

QUESTIONS AND ANSWERS

A Supplement to the 2009 Continuum of Care Homeless Assistance NOFA and
Application

Office of Community Planning and Development

U.S. Department of Housing and Urban Development

October 2009

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Questions and Answers

A Supplement to the 2009 Continuum of Care Homeless Assistance

NOFA and electronic Application

To assist you in preparing your 2009 Continuum of Care (CoC) Homeless Assistance electronic application, HUD developed the following questions and answers. For your convenience, they are grouped together by topic headings.

Additional information and training modules on the e-snaps system will be available at <http://www.hudhre.info/esnaps/>. CoCs may also ask questions at the HUD HRE Virtual Help Desk at www.hudhre.info/helpdesk.

A. Major Changes for 2009:

There have been some modifications to the Continuum of Care application this year.

- HUD has adopted a two-part selection and announcement process. Eligible SHP and S+C renewal projects will be awarded as quickly as possible—prior to the end of December 2009. New projects will be awarded separately, after the project threshold review of the new project submissions and the scoring of the CoC application have been completed—Spring 2010.

All new project applications must be ranked or rejected by the CoC. HUD will not review any project rejected by the CoC.

- Renewal Projects:
 - Applicants with renewal projects, regardless of whether they applied in *e-snaps* in 2008, will only be verifying basic project and budget information, selecting the grant term request, and certifying the request of renewal (see Section III.A.2 of the 2009 NOFA for information about eligible renewals).
 - CoCs will not rank renewal projects in *e-snaps* in 2009. CoCs will be required to accept or reject a renewal project. HUD will not review any project rejected by the CoC.
- For the 2009 Competition, CoCs whose Final Pro Rata Need (FPRN) is based upon Hold Harmless Need (HHN), cannot be used to reallocate funds to new projects. Any new non-permanent Housing Bonus projects within FPRN submitted by a CoC in HHN status will be automatically rejected. **CoCs in HHN status will be able to apply for a Permanent Housing Bonus Project(s).**

- Hold Harmless Need Merger Process
 - In 2009, HUD has adopted a new CoC Hold Harmless Merger policy for calculating Final Pro Rata Need that ensures CoCs will not lose Final Pro Rata Need by merging (see Section I.A.4.i of the 2009 CoC NOFA) when at least one has a FPRN based upon HHN and at least one has a FPRN based upon PPRN. A CoC must have indicated during the registration process whether it was establishing this type of merger.
 - CoCs that took advantage of the CoC Hold Harmless Need Merger Process during CoC Registration may request renewals with a grant term of one year and may request new projects for two or three year grant terms (5 or 10 year for new Shelter Plus Care or Single Room Occupancy projects). All new and renewal requests must fall within FPRN.

- The CoC is responsible for attaching the Certification(s) of Consistency with the Consolidated Plan for all projects, new and renewal, which are requesting funding to the CoC portion (**Exhibit 1**) of the application. CoCs will attach one signed form for each jurisdiction that includes the list of all associated new and renewal projects.

- CoCs will be required to provide a narrative identifying any coordination with NSP HUDVASH, and any HUD-managed American Recovery and Reinvestment Act (ARRA) programs, i.e., NSP2, CDBG-R, TCAP, HPRP, in Exhibit 1.

- As part of the CoC application CoCs will be required to provide a narrative identifying how they are participating in the new Homelessness Prevention and Rapid Re-Housing Program (HPRP).

- New and Renewal applicants for the S+C program will only be permitted to apply for 100 percent of the local Fair Market Rent (FMR) and will no longer be permitted to request any amount that is greater or less than the local FMR.

- The calculation of housing emphasis and leveraging for the CoC score will include only eligible new project requests.

- The Samaritan Bonus Initiative will be replaced with a Permanent Housing Bonus. CoCs will be able to use funds for homeless disabled individuals and families or for chronically homeless individuals. Projects exclusively serving chronically homeless individuals must ensure that all participants meet the eligibility requirements as defined by HUD. Further, these participants must come directly from the streets, emergency shelters, and/or a safe haven program. For projects that are not exclusively serving chronic homeless individuals, all participants must meet HUD's eligibility requirements and can come the streets, emergency shelters, and/or transitional housing for homeless persons who originally came from the street or an emergency shelter.

Each CoC can submit one or more new permanent housing bonus projects. The Permanent Housing Bonus is limited to 15 percent of a CoC's PPRN or \$6 million, whichever is less. Where permanent housing bonus funds are being requested under the SHP no more than 20 percent of the total of its eligible program activities (grant total minus administration costs up to five percent) may be used for case management.

As creating new permanent housing beds for chronically homeless individuals is still a HUD priority, HUD strongly encourages CoCs to use at least a portion of available bonus funds to create a project that will exclusively serve the chronically homeless.

- Projects providing Transitional Housing (TH), or Supportive Services Only (SSO) projects may serve persons being discharged from an institution (including prisons, mental health institutions, hospitals) in which the person has been a resident for less than 90 days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing. Prior to this NOFA, the residency requirement in an institution was 30 or more consecutive days.
- CoCs and project applicants will be required to apply for the 2009 CoC competition through HUD's e-snaps system. *e-snaps* is not a part of Grants.gov. Training on the *e-snaps* system is available at <http://esnaps.hudhre.info/training/>. CoCs may also contact the HUD HRE Virtual Help Desk at www.hudhre.info/helpdesk.
- CoCs were required to register their CoC in *e-snaps*, the electronic application system, prior to the beginning of the competition.
- In 2008, HUD changed the classification of Safe Havens. Safe Havens (SH) are no longer given Transitional Housing (TH) or Permanent Housing (PH) classifications. Grantees seeking renewal in 2009 that have not previously changed their component type from SH-TH or SH-PH to PH, TH or SH will have an opportunity through the 2009 CoC application process to change the classification of their project without a grant amendment. In addition, any chronically homeless person entering a HUD-defined Safe Haven will maintain his/her status as chronically homeless, and will therefore be eligible for entrance into projects dedicated to serving chronically homeless persons.

Continuum of Care Scoring

- CoC Exhibit 1 scoring will be based on 5 major sections:
 - CoC Housing, Services, and Structure: 14 Points
 - Homeless Needs and Data Collection: 26 Points
 - CoC Strategic Planning: 22 Points
 - CoC Performance: 32 Points
 - Housing Emphasis: 6 Points

Application Format in e-snaps:

To ensure that the exhibits are completed correctly, CoCs and project applicants should carefully review all instructions available to them before beginning their applicable Exhibits. In both Exhibit 1 and Exhibit 2 there are three different types of instruction: on-screen, hide/show, and detailed.

CoCs and project applicants that submitted an application in 2008 will be able to bring forward information from their 2008 application. To learn how to do so, please review the *e-snaps* training documents posted at <http://www.hudhre.info/esnaps/>. Please ensure that all information that is brought forward is carefully reviewed and updated as necessary.

In addition to the instruction available in the *e-snaps* system, detailed training modules are also available at <http://www.hudhre.info/esnaps/>. CoCs and project applicants are strongly encouraged to review each training module either before or while they are completing the applicable portion of Exhibit 1 or Exhibit 2.

2002/2003 SHP and S+C Renewal Grants

Notwithstanding the expiration date of the SHP or S+C grant, if the grant was awarded in 2002 or 2003, but has an expiration date of 2010 or later, the applicant must apply for renewal in 2009. For 2002/2003 renewal grants, HUD reserves the right to make adjustments to the final award. For more information please see the *Renewal Applicants* section of the 2009 Notice of Funding Availability (NOFA) for the Continuum of Care Homeless Assistance Program

B. Eligible Persons to be Served:

*For the 2009 CoC Homeless Assistance Grants application the definition of a homeless person is as it is defined in the 2009 CoC NOFA. **The definition of a homeless person as defined by HEARTH is not in effect at this time.***

1. Who can receive assistance from the projects proposed in an application?

A person is considered homeless only when (s)he resides in one of the four places described below, plus Safe Haven. For persons assisted with Permanent Housing, in new and renewal projects, they must be homeless and come from:

- a) Places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- b) An emergency shelter;
- c) Transitional housing for homeless persons and who originally came from the streets or emergency shelter; or,
- d) A HUD-defined Safe Haven

If a person is in one of the four categories listed above, but most recently spent less than 90 days in a jail or institution, he/she continues to qualify as coming from one of these categories.

In addition to coming from the above four categories, projects providing Transitional Housing, or Supportive Services Only may also serve populations experiencing the following circumstances:

- e) Eviction within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing; or
- f) Discharge within a week from an institution in which the person has been a resident for 90 or more consecutive days and no subsequent residence has been identified and (s)he lacks the resources and support networks needed to obtain housing.

Please Note: For Permanent Housing projects that are applying for renewal funding, the eligibility criteria above apply to the screening process as units become vacant after grant execution. This does not mean that current residents are to be removed from housing if they entered on the basis of e) or f) listed above.

