

***Notice of Funding Availability (NOFA)***  
***QUESTIONS AND ANSWERS***

***A Supplement to the FY2011 Continuum of Care Homeless Assistance NOFA  
and Application***

*Office of Community Planning and Development*

*U.S. Department of Housing and Urban Development*

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1 To assist applicants in preparing for the FY2011 Continuum of Care (CoC) Homeless Assistance  
2 electronic application, HUD developed the following supplemental questions and answers.  
3 Additional information and training modules are available at <http://www.hudhre.info/esnaps/>.  
4 CoCs and project applicants with additional questions should submit them to the HUD HRE  
5 Virtual Help Desk at [www.hudhre.info/helpdesk](http://www.hudhre.info/helpdesk).

## 7 **Section A: Changes and Highlights for FY2011**

- 8 • HUD anticipates that the homeless definition will be in effect for all SHP and S+C  
9 projects awarded funding under this announcement, as effectuated by the amended  
10 McKinney-Vento Act. This definition is effective for existing projects that receive  
11 funding in this NOFA. It should be noted that if the new definition is applied to awards  
12 under this competition, the limitations imposed in Section 422(j) of HEARTH will also  
13 apply. This definition will not be effective for existing projects that do not receive  
14 renewal funding in this NOFA. To view the proposed definition of homelessness, [click](#)  
15 [here](#). Additional instructions will be available to CoCs and project applicants before the  
16 final rule becomes effective. Each CoC will be able to apply for a permanent housing  
17 bonus that is either 15% of the CoC's Preliminary Pro Rata Need (PPRN) or \$6 million,  
18 whichever is less. CoCs will be able to use funds for homeless disabled families or  
19 chronically homeless persons. Creating permanent housing beds in underserved rural  
20 areas is a HUD priority.
- 21 • In FY2010 the definition of chronically homeless persons was expanded to include  
22 families. The expanded definition of chronically homeless persons includes an  
23 unaccompanied homeless individual with a disabling condition or an adult family  
24 member of a family who has a disabling condition who has either been continuously  
25 homeless for a year or more, OR has had at least four (4) episodes of homelessness in the  
26 past three years. For the full definition, please see Section 1.D.3. of the NOFA.
- 27 • To ensure that HUD is targeting its resources, the Department will award up to 2 points  
28 to CoCs that are the 10 highest in the following criteria among all CoC's in the  
29 competition: (1) foreclosure rate; (2) the per capita rate of homelessness; (3)  
30 unemployment rate; (4) the ratio of unsheltered to sheltered homeless persons; and (5)  
31 PPRN. In FY2011 HUD will continue to give selection priority to new projects located  
32 in 100 percent rural areas to continue to achieve greater geographic diversity. This year  
33 HUD may award up to \$10 million to projects in qualified areas. CoCs with areas  
34 defined as rural are strongly encouraged to consider using a portion of available funds to  
35 create a housing project that will exclusively serve these areas. The definition of rural is  
36 consistent with Section 491(k)(A) & (B) from the McKinney-Vento Act as amended by  
37 HEARTH.

- 1 • The Program Outcome Logic Model (HUD form 96010) is no longer required as a part of  
2 the Exhibit 2 (project application) submission in *e-snaps*.
- 3 • HUD will allow applicants for all new SHP projects to request either one year of funding  
4 for operating costs, supportive services and leasing, or up to \$400,000 in acquisition,  
5 construction and rehabilitation funding plus one year of funding for operating costs,  
6 supportive services and leasing in order to facilitate implementation of CoC strategies to  
7 reduce gaps in permanent housing availability, to add to the total number of available  
8 permanent housing beds, and to help increase the number of persons moving into  
9 permanent housing.
- 10 • HUD will continue to require education assurances as part of the FY2011 CoC NOFA:
  - 11 ○ A CoC applicant must demonstrate in the CoC application (Exhibit 1) that the  
12 CoC is collaborating with local education agencies to assist in the identification of  
13 homeless families as well as informing these homeless families and youth of their  
14 eligibility for McKinney-Vento education services; and
  - 15 ○ A CoC applicant must demonstrate in the CoC application (Exhibit 1) that the  
16 CoC is considering the educational needs of children when families are placed in  
17 emergency or transitional shelter and is, to the maximum extent practicable,  
18 placing families with children as close to possible to their school of origin so as  
19 not to disrupt the children's education.
  - 20 ○ A project applicant must demonstrate in the project application (Exhibit 2) that  
21 the project is establishing policies and practices that are consistent with, and do  
22 not restrict the exercise of rights provided by the education subtitle of the  
23 McKinney-Vento Act, and other laws relating to the provision of educational and  
24 related services to individuals and families experiencing homelessness; and,
  - 25 ○ A project application must demonstrate in its project application (Exhibit 2) that  
26 provide housing or services to families that a staff person is designated to ensure  
27 that children are enrolled in school and connected to the appropriate services  
28 within the community, including early childhood programs such as Head Start,  
29 Part C of the Individuals with Disabilities Education Act, and McKinney-Vento  
30 education services.
- 31 • HUD will continue the two-part selection and announcement process for awards.  
32 Eligible SHP and S+C renewal application projects will be awarded as quickly as  
33 possible after the competition closes. New projects will be awarded separately, after  
34 project threshold review of the new project application submission and the scoring of the  
35 CoC application (Exhibit 1) have completed.
- 36 • CoCs will not rank renewal project applications in *e-snaps*. CoCs will only be required  
37 to accept or reject renewal project applications. All new project applications must be  
38 ranked or rejected by the CoC. HUD will not review project applications that are rejected  
39 by the CoC.

