provider is equal to or more than 100% of the CoC funds requested = 10 pts
- More than 50% = 8 pts
- 50% = 6 pts
- 30% to 49% = 4 pts
- Less than 30% but more than zero = 2 pts
- None = 0 pts

For example, if a project requested CoC funds in the amount of \$100,000, the health care provider must commit services in the amount valued at \$100,000 or more for the project to receive the full 10 pts. In this same example, if the health care provider committed to \$50,000, the project would be awarded 6 pts.

Sources of healthcare resources include:

- Direct contributions from a public or private health insurance provider to the project; and
- Provision of health care services, including mental health services, by a private or public organization (including FQHCs and state and local health departments) tailored to the program participants of the project; and
- Direct partnerships with organizations that provide healthcare services, including mental health services (including FQHCs and state and local health departments) to people experiencing homelessness with HIV/AIDS.

Note, eligibility for the project must comply with HUD program and fair housing requirements. Eligibility criteria cannot be restricted by the eligibility requirements of the health care service provider.

Written Commitment Required:

Project applicants must submit to KHC a letter of commitment on the health care provider's letterhead, a signed contract, or other formal written document that clearly includes:

- The dollar value of the commitment*; and
- The dates the health care resources will be provided.
- Note, in the case of a substance abuse treatment or recovery provider, regardless of the dollar amount committed, the provider must agree to and clearly state in the written commitment that it will provide access to treatment for 100% of program participants who are eligible and choose the service.

*In-kind resources must be valued at the local rates consistent with the amount paid for services not supported by grant funds.

A sample letter can be found on the [Unsheltered and Rural Homelessness Special NOFO page](#) of the KHC website. KHC is required to attach these written agreements to the CoC's Consolidated Application that KHC will submit to HUD on behalf of the CoC.

III. FAQs:

Q. Does the commitment have to be for the full 3-year grant term?

A. Yes, in the case of housing, the partnering housing provider must commit to provide the units/vouchers exclusively for the CoC project for the duration of the 3-year grant term. In the case of health care resources, the health care services can be provided throughout the 3-year grant term, but the dollar value of the commitment may be reached before the end of the 3-year term. When determining the value of the commitment for the 3-year grant term, health care providers should determine the value based on the amount of services anticipated to be provided on a yearly basis. If the health care services being provided are for substance abuse treatment or recovery services, the provider must commit to providing access to the treatment at any time during the 3-year grant term for all program eligible participants who choose it, regardless of whether they choose to take advantage of the service in the first year of the grant or in the third.

Q. My PHA has agreed to create a preference for its Section 8 program for households exiting my newly proposed PSH project. Does this count as leveraging housing resources for purposes of the Special NOFO?

A. No. While this is great news, in order for vouchers/units to be part of the leveraging commitment, the vouchers/units must be formally dedicated to the project for the duration of the grant term. They must be provided to participants prioritized through the Coordinated Entry System and enrolled in your program just like a participant that will be served through a CoC program's Rental Assistance or Leasing budget. The vouchers/units are formally part of the project.

Q. My organization is the comprehensive care center for mental and behavioral health in my region. Can we be the applicant for the PSH project to provide the CoC-funded housing assistance to people experiencing homelessness and also be the organization that commits to provide substance use treatment and recovery services to program participants?

A. Yes, you can. You would just need to provide a letter on your agency's letterhead stating the agency's commitment, including the dollar value of the commitment and the dates the services will be provided. Since the service being provided is for substance abuse treatment, your agency must also commit to providing these services to 100% of the program participants that are eligible for the services and who choose to use them, regardless of whether they choose to take advantage of the service in year one of the grant or year three.

Q. Can the monetary value of the leveraged resources count towards our project's Match obligation as well or are the two completely separate.

A. Yes, if the housing assistance or health care service being provided is otherwise eligible to be paid for with CoC funds under Subpart D of the CoC Interim Rule, the resource can also be used as CoC Match. However, applicants interested in doing this should consult with KHC to ensure the assistance provided through the leveraging partnership is, indeed, eligible for purposes of Match. It is important to note that the services being provided as part of the housing or health care partnership are not required to be Match-eligible. However, if they are not Match-eligible, they can't be counted towards meeting the Match obligation.