2. Can a project serve persons at risk of becoming homeless?

No, except for situations e) and f) described in Question 1 of this section. By law, only those persons who are homeless may be served by the programs under the 2009 CoC NOFA. If your organization wants to serve persons at risk of becoming homeless, persons who are “doubled up,” or persons who are “near homelessness,” it would need to use another funding source. HUD administers the Emergency Shelter Grants (ESG) program and the Homelessness Prevention and Rapid Re-Housing Program (HPRP) that can fund homelessness prevention activities for at-risk populations. A variety of other programs, such as Section 8, Community Development Block Grant (CDBG) and HOME, serve low-income persons who may be at risk of becoming homeless due to poor housing conditions, overcrowding or other reasons. Contact your local HUD field office for more information on these and other programs.

3. Can a project serve a person being discharged from a state mental health institution in a state that requires housing to be provided upon the person’s release?

If your state has a law requiring housing as part of a discharge plan, HUD does not consider those persons eligible for assistance since they will be placed in housing arranged by the state. Contact your state department of mental health or similar state agency for information on its discharge policy. If your state does not require housing as part of discharge planning, then those persons being discharged may be served as long as they meet the eligibility as described in Question #1 of this section. Please note, applicants must not submit project applications that target individuals being directly discharged from these institutions.

As a condition for award in the competition, any governmental entity serving as an applicant must agree to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly-funded institutions or systems

of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

4. Can a project serve a homeless youth after he/she becomes a ward of the state?

Project funding may not substitute for the assistance a state is required to provide a youth while in foster care. Youth who run away from home are considered homeless if they meet the criteria in Question #1 of this section, are without resources and support, and are not considered wards of the state.

5. Can a homeless person moving into Permanent Housing receive services under SHP for an extended period of time?

A person living in McKinney-Vento SHP Permanent Housing may receive supportive services for the entire time (s)he is living in the project. Upon leaving the program and moving into housing not funded by McKinney –Vento, they are no longer eligible to receive supportive services paid for with McKinney-Vento dollars. A person living in Transitional Housing, is eligible to receive supportive services for up to six months after leaving and moving into permanent housing not subsidized by McKinney-Vento.

6. Who does HUD consider to be chronically homeless?

A person who is “chronically homeless” is an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.” An episode of homelessness is a separate, distinct, and sustained stay in a place not meant for human habitation, on the streets and/or in an emergency homeless shelter. A chronically homeless person must be unaccompanied and disabled during each episode. A disabling condition is defined as “a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions.” A disabling condition limits an individual’s ability to work or perform one or more activities of daily living.

7. The definition of a person who is chronically homeless indicates that the person must have been continuously homeless for a year or more or has had at least four episodes of homelessness in the past three years. If the person has had four episodes of homelessness in the last three years but is currently in transitional housing, does (s)he meet the definition of chronically homeless?

No. To be defined as chronically homeless, a person must be living on the street, in an emergency shelter, or in a HUD-defined Safe Haven at the time of the count or eligibility determination. The definition does not include those currently in transitional housing.

8. What specific documentation is required to substantiate a homeless person’s disability for any PH project?

The grantee or project sponsor must have written verification from a state licensed qualified source that the person has such a disability. Qualified sources include medical service providers, certified substance abuse counselors, physicians or treating health care provider.

9. For a new permanent housing bonus project does it have to meet the same requirements as the former Samaritan Housing Bonus initiative?

- No. CoCs will be able to use funds for homeless disabled individuals and families or for chronically homeless individuals. Projects exclusively serving chronically homeless individuals, must ensure that all participants meet the eligibility requirements as defined by HUD . Further, these participants must come directly from the streets, emergency shelters, and/or a safe haven program. For projects that are not exclusively serving chronic homeless individuals, all participants must meet HUD’s eligibility requirements and can come the streets, emergency shelters, and/or transitional housing for homeless persons who originally came from the street or an emergency shelter.

Each CoC can submit one or more new permanent housing bonus projects. The Permanent Housing Bonus is limited to 15 percent of a CoC’s PPRN or \$6 million, whichever is less. Where permanent housing bonus funds are being requested under the SHP no more than 20 percent of the total of its eligible program activities (grant total minus administration costs up to five percent) may be used for case management.

As creating new permanent housing beds for chronically homeless individuals is still a HUD priority, HUD strongly encourages CoCs to use at least a portion of available bonus funds to create a project that will exclusively serve the chronically homeless.

C. SHP Administrative Costs

1. Is there a requirement regarding sharing SHP administrative costs?

States and units of general local governments that are applicants for SHP funding for individual projects that will be operated by nonprofit organizations must share funds for administrative costs with the sponsor organization. As stated in the NOFA, this requirement is NOT applicable to the SRO and S+C programs, nor does it apply to applicants that are not government entities.

2. How much of SHP administrative funds referred to in Question #1 of this section must be passed on to the nonprofit organization(s) who will operate the homeless assistance project(s)?

Administrative funds provided as part of the SHP grant should be split with the nonprofit organization(s) in proportion to the administrative burden borne by them for the SHP project(s). However, HUD will consider states or units of general local government that pass on at least 50 percent of the administrative funds as having met this Congressionally-mandated requirement.

D. Match Requirements

1. Under the SHP, what is the operating cost match requirement? Is this a cash match?

SHP funds may be used to pay for up to 75 percent of the total operating costs of supportive housing for all years of the grant. For example, if the annual operating costs are \$100,000, SHP funds may be used to pay up to \$75,000, or 75 percent, of these costs in each year of the grant term and the grantee would be required to pay \$25,000, or 25 percent, each year.

The operating costs match to be paid by the grantee must be a cash resource. The matching funds must be provided to the project by one or more of the following: the recipient, the Federal government, State and local governments, and private resources, in accordance with 42 U.S.C. 11386. This statute provides that a recipient may use funds from any source, including any other Federal source (but excluding the specific statutory subtitle from which Supportive Housing Program funds are provided), as well as State, local, and private sources, provided that funds from the other source are not statutorily prohibited to be used as a match. It is the responsibility of the recipient to ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds to be used as matching funds for a grant awarded under this program.

For new SHP projects documentation of firm commitments of cash resources for the first year of the grant term and certification that cash resources must be provided in the second and third year of the grant term, if applicable, must be submitted as part of the technical submission application (the form and content requirements of the cash match documentation and certification are explained in the applicable exhibits of the SHP Technical Submission document). In addition, for new and renewal SHP projects, the cash match must be verified in the Annual Progress Report. In-kind contributions do not count toward meeting this match.

Resident rent and fees may be used to meet cash match requirement for transitional housing, safe haven, and permanent housing providers. However, match requirements must be met by funds used to cover costs associated with eligible SHP activities. If resident rents are used to fund ineligible SHP costs, then other sources must be used to meet the annual SHP match obligations.

2. Is the SHP operating costs match requirement applicable to projects submitted for renewal funding?

Yes. Projects submitted for renewal must meet the same match requirements as new SHP projects

3. What is the supportive services match requirement for SHP? Is this a cash match?

Beginning in the Appropriations Act for fiscal year 1999, Congress has required SHP grantees to provide a cash match to supportive services funding. The match provision applies to all recipients of SHP funds, regardless of whether the grantee originally received supportive service funds before the provision was instituted. SHP grantees can request no more than 80 percent of the total cost for the provision of supportive services in a project in their application for funding. Grantees are required to match the remaining 20 percent of the total costs with funds from other sources. All matching funds must be used for eligible service costs identified on the supportive services budget, and included in the application and/or, for new projects, the technical submission. Renewal projects must include the costs in their project applications.

The supportive services costs match to be paid by the grantee must be a cash resources. The matching funds must be provided to the project by one or more of the following: the recipient, the Federal government, State and local governments, and private resources, in accordance with 42 U.S.C. 11386. This statute provides that a recipient may use funds from any source, including any other Federal source (but excluding the specific statutory subtitle from which Supportive Housing Program funds are provided), as well as State, local, and private sources, provided that funds from the other source are not statutorily prohibited to be used as a match. It is the responsibility of the recipient to ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds to be used as matching funds for a grant awarded under this program.

For new SHP projects, documentation of firm commitments of cash resources for the first year of the grant term and certification that cash resources must be provided in the second and third year of the grant term, if applicable, must be submitted as part of the Technical Submission (the form and content requirements of the cash match documentation and certification are explained in the applicable exhibits of the SHP Technical Submission). In addition, for new and renewal SHP projects the cash match must be verified in the Annual Progress Report. In-kind services do not count toward meeting this match.

4. What if we have a renewal project that is requesting supportive services funds? Do those funds need to be matched?

Yes. A renewal project requesting supportive services funds must also meet the match requirement as described in question #3 of this section.