- 1 • CoC applicants (Exhibit 1s) had the ability to import data from the FY2010 application  
2 process during the FY2011 CoC Registration process. CoCs that imported data from  
3 FY2010 will need to review, verify, and update as needed all sections of Exhibit 1. If a  
4 CoC did not elect to import data during the FY2011 CoC Registration process, the CoC  
5 will have to enter all Formlett data for the FY2011 application.
- 6 • Project applicants (Exhibit 2s) will be able to import data from the FY2010 application.  
7 These renewal project applications will only need to review, verify, and update as needed  
8 basic project information, budget information, and certify the request of the renewal  
9 project application. New project applications will enter all data as required by the  
10 application type selected (i.e., SHP, S+C, and SRO). See Section II.E.2.d of the FY2011  
11 CoC NOFA for information regarding eligibility of renewal project applications.
- 12 • In FY2011, applications will be required to enter housing information and project  
13 performance goals for each renewal and new application. The goals will be used to  
14 compare actual quality and performance indicated in the Annual Performance Reports  
15 (APRs).
- 16 • HUD continued the Hold Harmless Merger process in FY2011. CoCs in HHN status, and  
17 CoCs that have a FPRN based on the Hold Harmless Merger process, will be able to  
18 reallocate funds to new permanent housing and dedicated HMIS projects.
- 19 ○ Per the CoC Hold Harmless Merger policy, CoCs will not lose FPRN by merging,  
20 Section I.D.8., of the FY2011 CoC NOFA when at least one of the original CoCs  
21 has a FPRN based upon HHN and at least one of the original CoCs has a FPRN  
22 based on PPRN. A CoC was required to indicate during the CoC Registration  
23 process whether it established this type of merger.
- 24 ○ CoCs that took advantage of the CoC Hold Harmless Merger process during the  
25 CoC Registration process must request renewals with a grant term of one year and  
26 may request new projects for one, two, or three years (SHP projects) or five or ten  
27 years (S+C or SRO projects). All new and renewal requests must fall within  
28 FPRN.
- 29 • CoCs are responsible for attaching the Certification(s) of Consistency with the  
30 Consolidated Plan for all projects, renewal and new, that request funding and are listed on  
31 the CoCs Project Listing in Exhibit 1. CoCs will attach one signed form for each  
32 jurisdiction and include a list that contains all associated renewal and new project  
33 applications.
- 34 • The calculation of housing emphasis and leveraging for the CoC score will include only  
35 eligible new project requests.
- 36 • CoCs submitted the FY2011 Housing Inventory Count data and Point-in-Time count data  
37 in HUD's Homelessness Data Exchange (HDX) website from April 1 – May 31, 2011. It  
38 should be noted that HUD expects CoCs to submit requested data in the CoC application  
39 (Exhibit 1) where applicable.

1 Continuum of Care Scoring:

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

8 Conditional Selection Priorities:

- 9 • HUD's FY2011 selection priorities provides preference, up to \$10 million, to project  
10 applicants (Exhibit 2s) that submit projects proposing to serve 100 percent rural  
11 communities.
  - 12 ○ HUD is using a definition of rural that is consistent with Section 491(k)(A) & (B)  
13 from the McKinney-Vento Act as amended by HEARTH.
  - 14 ○ In order to be considered for rural selection projects must propose to serve 100  
15 percent rural counties, or equivalent. Project applications not meeting this  
16 requirement will be considered under other selection priorities in Section  
17 V.B.2.b.(3) of this NOFA.
  - 18 ○ HUD encourages CoCs that have counties defined as rural to take advantage of  
19 this selection priority and propose projects that will serve underserved rural  
20 counties.
- 21 • The FY2011 Continuing Appropriations Act (Public Law 112-10) requires that not less  
22 than 30 percent of this year's Homeless Assistance Grants appropriation, excluding  
23 amounts provided for renewals under the S+C Program, must be used to fund projects  
24 that meet the definition of permanent housing. To meet this requirement, HUD will first  
25 count all eligible renewal SHP permanent housing projects selected in Section  
26 V.B.2.a.(2). If this amount is insufficient to meet the 30 percent requirement then  
27 eligible new permanent housing projects will be selected in the following order until the  
28 30 percent requirement is met
  - 29 ○ Eligible, new permanent housing projects (including SHP, S+C, and SRO) that  
30 propose to serve 100 percent rural area(s) (see Appendix A of this NOFA for a list  
31 of the areas defined as rural) that fall within a CoCs FPRN, in rank order by CoC  
32 score. When CoC scores are tied, HUD will apply tie breaking rules described in  
33 Section V.B.2.c of this NOFA.
  - 34 ○ Eligible, new permanent housing projects (including SHP, S+C, and SRO) that  
35 fall within a CoC's FPRN, in rank order by CoC score.
  - 36 ○ Eligible Permanent Housing Bonus projects (see Section I.A.4.v for more  
37 information on the Permanent Housing Bonus) in rank order by CoC score. For  
38 CoCs that have a FPRN based on HHN and the HH Merger process, and also  
39 claim rural areas as part of their geography but have very few projects actually  
40 located in, or serving, those areas, HUD strongly encourages the Permanent

