



September 12, 2016

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW., Room 10276
Washington, DC 20410-7000

Re: Docket No. FR-5476-N-04: Continuum of Care Program: Solicitation of Comment on Continuum of Care Formula

To Whom It May Concern:

The City of Santa Rosa (City) respectfully submits the following comments regarding the Continuum of Care Funding Formula. The City appreciates HUD's extra effort to provide a tool to understand the impact of possible changes.

The City has a designated seat on the Board of the Sonoma County Continuum of Care (CA-504), which is comprised of over fifty member organizations and one-hundred and fifty individual members. The Sonoma County Continuum of Care holds quarterly membership meetings open to all members and monthly Board meetings to set policy and oversee operations of our Continuum of Care. Following the release of the Solicitation of Comment on July 25, 2016, Collaborative Applicant staff and the Continuum of Care Board gathered input for formal submission.

Overall Comments

The current PPRN funding formula is governed by population, poverty, and age of housing, all of which work against West Coast communities in general, and especially rural-heritage communities like Sonoma County. As a result of the limits imposed by this formula, this Continuum of Care has one of the 10 lowest allocations per Homeless Census in the United States with an average of \$606 per homeless individual. The national average is \$2,822.

Comment #1

HUD's current formula and alternative funding scenarios address "Preliminary Pro-Rata Need" (PPRN) rather than "Annual Renewal Demand" (ARD). Like many other communities, our CoC's funding is governed by ARD; thus a change to the PPRN formula will not address the inequity described above at all. Sonoma County's 2016 PPRN is \$1,634,172 while our 2016 ARD is \$2,986,734. A change to PPRN will only benefit communities that are new to the CoC funding stream. It will not address the historic inequities that are the result of use of the old formula for nearly 20 years. HUD's review of formulas needs to address ARD rather than only PPRN.

Comment #2

The current formula does not include the Point-In-Time (PIT) count. HUD states that it does not believe current PIT counts (either sheltered/unsheltered or a combination) are reliable enough to be used for funding allocation purposes. The City believes that PIT counts, though an estimate, are reliable enough to be incorporated. The variations in poverty and local housing markets across the nation are at least as great as the variations in PIT count reliability.

HUD's formula tool makes it clear that if PIT Count data were incorporated into the PPRN formula, our CoC would have a PPRN of more than \$7 million annually rather than the current \$1.6 million. To address the funding inequities that have driven the high PIT Counts in some locations vs. others, HUD should incorporate PIT Counts as part of the formula.

Comment #3

The City supports the recommendation suggested by the National Homeless Information Project (NHIP) to achieve better equity in funding using the annual Permanent Supportive Housing Bonus funding in the Annual Continuum of Care Competition. In particular, NHIP notes that "HUD can easily make efforts towards better equity within its annual competition for "bonus funding" which is projected at \$100 to \$150 billion annually. While rewarding high performing Continuums is to be lauded, the government has a responsibility to support communities more challenged. If two-thirds of the future 15 percent "bonus" allocation were directed to underfunded communities for a five-year period, significant gains in funding equity could be achieved."¹

The City recognizes that it would be very challenging to take funding away from those communities receiving the highest per capita homeless funding, to remedy the geographic inequity that is the legacy of the old PPRN formula. The City strongly encourages HUD to utilize annual bonus funding to provide better equity in funding, by directing two-thirds of its annual bonus funding to underfunded communities for a five-year period.

Sincerely,



DAVID E. GOUIN
Director of Housing and Community Services

¹ National Homeless Information Project: "An Analysis of the Allocation of Federal Homeless Funding"
[http://www.nhipdata.org/local/upload/file/Analysis%20of%20Homeless%20Assistance%20Allocation%20-%20FINAL\(2\).pdf](http://www.nhipdata.org/local/upload/file/Analysis%20of%20Homeless%20Assistance%20Allocation%20-%20FINAL(2).pdf)