

CAM Governance Recommendations on New CE-SSO Funding in FY2023 CoC Competition

April 5, 2023

The CAM Governance Committee is asked to develop a recommendation on how the CoC should handle new applications for CE-SSO funding in the upcoming FY2023 CoC competition.

Initial recommended options are provided below.

Background and Context

For the past several years, the development of funding priorities for new CoC project funding has included a recommendation from the CAM Governance Committee on whether the CoC should allow agencies to apply for new CoC CE-SSO funding. The CAM Governance Committee has historically recommended prioritizing new CoC funding for housing projects over new CE-SSO projects.

While these recommendations have historically been approved by the CoC Board, due to the CoC funding process, the CoC did still release applications for new CE-SSO funding for the past several years for both CoC Bonus and Domestic Violence Bonus Funding. The 2018 competition is the last time applications for new CE-SSO funding were received. In that year, both Southwest and CHS applied for new project funding to expand their existing CE-SSO grant. Of those two applications, CHS's was funded by HUD.

There are currently two CE-SSO grants in the Detroit CoC:

- Southwest Counseling Solutions: \$959,341
 - This is the grant that will be transferred to the new CAM Lead Agency
- CHS: \$847,538
 - CHS will continue to hold this grant, regardless of the outcome of the CAM RFQ process.

Anticipated New Bonus Project Funding Available in FY2023 CoC Competition for New CE-SSO Projects

We anticipate the FY2023 CoC Notice of Funding Opportunity (NOFO) will include an opportunity to apply for new CE-SSO funding with either CoC Bonus or Domestic Violence (DV) Bonus. The amount of funding available in this year's competition is unknown until the NOFO is released. There is typically about \$1.5 million in CoC Bonus funding and \$2.5 million in DV Bonus funding.

Estimated Funding Gap & Proportional CoC Contribution Needed

As was presented to the CoC Board in February 2023, gaps in CAM funding have been identified. The budget to operate CAM on an optimal implementation was compared to the amount of funding available to be transferred to the new CAM Lead Agency. The resulting gap in funding totaled approximately \$1.4 million.

HAND analyzed the proportion of projects in the Detroit CoC expected to participate in Coordinated Entry. These proportions were then used to determine the amount of funding each primary funder of these projects should be contributing to the CAM budget. Based on these calculations, the CoC should be contributing an additional \$350,000 to the CAM budget.

Recommended Options

Following are options for the CAM Governance Committee to consider regarding the use of new funds in the FY2023 competition and the known funding gap. The CAM Governance Committee is encouraged to

consider that any new CoC funding put toward a new CE-SSO project will reduce the amount of funding that can be used to support new housing projects.

The recommendation from the CAM Governance Committee will go to the Values and Funding Priorities Committee (VFP) as the VFP develops new project priorities. Ultimately, all recommendations must be approved by the CoC Board.

Option #1: The CoC Board commits to submitting a CoC Bonus application in the amount of \$350,000 to expand the current CE-SSO grant that will be transferred to the new CAM Lead Agency.

- The new CAM Lead Agency would need to agree, as it increases their match obligation by \$87,500.
- The new CAM Lead Agency would not need to submit an additional application to the CoC for this funding, as their selection as the new CAM Lead Agency may be considered as that the application, although the CAM Governance should ask for, and give approval to, how the new CAM Lead Agency proposes to use this new funding.

Option #2: The CoC releases an application for CoC Bonus funding and DV Bonus funding to expand current, or fund additional, additional CE-SSO grants.

- Allows the new CAM Lead Agency to apply competitively for additional CE-SSO funding, in an amount that could equal, or be greater than, the \$350,000 the CoC should be contributing. This would be a competitive application, and selection of it to be submitted to HUD would not be guaranteed.
- Allows CHS the option to apply for funding to expand their existing CE-SSO grant on a competitive basis.
- Allows either the new CAM Lead Agency, or another entity, to apply on a competitive basis, for DV Bonus funds to improve CE for people fleeing DV.
- CAM Governance will be asked for input on the specific services to be supported in these applications and require letters of support for applicants (consistent with prior year's process).

Option #3: Implement both Option #1 and Option #2 concurrently.

Ranking of New CE-SSO Project Application(s)

The role of the Values and Funding Priorities (VFP) Committee is to recommend the project priority ranking policies to the CoC Board. These policies dictate the priority order in which projects are submitted to HUD (ie, which projects are in Tier 1 and which are in Tier 2). The VFP will begin discussions on these ranking policies in the coming months. The current plan is for the CoC Board to approve the project priority ranking policies at their July board meeting.