5. My project received funding through a two-year demonstration program (2005 Housing for People who are Homeless and Addicted to Alcohol) that had modified match requirements. What are the match requirements for this grant since the project is now eligible for renewal through the CoC competition.

Upon renewal of these projects, the standard SHP requirements for match will be applicable. These grants originally allowed leasing, housing search (a supportive service) and administration. Under the CoC competition, the supportive services match requirement applies.

E. Application

1. What are the leveraging requirements in the application?

The total leveraging amount for the CoC will be automatically calculated based on the leveraging information submitted in each applicable Exhibit 2 application. Written commitments are not submitted at the time of application. However, they must be submitted for verification by HUD prior to grant agreement execution. Only the value of contributions to a project for which the applicant has a written commitment at the time of application will be counted toward points for leveraging of other resources.

The written commitment must be documented on letterhead stationery, signed and dated by an authorized representative, and must, at a minimum, contain the following elements: the name of the organization providing the contribution; the type of contribution (e.g., cash, child care, case management, etc.); the value of the contribution; the name of the project and its sponsor organization to which the contribution will be given; and, the date the contribution will be available. Written agreements could include signed letters, memoranda of agreement, and other documented evidence of a commitment. The value of commitments of land, buildings and equipment are one-time only and cannot be claimed by more than one project or by the same project in another year. For example, the value of donated land, buildings or equipment claimed in 2007 or before for a project cannot be claimed as leveraging by that project or any other project in subsequent competitions.

2. The NOFA says that HUD will perform a “threshold” review of my application. What does this mean? What should I be aware of when preparing my application?

HUD reviews your application to ensure that the applicant and any project sponsor is eligible to apply for the program it selected and has the requisite capacity to carry out the project. It also reviews the capacity of all other organizations involved with the proposed project. It is imperative, therefore, to demonstrate that applicants and any sponsors or other organizations involved have sufficient capacity. Be sure to answer all of the questions in Exhibit 2 for the applicable program and component type. It is also imperative that nonprofit applicants include documentation demonstrating their eligibility.

HUD also reviews your project application (Exhibit 2) to ensure that your project will only serve eligible people, that the activities you propose are eligible, and, in the case of new projects and S+C renewals, that your project meets threshold quality standards. You can help ensure that your project passes the quality review by completely answering all of the applicable questions in the project application. These questions relate directly to the NOFA threshold standards so it is important that you address each and every applicable factor in the exhibit and complete all applicable sections for the program for which you are applying.

Under SHP and S+C, renewal projects are considered to have met most of the threshold requirements through their previously approved grant applications. However, threshold reviews will be done on renewal projects to determine: (1) the eligibility of proposed activities; (2) the eligibility of the population to be served; and (3) The capacity of the applicant and project sponsor, including specific progress data contained in the Annual Progress Report (APR).

3. Are renewal projects required to submit the “Code of Conduct” again if they submitted their code in a previous competition?

Renewal applicants that submitted a Code of Conduct in FY2008 in *e-snaps* are not required to submit another copy unless the information has been revised. Also, renewal applicants that submitted an application during the FY 2005, FY 2006, or FY 2007 competition, and included a copy of the code of conduct are not required to submit another copy unless the information has been revised. To verify HUD’s receipt of your code of conduct for these years, please check the HUD website at

<http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm>.

New applicants, as well as renewal applicants who do not have a Code of Conduct on file, are required to submit the code of conduct by uploading the document in *e-snaps*.

F. Housing Inventory Chart

1. What information can we use to complete the electronic Housing Inventory Chart (e-HIC)?

A CoC must complete an annual survey of its emergency, transitional, safe haven, and permanent supportive housing inventory to complete the electronic Housing Inventory Chart. The survey must be for a single point-in-time count of the inventory, and completed in the last ten days of January 2009.

2. Is there a required format for the e-HIC that CoCs must use?

HUD has emailed the e-HIC submitted by the CoC in 2008, which includes any revisions made by HUD with the CoC after submission, to the CoC lead agency contact.

CoCs that did not apply for funding in 2008 must download a blank e-HIC from HUD’s Homelessness Resource Exchange, complete it, and upload it into *e-snaps*. CoCs must not attempt to alter this version in any way. Additionally, CoCs may not copy and paste old information from prior years’ Housing Inventory Charts into the new format. CoCs that use the wrong version of the e-HIC will not receive credit for this section of Exhibit 1.

3. If a Continuum of Care has units that are funded by HUD and units that are funded from other (non-HUD) sources, should these units be included on the Housing Inventory chart?

Yes. All beds and units in place or under development (funded but not yet serving homeless persons) in 2009, whether funded by HUD or other non-HUD sources, should be included for each provider/facility in the e-HIC. Please note that Permanent Supportive Housing units should include only units funded by McKinney-Vento or units targeted for homeless persons.

4. In the e-HIC, how does the Continuum determine the number of family units in programs with congregate living (e.g., dormitory-style)?

The term “Family Unit” in the Housing Inventory Chart refers to the actual physical housing units for serving families. Programs providing congregate housing (e.g., barracks style) for families would not complete the Family Units column of the Housing Inventory Chart.

G. Project Priority List

1. Why is HUD asking communities to prioritize their new projects Continuum of Care (CoC) Project Listing in Exhibit 1? Who sets the priorities in a community?

Prioritizing projects should be a logical outcome of the development of a community's CoC strategy and driven by the community's gaps analysis. This means that all organizations in the process have a voice in determining the community's priorities for funding. Priorities should be established through a fair and open process using objective criteria. How the selecting entity (or entities) facilitates or leads the selection process, is determined completely by the community. Different entities will take the lead in different communities.

As stated in the application and the NOFA, HUD expects your community's CoC strategy to be developed by and coordinated with an as inclusive group as possible. Organizations involved in this process should include nonprofit organizations as well as community and faith-based entities, government agencies, public housing authorities, housing developers and service providers, businesses and business associations, law enforcement agencies, hospitals, funding providers, and homeless and formerly homeless persons. These and other organizations should represent and address the specific needs of each homeless sub-population: the jobless, veterans, persons with serious mental illnesses, persons suffering from substance abuse, persons living with HIV/AIDS, victims of domestic violence, runaway youth and others.

2. Will CoC's be required to rank renewal projects in 2009?

No. For the 2009 competition there will be two project listings, one for new projects and one for renewal projects. CoCs are not required to rank renewal projects, but are required to rank new projects. It should be noted that CoCs will be required to accept or reject a renewal project for

funding under the CoC. If the CoC does choose to reject a renewal project, it will not be reviewed by HUD.

H. CoC Need Amounts

1. What is Preliminary Pro Rata Need (PPRN)?

Preliminary Pro Rata Need is the term used to describe the relative portion of national homeless assistance need assigned to a community or group of communities in HUD's CoC competition. The PPRN amount is the expression of relative homeless assistance need in dollar terms for use in a CoC competition. To determine the homeless assistance need of a particular jurisdiction, HUD will use nationally available data, including the following factors as used in the Community Development Block Grant (CDBG) program: data on poverty, housing overcrowding, population, age of housing, and growth lag. The universe of geographies is defined by the universe of jurisdictions used in the CDBG allocation process. Applying those factors to a particular jurisdiction provides an estimate of the relative need index for a jurisdiction compared to other jurisdictions applying for assistance under the CoC Homeless Assistance Grants Program NOFA. Each year HUD publishes the PPRN for each jurisdiction. A CoC's PPRN is determined by adding the published PPRN of each jurisdiction within the HUD-approved CoC. In 2009, HUD will be using the 2008 CDBG allocation. In 2008 there were 4,115 metro cities, urban counties and all other counties that received a Preliminary Pro Rata Need dollar amount. See the section on the Permanent Housing Bonus for details on how a CoC's PPRN is used in calculating the maximum amount of funds a CoC may apply for under this initiative.

The PPRN amount for a CoC is determined as a part of the CoC registration process.

2. What is Hold Harmless Need (HHN)?

Hold Harmless Need (HHN) is calculated by every CoC as a part of its determining the CoC's Final Pro Rata Need (FPRN) for the 2009 competition. HHN is calculated by summing the Average Renewal Amount (ARA) for all SHP renewal grants expiring January 1, 2010 through December 31, 2010 (see the NOFA for instruction on how to determine ARA). If there are not any SHP renewals expiring in calendar year 2010 in the 2009 competition, then the HHN is \$0. Shelter Plus Care Renewals are not included in HHN Amount.

The HHN amount of a CoC is determined as part of the CoC registration process.

3. What is Final Pro Rata Need (FPRN)?

FPRN is the higher of PPRN and HHN. "PPRN status" is when the FPRN is equal to PPRN. "HHN status" is when FPRN is equal to or more than HHN. Shelter Plus Care renewals projects are not included in calculating FPRN. The FPRN was determined during CoC Registration.

