

	<b>Policy: LA CoC Permanent Supportive Housing</b>
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Policy and Planning Department	<b>Approved By and Date:</b> Approved by Los Angeles Coordinating Council – 7/20/2016 Approved by Policy and Planning Committee – 7/21/2016 Approved by LAHSA Commission – 7/22/2016

**General:**

As the lead CoC agency, the Los Angeles Homeless Services Authority (LAHSA) annually submits the CoC Program Competition application to the U.S. Department of Housing and Urban Development (HUD) on behalf of the LA CoC. There are five program components that are eligible through the CoC program Competition. CoC funds can be used for: Permanent Housing, Transitional Housing, Supportive Services Only, Homeless Management Information System (HMIS) and Homelessness Prevention. Homelessness prevention is a component through the implementation of High Performing Communities (HPC), since only designated HPCs may carry out homelessness prevention activities through the CoC program. Although CoCs were able to apply for HPC designation during the Fiscal Year (FY) 2016 CoC Program Registration process, HUD did not receive any requests for HPC designation; therefore, no CoCs may request funds for homelessness prevention. The only components that will be funded in the FY 2016 CoC Program Competition are: Permanent Housing, Transitional Housing, Supportive Services Only, and HMIS.

CoCs may create new projects by using amounts available through the permanent housing bonus or by making funds available through reallocation.

Through the reallocation process CoCs may create the following types of new projects.

- a. Create new permanent supportive housing (PSH) projects where all beds will be dedicated for chronically homeless individuals and families as defined in 24 CFR 578.3.
- b. Create new rapid rehousing (RRH) projects that will serve homeless individuals and families coming directly from the streets or emergency shelters, and include persons fleeing domestic violence situations and other persons meeting the criteria of paragraph (4) of the definition of homelessness.
- c. New Supportive Services Only project specifically for a centralized or coordinated assessment system.
- d. New dedicated HMIS project for the costs at 24 CFR 578.37(a)(2) that can only be carried out by the HMIS Lead, which is the recipient or subrecipient of an HMIS grant, and that is listed on the HMIS grant and that is listed on the HMIS Lead form in the CoC Applicant Profile in e-snaps.
- e. New projects can also be funded through the permanent housing bonus up to 5 percent of the CoC's Final Pro Rata Need for the following types of new projects:

- i. New permanent supportive housing projects that will serve 100 percent chronically homeless individuals and families, and
- ii. New rapid rehousing projects that will serve homeless individuals and families coming directly from the streets or emergency shelters, and include persons fleeing domestic violence situations and other eligible persons.

CoCs may apply for funding for new projects through the process of reallocation or the permanent housing bonus. Reallocation is when a CoC shifts funds in whole or part from existing eligible renewal projects to create one or more new projects without decreasing the CoC's annual renewal demand, which is the amount of funding the CoC is eligible to renew.

The Permanent Housing Bonus is available to all CoCs to apply for funding to create new permanent supportive housing projects that will exclusively serve chronically homeless individuals and families or rapid rehousing projects that will serve eligible individuals, youth, and families. There are two types of new permanent housing that are eligible under the permanent housing bonus, which includes permanent supportive housing and Rapid Rehousing.

Research shows that permanent housing is generally more cost effective and has better outcomes than other housing models serving similar populations. HUD is also prioritizing funding for projects that demonstrate more effective housing model interventions, such as permanent housing.

The LA CoC will prioritize funding for permanent housing. Permanent housing is defined as community-based housing, the purpose of which is to provide housing without a designated length of stay. There are two types of permanent housing that can be funded through the CoC Program Competition- PSH and RRH. PSH means permanent housing in which supportive services are provided to assist homeless persons with a disability to live independently. RRH projects provide supportive services and/or short-term (up to 3 months) and/or medium-term (3 to 24 months) rental assistance as necessary to help a homeless individual or family, with or without disabilities, move as quickly as possible into permanent housing and achieve stability.

This year, there is an opportunity for TH providers to surrender their grants. This option offers administrators of TH grants the opportunity to choose not to renew those grants and instead to apply for a new permanent housing project, either rental assistance (PSH) or rapid rehousing (RRH), in an amount equal to or less than the current TH grant. This option is designed to incentivize TH providers to consider receiving up to the same grant amount to administer permanent housing program instead of TH programs, while not disadvantaging other new project proposers.

For FY 2016-2017, the City and the County are allocating additional funding to support RRH projects through both the City and County Homeless Initiatives. The City has budgeted \$22,443,214 for RRH, which is a 114% increase from FY 2014-2015, while the County has budgeted \$14,954,918, which is a 4% increase from FY 2014-2015.

As a result of the increased RRH funding, LAHSA will prioritize new PSH projects for funding opportunities from the 2016 Continuum of Care Program Competition for the LA

CoC. Only TH projects that surrender their grants are eligible to apply for the RRH program.

**Procedure:**

The Los Angeles Continuum of Care (LA CoC) formally establishes that applicants proposing new Permanent Supportive Housing (PSH) projects will be prioritized for new funding (reallocated/bonus projects) in the 2016 Continuum of Care Program (24 CFR part 578) Competition funding.

Only Transitional Housing projects that surrender their grants are eligible to apply for the rapid rehousing program.