4. What is the CoC HHN Merger Process and how does it relate to FPRN?

In 2009, HUD introduced the CoC HHN Merger Process which allowed two or more CoCs in HHN status to merge with two or more CoCs in PPRN status. CoCs were required to merge 100 percent of the original CoCs geographies into one, larger CoC. During the 2009 registration process, HUD calculated the newly merged CoCs FPRN based on the higher FPRN for each CoC. CoCs whose FPRN is based on this HHN Merger Process will be permitted to submit one-year renewals as well as multi-year new projects, as long as the new projects do not exceed the newly merged CoC's FPRN amount.

5. What happens to SHP renewal projects that are submitted outside the FPRN amount?

SHP renewal projects submitted outside a CoC's FPRN will not be reviewed by HUD and will automatically be rejected.

6. Does HUD's updating of Shelter Plus Care and Section 8 SRO projects FMRs affect a CoC's FPRN?

No. HUD will apply FMR changes after project selection, and any such FMR changes will not impact the FPRN amount.

7. Are there limitations on the types of SHP renewal projects that may be reduced or eliminated?

There are numerous reasons for possible reductions or eliminations of renewal projects. For example, projects may be under-performing, or there may be a reduced need for the particular type of project, or mainstream program funding may now be covering a supportive service that was previously funded from a HUD homeless grant. In 2009, CoCs in HHN status will not be able to use HHN Reallocation to reallocate reduced or eliminated grants to new non-permanent housing bonus or transitional housing projects. Any renewal project reduced or rejected for communities in HHN status lose the Annual Renewal Amount (ARA) of the rejected project from the CoCs HHN Amount. CoCs in PPRN status may still eliminate or reduce grants and submit new projects.

At HUD's discretion, communities should note that if renewal projects are reduced, then a proportional reduction in the project scope and the number of persons served can be included as part of the reduced renewal project's application. Additionally, communities are reminded that if a Supportive Housing Program renewal project is being eliminated, and it originally received funding for acquisition, rehabilitation, and/or new construction, the 20-year "term of commitment" requirement remains in effect as stipulated under the statute (Section 423.b), and the grantee must continue to operate the housing for homeless persons according to this section.

I. Special Initiatives

1. Samaritan Housing Initiative:

Funded from 2005-2008, this special initiative promoted permanent supportive housing for chronically homeless persons. Projects that were originally funded as Samaritan Housing Initiative projects must continue to serve exclusively chronically homeless persons and may not spend more than 20 percent of total eligible program activities (grant total minus administration costs up to five percent) on case management.

2. Permanent Housing Bonus:

In 2009, HUD introduced the Permanent Housing Bonus. CoCs may serve disabled homeless individuals and/or families in permanent housing.

- The CoC will be eligible to receive the full of amount of that project's eligible activities, up to a maximum of 15 percent of the CoC's Preliminary Pro Rata Need (PPRN), or \$6 million, whichever is less.
- Projects exclusively serving chronically homeless individuals, must ensure that all participants meet the eligibility requirements as defined by HUD . Further, these participants must come directly from the streets, emergency shelters, and/or a safe haven program.
- For projects that are not exclusively serving chronic homeless individuals, all participants must meet HUD's eligibility requirements and can come the streets, emergency shelters, and/or transitional housing for homeless persons who originally came from the street or an emergency shelter.
- The only eligible activities that will be counted toward this incentive are housing activities and up to 20 percent of the total eligible program activities (grant total minus administration costs up to five percent) may be used for case management.
- For SHP, administration costs count toward the housing bonus.
- For the SHP program, housing activities include acquisition, new construction, rehabilitation, leasing of housing and operating costs when used in connection with housing.
- S+C and SRO rental assistance are defined as housing activities and are eligible under this incentive as well.
- If your CoC is under HHN status, you cannot reallocate funds to a Permanent Housing Bonus project.
- If your CoC is under PPRN status, you cannot add additional available funds to a Permanent Housing Bonus project.

3. Can an applicant submit a bonus project that exceeds the maximum bonus amount and apply the bonus money first then apply the balance to be covered under the pro rata or would that require two (2) applications?

The Permanent Housing Bonus amount is up to 15 percent of the continuum's PPRN amount or \$6 million, whichever is less. HUD will only fund PH Bonus projects up to the maximum allowed amount. If the proposed project exceeds the allowed PH Bonus amount, then the applicant would have to submit two separate Exhibit 2 project applications--one for PH Bonus funds and the other using the remaining funds that are within the CoC's Pro Rata Need (PRN).

4. Is it required that the head of household be the qualifying person with the disability for a family SHP permanent housing bonus project?

Under the SHP/PH program, disabled persons may be the adult or the minor child in a family. Although the SHP regulations and program statute are silent on this issue, you may refer to the guidance in the SHP Desk Guide, Section B. Eligible Participants, for the discussion on disability status which covers how to verify and document a disability. The SHP Desk Guide can be found on the HUD's Housing Resource Exchange (HRE) website at <http://www.hudhre.info/>.

5. Is it allowable to submit more than one bonus project as long as the aggregate amount requested does not exceed the bonus allocation?

Yes, a continuum may apply for more than one Permanent Housing Bonus project as long as the cumulative amount does not exceed the allowed Bonus allocation.

J. Projects

1. Under what condition may SHP funds be used in public housing facilities?

An SHP project may use public housing units only after the Public Housing Authority disposes of the units, through deed or lease, to the SHP grantee and obtains HUD/PIH approval of the disposition. After the disposition, these units can receive no public housing capital or operating subsidy.

2. How do HUD's requirements for timely implementation of projects affect my project?

Recipients conditionally awarded funds in the 2009 CoC funding round must have a fully executed grant agreement or, in the case of the SRO Program, Annual Contributions Contract, by September 30, 2011. If a grant agreement or ACC is not executed by that date, the award will be withdrawn. These funds will remain available until September 30, 2016, except that funds for ten (10) year projects (SRO, S+C/SRO, PRA with rehabilitation) will be available until expended.

3. In what situations would I identify my project as new?

You would use the "new" section in the following situations:

- If you are proposing a brand new project that has not provided services or supportive housing for homeless persons;

- If you are expanding an existing non-SHP funded project in order to increase the number of homeless persons served (only the expansion is considered eligible for funding);
- If you are making an expansion an existing SHP funded project in order to increase the number of homeless persons served (only the expansion is considered eligible for funding; see Section N, question #4 of this document, regarding how to apply for renewal and expansion of the same project);
- If you are bringing your project up to code (only activities which are code-related are eligible);
- If you are replacing non-renewable Federal or private funds in an existing project; or
- If you are re-starting an SHP project which received SHP funding in the past, but the SHP funding ended when the project term expired, and the project did not continue to provide services or supportive housing for homeless persons. Please note that development costs cannot be requested under these circumstances.

4. What are the Lead-Based Paint or Environmental review requirements?

The changes in the Lead-Based Paint regulations, which became effective for recipients of funding since the 2001 competition, are extensive. The regulations set hazard reduction requirements that give much greater emphasis than existing regulations on reducing lead in house dust. Scientific research has found that exposure to lead in dust is the most common way young children become lead poisoned. Therefore, the regulation requires dust testing after paint is disturbed to make sure the home is lead-safe. Specific requirements depend on whether the housing is being disposed of or assisted by the Federal Government, and also on the type and amount of financial assistance, the age of the structure, and whether the dwelling is rental or owner-occupied. It is also subject to regulations if the population to be served by the project will include children under the age of 6. For additional information, contact your local Field Office.

In regard to environmental reviews, an important statutory change now provides that for recipients who are private nonprofit organizations or public housing authorities (PHA), the environmental review may be performed by responsible entities (units of general local government in whose jurisdiction the activity is located or states) in accordance with 24 CFR Part 58 - "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" whether or not the grantee is itself a unit of local government or state.

If a responsible entity is either unwilling or unable to perform an environmental review for grantees who are public housing agencies or private nonprofit organizations (Section 58.11), or if HUD determines that the responsible entity should not perform the environmental review on the basis of performance, timing or compatibility of objectives, HUD may designate another responsible entity to conduct the review under Part 58 or may itself conduct the environmental review based on Part 50.

Not every project is subject a full environmental review but every project must be in compliance with the National Environmental Policy Act and other federal and state environmental laws.

If the program is for the provision of scattered site leasing/rental assistance or exclusively for the provision of services and the services provided meet the requirements of an exemption or exclusion listed at 24 CFR 58.34 or 58.35(b), the responsible entity may determine and record that no further environmental review is required, citing the appropriate exemption or exclusion.

Under the Tenant-based Rental Assistance Component for new Shelter Plus Care Projects (where participants are required to live in a particular structure or area), an environmental review and clearance must be performed prior to grant agreement.

5. State and local governments funded in previous competitions were required to certify that they would develop policies and protocols for people being discharged from publicly-funded institutions. How do state and local grantees identify their efforts toward implementing the requirements of that certification?

Project applicants that are state or local governments awarded funds in 2009 and in previous competitions are asked in Exhibit 2 to verify that they have policies and protocols they have developed/implemented regarding discharges from publicly-funded institutions.

6. Can Section 8 project-based assistance (PBA) or Section 8 tenant-based assistance (TBA) be used in a SHP funded transitional housing program?

HUD's policy is to not fund new projects mixing Section 8 assistance in SHP-funded transitional projects. Experience with such funding has resulted in many complex operating issues when the two subsidy streams are combined. Section 8 is intended to be a permanent housing resource and should be integrated into the CoC in that manner.⁷ May a Supportive Services Only (SSO) Project convert to a TH or PH program?

No. By definition, the SSO program cannot provide housing and the conversion to a housing program is an entirely new project requiring a new submission under competitive rules so that the statutorily required quality of the project can be evaluated. As a reminder, CoCs in HHN status may not use HHN Reallocation in 2009 to reallocate money in SSO programs to new permanent housing projects.

7. Can Shelter Plus Care new and renewal projects and new SRO project requests rents above the published FMR applicable at the time of the application due date?

No. Shelter Plus Care (S+C) and new SRO grants may only request 100 percent of the applicable Fair Market Rent (FMR) for the Metropolitan Statistical Area (MSA) and unit size. Although awards are based on the number of units and the FMR amounts for those units, S+C funds can be used to pay actual rents which could be above or below the published FMR. If a

grantee draws down rents higher than the awarded FMR, it is still obligated to lease the number of units specified in the application.

8. Can Shelter Plus Care new and renewal projects and new SRO projects request rents below the published FMR applicable at the time of the application due date?

No. Shelter Plus Care (S+C) and new SRO grants may not request an amount except 100 percent of the applicable Fair Market Rent (FMR) for the Metropolitan Statistical Area (MSA) and unit size. Although awards are based on the number of units and the FMR amounts for those units, S+C funds can be used to pay actual rents which could be above or below the published FMR. If a grantee draws down rents lower than the awarded FMR, it is still obligated to lease the number of units specified in the application.

9. Our community has a project that was originally awarded as a Safe Haven-TH. How will the new definition of Safe Havens impact us?

Safe Havens (SH) will no longer be given Transitional Housing (SH-TH) or Permanent Housing (SH-PH) classifications. Grantees that have not already changed their classifications that are seeking renewal will have an opportunity through the 2009 NOFA to change the classification of their project without a grant amendment, if necessary. Grantees that are currently operating a HUD funded Safe Haven (TH or PH) should review the required SH characteristics that are defined in the 2009 NOFA to determine if their project still qualifies as a SH or if it needs to be reclassified to either a TH or a PH project. If a grantee determines that its project meets all of the characteristics of a SH, the grantee should identify itself as such in its Exhibit 2 application. For those projects that are identified as a Safe Haven, any chronically homeless person entering the project will maintain his/her status as chronically homeless, and will therefore be eligible for entrance into projects that serve the chronically homeless.

If a grantee determines that its current Safe Haven project does not meet all of the Safe Haven requirements listed above, it must decide whether or not the Safe Haven project would more appropriately be identified as a transitional supportive housing program or a permanent supportive housing program. Grantees should work with their local field offices to determine the correct SHP component of their projects. If reclassification to a SHP-TH or SHP-PH is required, the grantee can make the change during the 2009 CoC application round without completing a grant amendment.

Projects that are currently classified as either SH-TH or SH-PH that are not eligible for renewal in 2009, can either reclassify through a grant amendment or wait until time of renewal and reclassify in the renewal application. Reclassifying to a SH project (from SH-TH or SH-PH) through a grant amendment will allow chronically homeless participants entering these projects to maintain their status, which will allow them to be eligible for projects serving chronically homeless persons.

Safe Haven-TH or Safe Haven-PH projects that choose to wait until the time of renewal to reclassify, however, will continue to follow requirements listed in the NOFA year that they were funded and participants will not maintain a chronically homeless status.

10. What happens if our community submits a project seeking Permanent Housing Bonus funds but does not meet HUD’s criteria for permanent housing?

If the CoC requests a new Permanent Housing Bonus project and HUD determines that it is not a permanent housing project, HUD reserves the right to not award funds to that project rather than reclassify the component. CoCs may create multiple Permanent Housing Bonus projects in 2009 as long as the total amount of funding requested for all bonus projects does not exceed 15 percent of the CoCs Preliminary Pro Rata Need or \$6 million, whichever is less. All Permanent Housing Bonus projects will be funded in order of the project listing, as long as the total for all PH bonus projects does not exceed the allowed bonus allocation. It is not a requirement that a Permanent Housing Bonus project be ranked number one on the new project priority list.

11. Can a sponsor for a Supportive Housing Program project be a “for-profit” entity?

No. For-profit entities are not eligible to be project applicants or sponsors.

12. Can SHP rehabilitation funds be used to rehab leased properties?

Yes. In 2008, HUD provided additional conditions regarding using SHP funds to rehabilitate leased properties. These conditions also apply to the 2009 CoC NOFA and are as follows: To rehabilitate a leased property, certain conditions must be met during the Technical Submission and if they are not, the award will be withdrawn. The recipient must have a lease for 25 or more years with a landowner that is not the applicant, project sponsor, a parent or affiliated organization and must submit it to HUD for approval. The landowner must execute and record against the land the lease, and the HUD form Use and Repayment Covenant. Under certain circumstances where there is the useful life of the improvements is greater than 25 years, the recipient must be required to repay the residual value of the improvements.

13. May a Supportive Services Only (SSO) Project convert to a TH or PH program?

No. By definition, the SSO program cannot provide housing and the conversion to a housing program is an entirely new project requiring a new submission under competitive rules so that the statutorily required quality of the project can be evaluated. As a reminder, CoCs in HHN status may not use HHN Reallocation in 2009 to reallocate money in SSO programs to new permanent (bonus or non-bonus permanent housing) or transitional housing projects.

14. Is Certification of Consistency with the Consolidated Plan voluntary for new or renewal Exhibit 2 projects?

No. The Certificate of Consistency with the Consolidated Plan is **not** voluntary for new or renewal projects. Please note that for the 2009 CoC competition, the Certification of Consistency with the Consolidated Plan will be required by CoCs in the Exhibit 1 application. A Consistency with the Consolidated Plan Certification will be submitted with all Exhibit 1 applications for each project jurisdiction that is covered by a Consolidated Plan covers with a list of all projects requesting funding attached to the appropriate jurisdiction. Each Certificate of Consistency with the Consolidated Plan and the list of projects it covers should be scanned and attached in the Exhibit 1. If the document is not attached, or if it does not include a complete list of projects requesting funding under the CoC, it will be required before the conditional HUD award can be made.

For more information on how to complete and submit the Certification on Consistency with the Consolidated Plan, please go to the e-snaps Training and Resources page located at <http://hudhre.info/esnaps/>.

15. Are domestic violence applicants required to disclose actual shelter locations?

Domestic violence applicants are not required to include the actual shelter location address. Instead an administrative office address or a P.O. Box may be used.

16. Can client income benefits be used for leveraging?

No. Client income benefits cannot be counted towards leveraging. However, for SHP, program income can be counted as leveraging.

17. Do the goals identified in the e-Logic Model have to match the goals identified in the project's APR?

No. The priorities in the e-Logic Model allow a project to identify specific goals and activities. The goals in the APR and the e-Logic Model are not exactly the same, although both target the same larger goal of ending chronic homelessness and moving homeless families and individuals to permanent housing. In completing the e-Logic Model, you must select and focus on the goals and priorities available from the drop-down menu that most closely relate to the goals and activities of your project. They do not need to match the goals from the APR exactly. Finally, your e-Logic Model goals should be consistent with the goals described in your HUD project narrative.

18. What types of housing structures can be used for permanent supportive housing? When can leasing funds be used?

Most types of housing structures can be used for permanent supportive housing. Apartments, single-family houses, duplexes, group homes, or single-room occupancy units all qualify. Please remember, permanent housing is defined as having an unlimited length of stay.

Under the SHP program, grantees may use leasing funds only when there are actual leasing costs. That is, funds designated for leasing may only be used for the actual costs of leasing a structure/unit. SHP leasing funds may not be used to pay a project sponsor's monthly mortgage

obligation or other costs of building operations. Also, leasing funds cannot be used for buildings that are owned, or leased by the applicant, sponsor or parent companies.

19. My organization provides housing in self-contained units located within a building or complex that houses only persons with special needs. This is not included as a housing type option in Exhibit 2. What should we do?

The housing types identified in *e-snaps* are those most commonly used to house homeless households. Apartments, single family homes/townhouses/duplexes, and shared housing can all qualify as self-contained and can be used to house persons with special needs.

20. Are dedicated HMIS new and renewal projects required to complete the e-Logic Model?

Yes. All projects are required to complete and attach the e-Logic Model.

K. Serving Veteran Needs

1. The NOFA mentions veterans groups. How should veteran’s organizations be involved in the CoC?

Your community process for developing and implementing a CoC system should be comprehensive and inclusive. This means the needs of all homeless sub-populations in your community should be represented in your CoC planning process and project implementation. Because studies show that a significant segment of the homeless population is veterans, it is especially important to involve veterans organizations so that the needs of homeless veterans are addressed appropriately and effectively.

2. Is there any guidance available on developing programs to address the needs of homeless veterans?

In 2002, HUD released two technical assistance resources addressing the needs of homeless veterans. The first report, “A Place at the Table: Homeless Veterans and Local Homeless Assistance Planning Networks,” was updated in December 2005 and is designed to help organizations serving homeless veterans to more effectively participate in the homeless assistance program planning networks in their communities and, in particular, to access resources through the Continuum of Care planning process. To access this document visit the HUD HRE located at <http://www.hudhre.info/>.

The second report, “Coordinating Resources and Developing Strategies to Address the Needs of Homeless Veterans,” provides information on promising practices for effectively coordinating HUD funding with other resources in order to address the special needs of homeless veterans. Both reports can be found on the HUD HRE located at <http://www.hudhre.info/>. Printed

versions of the second report only are available from Community Connections at 1-800-998-9999.

HUD strongly encourages each local Continuum of Care to examine the identified unmet needs for supportive services and housing of homeless veterans by examining appropriate local community data contained in the Department of Veterans Affairs CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) for Veterans report. This report can be accessed via the web at <http://www.hudhre.info/>.

L. Housing Requirements

National Funding Priorities

1. What specifically are the 2009 percentage distributions for all SNAPs programs in this competition?

In accordance with Section 429 of the McKinney-Vento Act, HUD will award Supportive Housing Program funds as follows: not less than 25 percent for projects that primarily serve homeless families with children; not less than 25 percent for projects that primarily serve homeless persons with disabilities; and not less than 10 percent for supportive services not provided in conjunction with supportive housing. After projects are rated and ranked, based on the factors described above, HUD will determine if the conditionally selected projects achieve these minimum percentages. If not, HUD will skip higher-ranked projects in order to achieve these minimum percentages.

In accordance with Section 463(a) of the McKinney-Vento Act, at least 10 percent of competitive S+C funds will be awarded for each of the four components of the program: Tenant-based Rental Assistance; Sponsor-based Rental Assistance; Project-based Rental Assistance; and Single Room Occupancy (provided there are sufficient numbers of approvable projects to achieve these percentages). After projects are rated and ranked, based on the factors described above, HUD will determine if the conditionally selected projects achieve these minimum percentages. If necessary, HUD will skip higher-ranked projects in order to achieve these minimum percentages.

In accordance with Section 455(b) of the McKinney-Vento Act, no more than 10 percent of the assistance made available for S+C in any fiscal year may be used for programs located within any one unit of general local government. In accordance with Section 441(c) of the McKinney-Vento Act, no city or urban county may have Section 8 SRO projects receiving a total of more than 10 percent of the assistance made available under this program. HUD is defining the 10 percent availability this fiscal year as \$10 million for S+C and \$10 million for Section 8 SRO. However, if the amount awarded under either of these two programs exceeds \$100 million, then the amount awarded to any one unit of general local government (for purposes of the S+C Program) or city or urban county (for the purposes of the Section 8 SRO Program) cannot exceed 10 percent of the actual total amount awarded for that program.

2. Residents served in renewal projects originally funded under the Samaritan Housing Initiative must all be chronically homeless. Could these units be in a building with other non-chronically homeless units?

Yes. Units for the chronically homeless may be located in a building with units for non-chronically homeless persons as long as it is clear that there are two separately funded projects.

M. Renewal Funding

1. What is a renewal grant?

A renewal grant is a grant that continues assistance to a project that received continuous McKinney-Vento funding in the past. For the 2009 competition, a grantee may request renewal funding if it was previously funded under one of the following programs and its grant will expire in calendar year 2010. The following are eligible:

- a. SHP projects, including those renewed before, that are expiring in 2010;
- b. S+C projects that are expiring in 2010 or that have been previously extended but which are projected to run out of funds in 2010.
- c. SHP and S+C grants that were originally awarded in 2002 or 2003 that have an expiration date of calendar year 2010 or later.
- d. Projects awarded under the 2004 “Collaborative Initiative to Help End Chronic Homelessness” and “Ending Chronic Homelessness Through Employment and Housing Initiative” and the 2006 “Housing for People Who are Homeless and Addicted to Alcohol” that have an expiration date in 2009.

2. Who can apply for a renewal project?

Only the current grantee (the entity that has executed the grant agreement with HUD) can be an applicant for a renewal. In order to identify the current grantee as the applicant in this year’s competition, an SF-424 must be included as part of the application. If in doubt, please check with your local HUD field office. Please note that project sponsors and other entities that are not the grantee cannot apply for a renewal grant. The law allows only the grantee to apply.

Supportive Housing Program Grants

3. A current SHP grantee decides to add new activities or expand the level of an existing approved activity to its existing SHP funded project (i.e., expand the project) and submits an application requesting funding for these new activities. Would this be considered a renewal grant?

No. In order to be considered an SHP renewal grant, a project must not include either a new activity or an expansion of an existing activity. An expansion of an existing project is considered a new effort and must be submitted as a new project.

4. Do I have to submit separate project applications to both renew and expand my SHP project?

Yes. If a project is eligible for renewal and the grantee wants to apply for funds to both renew the existing project and to add new activities or expand existing activities to the same project, a separate Exhibit 2 must be submitted for each. That is, an Exhibit 2 should be submitted requesting the renewal of the existing project and another Exhibit 2 should be submitted requesting funding for only the additional new or expanded activities. In addition, both projects will be listed as separate projects on the CoC Project Listings in Exhibit 1.

5. How do I determine if my project is eligible for SHP renewal?

To be eligible for a 2009 SHP renewal, your current HUD grant must expire during calendar year 2010. A grant is expiring in calendar year 2010 if its term ends during that year. Many grants begin with acquisition, rehabilitation, or new construction which must be completed before term activities can begin. The term ends three years from the operating start date, not three years from the first draw of SHP development (acquisition/rehab) funds.

Term activities are those that are funded for a period of time specified in the NOFA, grant agreement, or HUD renewal guidance under which the grant was funded – such as one, two or three years. Term activities are leasing, operations, HMIS, and supportive services. The term of a grant begins when the grantee begins to serve participants – this is the basis for establishing the operating start date for the project, and is established by the grantee in LOCCS and the term ends when the specified time period for the grant lapses.

Review your CoC's 2009 Supportive Housing Program Grants Inventory Worksheet which has been approved by HUD and confirm whether your project is eligible for renewal in this competition. If the grant is not listed on the HUD-approved SHP Grants Inventory Worksheet, it cannot be submitted for renewal.

6. How much money can I request for my SHP renewal?

The amount an applicant may request for activities eligible for renewal in an existing project (i.e., leasing, operations, supportive services, and administration) is based on the average annual amount of the grant being renewed (if the grant has been issued a technical submission), as approved by HUD for these activities in the existing grant's agreement or amendment. The amount approved by HUD can be found on the HUD-approved SHP Grant Inventory Worksheet(s). Renewal funds can only be requested for continuing a previously approved project at the same level of housing and/or services provided in the previous grant. The amount

requested for operations may not exceed 75 percent of the total operations budget and the amount requested for supportive services may not exceed 80 percent of the total supportive services budget (see Section E of this supplement regarding match requirements for these activities). Cost of living increases are not eligible for renewal projects.

7. If my application for renewal of an SHP project is not funded in a competition, what sources of funds can I use to continue my project?

To continue a renewal SHP project that was unsuccessful in seeking renewal in a prior competition, you may use any type of funds – Federal, state, local, or private funds. Projects that are not renewed in a prior year’s competition can no longer apply in future CoC competitions as renewal projects. However, these projects can apply as new projects, as long as the project is in compliance with 24 CFR 583.150(a).

8. Can a CoC that is in Preliminary Pro Rata Need (PPRN) status decide not to request renewal funds for existing projects?

Yes. The need for the continuation of previously funded projects should be considered in the local needs analysis process and a decision should be made locally to allow the continuation of a project. HUD does not require that existing projects be renewed by the Continuum or Care; however, HUD is very concerned that the ongoing housing needs of persons currently being served by existing projects be taken into account as part of the decision-making process. The CoC should review each project at the time it seeks renewal to determine if the project is performing satisfactorily and is meeting the needs of persons it proposed to serve or whether local needs have changed and other subpopulations or types of assistance should be given preference.

Note: SHP grants with capital costs are still held to the 20 year use requirement.

Shelter Plus Care Grants

9. Are Shelter Plus Care renewal projects a part of the 2009 CoC Competitive Process?

Under the 2009 HUD Appropriations Act, eligible Shelter Plus Care Program grants whose terms are expiring in calendar year 2010 or have been extended beyond their original five-year terms but which are projected to run out of funds in calendar year 2010 will be renewed for one-year provided that they are determined to be needed by the Continuum of Care and meet other programmatic and financial standards. Shelter Plus Care renewals are submitted as part of a Continuum of Care submission but are funded non-competitively. All Shelter Plus Care renewal applications should be submitted by the deadline and in accordance with the other submission requirements described in the NOFA. A renewal project may include no more than one component [i.e., TRA, SRA, PRA, and SRO].

10. How do I determine if my project is eligible for a S+C renewal?

Any S+C project whose grant term is expiring in calendar year 2010 is eligible for renewal. (In addition, S+C grants that received a 5-year extension previously but which are projected to run out of funds in 2009 are also eligible.) The effective date of the grant is the date used to determine whether the grant (including all of its TRA, PRA, SRA, and SRO component projects) is expiring.

If your initial five (5)- year grant term is expiring in 2010 but you do not expect to run out of funds during that year, you may make a request to your HUD field office for an extension. This extension process is independent from the CoC competition. In such a case, contact your HUD field office for information on seeking an extension of your project.

Any S+C project originally funded in 2002 or 2003 that will expire in 2010 or beyond must apply for renewal in 2009.

11. What are the standards for the first renewal of a Shelter Plus Care Project?

For TRA, SRA, PRA, and SRO projects, you may request up to the amount determined by multiplying the number of units under lease at the time of your application for renewal funding by the applicable current Fair Market Rent(s) by 12 months (FMR as published in the Federal Register at the time of application.) Example: An S+C grant originally awarded for 50 units was able to lease an additional 5 units and had 55 units under lease when it applied for its first renewal. They may apply for 55 units in the renewal grant.

For the S+C/SRO component, use the same FMR method as other renewing S+C project components, the FMR is 75 percent of the 0-bedroom rate. Upon renewal, the unspent balance of funds at the end of the previous grant period will be recaptured. The one-year term of non-competitively awarded Shelter Plus Care renewal projects may not be extended.

12. What are the standards for second renewal and subsequent renewal of Shelter Plus Care projects?

For Shelter Plus Care grants having been awarded one-year of renewal funding in 2008, the number of units requested for renewal in 2009 may not exceed the number of units funded in 2008. (Please be advised that the actual FMRs used in calculating your grant will be those in effect at the time the grants are selected which may be higher or lower than those used to apply.) One year S+C renewal grants cannot be extended.

The number of units eligible for renewal is limited to the number of units applied for in the initial one-year renewal contract. Example: An S+C grant was renewed for the first time for 55 units, as in the previous example. All subsequent renewals are limited to 55 units. If the grantee was able and willing to lease two additional units covering a total of 57 units during the year, the renewal of this grant will still be limited to 55 units. The grantee must ensure that it has sufficient funds to cover the additional 2 units for the longer of either the term of the grant or the

voluntary tenancy of the residents of these units. Any shortfall in funding for units not under contract must be provided by the grantee.

13. How does an S+C project change the unit sizes during the contract and at renewal?

Reasonable changes to a mix of unit sizes may be undertaken during the grant period for Tenant Based (TRA) or scattered site Sponsor Based (SRA) component projects. A program may apply for the actual unit mix under lease at the time of application renewal. Example: A TRA grant for 50 one-bedroom units has 5 participants who each reunited with their child and now each require two-bedroom units. The grant may be renewed for 45 one-bedroom and 5 two-bedroom units, for a total of 50 units. This authority does not extend, however, to wholesale changes in the nature of the project. A grantee may not change a TRA or SRA project, for example, from all one-bedroom units (singles) to all three-bedroom units (families), or vice versa. Additionally, projects that were initially awarded as a Samaritan Housing project must continue to exclusively serve chronically homeless individuals; therefore, unit sizes for these projects cannot increase and must remain either SRO, 0-bedroom, or 1 bedroom units. Please note, Project Based (PRA) or Single Room Occupancy (SRO) components may not change the unit configuration.

14. In the NOFA Continuum of Care application announcement under Threshold Requirements states that S+C non-competitive renewals must meet minimum threshold requirements, which include performance standards. What are these performance standards, or where does it state what the minimum performance standards are?

If your organization or the project sponsor is a current or past recipient of assistance under a HUD McKinney-Vento Act program, there should be no serious unresolved HUD/SNAPS monitoring findings, and no outstanding audit finding of a material nature regarding the administration of the program. S+C non-competitive renewals will be funded for one year provided that they are determined to be needed by the CoC as evidenced by their placement on the CoC Renewal Project Listing.

15. Since we may consolidate S+C grants from the 2008 round, how should they be listed for the 2009 round?

If the 2008 S+C grants have already been consolidated prior to the CoC submission of the 2009 S+C Grants Inventory Worksheet, they should have been listed as the one consolidated grant on the 2009 S+C Grants Inventory Worksheet. HUD encourages the consolidation of appropriate S+C renewal grants when the grants are under the same grantee, same component and expire in the same year. However, renewal requests for expiring S+C grants that have not been consolidated, as reflected on the final Grant Inventory Worksheet(s), should still be submitted as separate Exhibit 2's in *e-snaps* and will be awarded as individual renewal grants. Where the grantee wishes to consolidate the renewal grants, this action may be subsequently accomplished by the field office at the point of renewal grant agreement execution. The field office will receive instructions for this process in the S+C Operating Procedures guidance for 2009 awards.

16. Which FMR's do S+C renewals use when applying for renewal funds?

For Shelter Plus Care (S+C) grants that are being renewed for the first time, CoCs may request up to the amount determined by multiplying the number of units under lease at the time of your application for renewal funding by the 100 percent of the applicable current Fair Market Rent(s) by 12 months. *e-snaps* will automatically calculate the appropriate amount.

For S+C grants that are being renewed for the second or subsequent renewal, the number of units requested for renewal in 2009 may not exceed the number of units funded in 2008.

In both scenarios, CoCs should use the FMRs that were published in the Federal Register the time of Exhibit 2 submission. Please be advised that the actual FMRs used in calculating your grant will be those in effect at the time the grants are selected which may be higher or lower than those used for application.

Chronically Homeless Initiatives

17. My project was initially awarded funds through a separate competition (e.g., the Collaborative Initiative to End Chronic Homelessness, Ending Chronic Homelessness Through Employment and Housing, or Housing for People who are Homeless and Addicted to Alcohol) and is now eligible (i.e., expires in 2010) for renewal through the Continuum of Care process. How will the CoC determine the priority of this project for renewal?

The need for the continuation of any previously funded project - whether funded initially through the CoC competition or a special initiative – is determined by the localities through its CoC planning process. The CoC should review each project at the time it seeks renewal to determine if the project is performing satisfactorily and if it still meets the needs of the chronically homeless persons it proposed to serve. Placement of the project on the CoC project listing for renewals is based on the local jurisdictions' decision-making process.

18. Under the Housing for People who are Homeless and Addicted to Alcohol competition, supportive services costs could be no more than 5% of the grant. Does this limit still apply, or can I ask for additional supportive services for the participants in my permanent supportive housing project?

In this instance, the supportive services costs for the renewal project should be no more than 5% of the grant. Any changes to this amount will need to be negotiated through the local HUD Field Office after the renewal is conditionally awarded funds.

19. If my project was funded under a SHP special initiative, how much money can I request for a renewal?

Renewal funds can only be requested for continuing a previously approved project at the same level of housing and/or services provided in the previous grant. These grants originally allowed leasing, housing search (supportive service) and administration. Upon renewal of this SHP

project matching requirements are still in effect. Under the CoC competition, supportive services match requirement apply.

Renewal Projects

20. Can a CoC that is in preliminary pro rata need (PPRN) status decide to reduce or not request renewal funds for existing projects?

Yes. The need for the continuation of previously funded projects should be considered in the local needs analysis process and a decision should be made locally on the continuation of a project. HUD does not require that existing projects be renewed. HUD is very concerned that the ongoing housing and service needs of persons currently being served by existing projects also be taken into account as part of the decision-making process. The CoC should review each project at the time it seeks renewal to determine if the project is performing satisfactorily and is meeting the needs of persons it serves.

Note: HHN Reallocation is not available this year.

21. Can renewal project applicants shift less than 10 percent of funds between line items in a SHP renewal project? What about more than 10 percent?

1. For the 2009 competition, it is permissible to allow budget shifts in Exhibit 2 after the competition, as long as the grantee follows the field office's process and does not cause the bottom line to change. If a grantee wishes to move awarded funds between budget activities (i.e., leasing, operating costs and supportive services, and HMIS) use the following process: Line items shifts of 10 percent or less require a request memo from the grantee to the field office.
2. Line items of greater than 10 percent require a request from the grantee to the field office and a grant amendment.

All changes must have been reflected on the 2009 SHP Grant Inventory Worksheet(s). Any changes that the applicant wished to make after the grant Inventory worksheet(s) were submitted with the CoC's Registration can be reflected during the execution phase of the 2009 grant execution phase.

3. Please remember that there will be changes in the budget amount for some grants whose annual renewal amount was reduced during the 2008 CoC Competition. These changes should be reflected prior to grant execution or after the new grant amendment is in effect.

22. Do projects that were funded as bonus projects before the Samaritan Housing Initiative have the same requirements to serve chronically homeless persons?

SHP and S+C Permanent Housing Bonus projects funded prior to 2005 were not limited to the chronically homeless. Projects funded with 2005-2008 Samaritan Housing Initiative Bonus

funds must serve chronically homeless individuals only. Please note that the Permanent Housing Bonus, implemented in 2009, does not require that grantees serve the chronically homeless individuals.

23. Can projects have more than one project sponsor?

Each project must identify one project applicant and one project sponsor. Although some projects may have multiple sub-recipients of grant funds, there must be one lead sponsor identified in *e-snaps*.

24. Can SHP grantees reduce the number of persons served to make up for higher costs associated with the project?

Beginning with the 2006 Continuum of Care Homeless competition, if actual rents have increased substantially from the time of the initial application to the time of the first renewal, the grantee or project sponsor may need to reduce the number of units that can be supported by the project since the overall amount of the SHP request cannot be increased. Grantees that wish to reduce the number of units will be required at the grant execution phase or through a grant amendment, to submit a written explanation that identifies the number of units that can be leased at the current fair market rent.

Grantees should note that a reduction in the number of participants might result in a corresponding decrease in the other funded budget categories. For more information, see Section D of the updated SHP Desk Guide issued in August 2008 and can be found at <http://www.hudhre.info>

N. Homeless Management Information Systems (HMIS)

1. What is a Homeless Management Information System (HMIS) and how can communities use HUD competitive funds to develop them?

A number of communities and states have a long-standing comprehensive HMIS that brings computer technology to client intake procedures and permit the tracking and reporting of a client's use of shelter and social services over time. Many other communities are in various stages of implementing such client-level systems. Beginning in 2001, HMIS activities became eligible under SHP to help facilitate the implementation and operation of a CoC-wide HMIS. The 20 percent HMIS match requirement applies to HMIS activities.

2. What elements of an HMIS are eligible for funding in the competition?

The law specifies that the costs of implementing and operating an HMIS are eligible. The three major eligible HMIS costs are: 1) purchasing HMIS software; 2) leasing or purchasing needed computer equipment for providers and the central server; and 3) staffing associated with operating the HMIS, including training providers, day-to-day administration of the HMIS,

analyzing HMIS data and preparing reports for providers, the continuum and HUD using HMIS data.

HMIS funds contained in the Training and Technical Assistance line item of the HMIS budget may be used for travel, hotel, and per diem costs associated with the provision of technical assistance and training sessions by local HMIS staff; attendance at training sessions provided by local HMIS staff and/or outside trainers; attendance at HUD-sponsored HMIS training sessions or symposiums; attendance at HMIS vendor-sponsor meetings; and attendance at other HMIS-related events as qualified and pre-approved by HUD Headquarters. Applicants may be asked to identify the number and type of HMIS training sessions for which they are requesting SHP funds prior to grant agreement. The approved budget will be limited to the reasonableness of travel expenses as listed in 24 CFR Parts 84 and 85.

3. What elements of an HMIS are not eligible?

Planning and development of HMIS systems are not eligible. Planning includes all costs incurred prior to implementation. In addition to planning activities, SHP funds may not be spent on the development of entirely new software systems. There are now sufficient vendors in the marketplace with quality software so that individual communities do not need to finance the development of new software. Finally, SHP funds may not be used to replace state and local government funding for an existing HMIS.

4. Is HMIS a separate eligible funded activity?

Yes. Dedicated HMIS projects, as eligible funded activities, are categorized as their own component, and they have a separate budget line item in the SHP project budget summary.

5. Will HMIS projects count against my housing total in the Continuum of Care exhibit when calculating the “Housing Emphasis” points?

No. HMIS is a line item that is separate and apart from supportive services. Only housing activities and supportive services are used in calculating the “Housing Emphasis” points. As such, HMIS requests will not be included in this calculation.

6. How can we use HUD McKinney-Vento competitive funds to implement and operate a community-wide HMIS?

Beginning in 2008, HUD only allows one applicant for dedicated HMIS projects. This requirement only applies to dedicated HMIS projects and does not apply to non-HMIS dedicated projects that contain HMIS costs. The CoC is responsible for HMIS software selection, implementation and administration or for appointing an HMIS Lead Agency to make these decisions.

The classification of dedicated HMIS projects as their own component is shown in the Exhibit 2. In the past, HMIS projects were classified as SSO projects. In order to accurately portray the purpose of these projects, they will be categorized independently from SSO projects. If your project was funded as an SSO HMIS and you are requesting renewal funding, you should classify your project as an HMIS, not an SSO project.

7. What standards will be used for assessing the cost-effectiveness of a proposed new or expanded HMIS?

HUD has not placed any limits on the size of the grant to fund a new or expanded HMIS, given the different number and size of homeless providers, the size of the geography involved, and the varying administrative arrangements required for implementing and operating a CoC-wide HMIS. However, HUD will look at the scope and reasonableness of the proposed activities compared to other communities in the cost-effectiveness review.

8. How do I shift existing HMIS shared costs from the current supportive services budget to the new HMIS budget?

If the renewal applicant merely wants to shift the existing HMIS activities from the supportive services category to the new HMIS activity in the renewal application submission, it does not need to obtain a grant amendment or approval from the Field Office. This is because HUD has reclassified HMIS costs from the former supportive service category to a new, stand-alone HMIS category. You need to briefly describe the change in Exhibit 2. Additionally, these changes should have been reflected on the final Grant Inventory Worksheet(s).

9. Can HMIS costs be shifted within the existing grant amount? For example, in the initial grant we had one time costs for computers, etc. and we now need to spend additional money for training.

Yes. You may shift costs to other line items if they are reasonable and necessary to install the HMIS and operate it. Examples of reasons this may be necessary are if you have new providers coming into the system and need to purchase new licenses or should you find you need additional staff training resources. These could be added if reasonable. However, you cannot increase the amount of the overall renewal grant. If additional funds are needed for the project, you would have to propose a new expansion project or have your providers use the shared cost option. You need to briefly describe the change in Exhibit 2.

10. We have several transitional housing projects up for renewal, and we would like to request funding for HMIS activities. Since there is no dedicated source of funding for HMIS activities, we are assuming that we can shift funds from an existing project budget (such as supportive services) into a new HMIS budget, to pay for equipment and salaries for HMIS activities. Can we shift funds out of a renewal project's supportive services budget into a new HMIS budget in the same project?

Yes. SHP renewals seeking to add new HMIS shared costs can shift funds. If the renewal applicant merely wants to shift the existing supportive services and/or operations activities, Field Office approval is not needed if the amount is less than 10 percent of either the supportive services or operations activities. The change may be made in the application. If the amount exceeds 10 percent of either activity, then the Field Office must approve the change through a grant amendment. In either case, the proposed change must be described in Exhibit 2.

11. Who is responsible for implementing the HMIS, is it the Continuum of Care (CoC), the HMIS administering agency or the applicant/sponsor of a SHP Dedicated HMIS project grant?

The CoC is at the core of planning and service delivery for homeless individuals and families within any given community or geographic area. Each CoC is responsible for HMIS implementation, including planning, software selection, setting up and managing the database according to HUD standards.

HUD will only allow one applicant for dedicated HMIS projects. The HMIS administering agency and/or the applicant /sponsor of a SHP Dedicated HMIS project grant is an agent of the CoC, manages HMIS operations on behalf of the CoC and provides HMIS administration functions at the direction of the CoC. Through the experience of successful HMIS implementations, we have learned that active participation by CoC members, either through Committee/sub-committee structure or other meetings, in the management of the HMIS process, including establishing policies, procedures and protocols for privacy, data sharing protocols, data analysis, reporting, data integrity/validity, etc., are essential to the viability and success of the HMIS.

O. Performance

1. For renewal projects in a CoC that did not report on the APR, can another source for information be used?

Yes. These renewal projects can use their HMIS database or other project information available to respond to the performance section.