1 Housing Bonus project funding to be dedicated to serving those underserved rural  
2 communities.

3 ○ Eligible Transitional Housing and Safe Haven projects that propose to serve  
4 100 percent rural area(s) (see Appendix A of this NOFA), in rank order by CoC  
5 score.

6  
7 ○ After meeting the funding priorities of Section V.B.2.a.(1)-(5) of this NOFA,  
8 HUD will proceed to competitively fund by projects in rank order by CoC score.  
9 To be eligible for funding, all projects must be within the CoC's FPRN amount.

#### 10 Application Format in *e-snaps*:

11 To ensure that the applications are completed correctly, CoCs and project applicants should  
12 carefully review all training and instructional materials available before beginning their  
13 applications, Exhibit 1 and Exhibit 2. Training modules for *e-snaps* are located at  
14 <http://esnaps.hudhre.info/>. In addition to training materials, instructions are included in the  
15 Exhibit 1 and Exhibit 2 applications, located on the left-hand menu in addition to the  
16 “Hide/Show” instructions on most Formlett.

17 CoCs and project applicants that have never applied in *e-snaps* and those that applied in *e-snaps*  
18 prior to FY2010 will not have information to import. All information will need to be entered  
19 manually in Exhibit 1 and Exhibit 2.

- 20 ● Exhibit 1 CoC Applicants – CoCs that applied in FY2010 had the opportunity to select  
21 the import FY2010 information in *e-snaps* during the FY2011 CoC Registration process.
  - 22 ○ CoCs that selected “No” must enter all Exhibit 1 data manually.
  - 23 ○ CoCs that selected “Yes” will have some information imported into the FY2011  
24 application. Be advised that there may be additional questions in the FY2011  
25 Exhibit 1 as well as changes to some questions from the FY2010 Exhibit 1. CoCs  
26 must review each question, along with the instructions, to determine if additional  
27 information needs to be added or if the response needs to be revised.
- 28 ● Exhibit 2 Project Applicants – Project applicants that request renewal funding in FY2011  
29 for a project that was previously submitted in FY2010 will be able to indicate at the point  
30 of application whether to import the FY2010 application data.
  - 31 ○ Project applicants that select “No” must enter all Exhibit 2 data manually.
  - 32 ○ Project applicants that select “Yes” must review each question, along with the  
33 instructions, to determine if additional information needs to be added or if the  
34 response needs to be revised.

#### 35 **Section B: Eligible Persons Served:**

36 **Who can receive assistance from the application projects proposed?**

1 HUD anticipates that the homeless definition will be in effect for all SHP and S+C projects  
2 awarded funding under this announcement, as effectuated by the amended McKinney-Vento Act.  
3 This definition is effective for existing projects that receive funding in this NOFA. It should be  
4 noted that if the new definition is applied to awards under this competition, the limitations  
5 imposed in Section 422(j) of HEARTH will also apply. This definition will not be effective for  
6 existing projects that do not receive renewal funding in this NOFA. Below is the proposed  
7 homeless definition:

8 1) An individual or family who lacks a fixed, regular, and adequate nighttime residence,  
9 meaning:

10 (i) An individual or family with a primary nighttime residence that is a public or private  
11 place not designed for or ordinarily used as a regular sleeping accommodation for human beings,  
12 including a car, park, abandoned building, bus or train station, airport, or camping ground;

13 (ii) An individual or family living in a supervised publicly or privately operated shelter  
14 designated to provide temporary living arrangements (including congregate shelters, transitional  
15 housing, and hotels and motels paid for by Federal, State, or local government programs for low-  
16 income individuals or by charitable organizations); or

17 (iii) An individual who is exiting an institution where he or she resided for 90 days or less  
18 and who resided in a shelter or place not meant for human habitation immediately before  
19 entering that institution;

20 (2) An individual or family who will imminently lose their primary nighttime residence,  
21 provided that:

22 (i) The primary nighttime residence will be lost within 14 days of the date of application  
23 for homeless assistance;

24 (ii) No subsequent residence has been identified; and

25 (iii) The individual or family lacks the resources or support networks, e.g., family,  
26 friends, faith-based or other social networks, needed to obtain other permanent housing;

27 (3) Unaccompanied youth, under 25 years of age, or families with children and youth  
28 who do not otherwise qualify as homeless under this definition but who

29 (i) Are defined as homeless under § 387 of the Runaway and Homeless Youth Act (42  
30 U.S.C. 5732a), § 637 of the Head Start Act (42 U.S.C. 9832), § 41403 of the Violence Against  
31 Women Act of 1994 (42 U.S.C. 14043e-2), § 330(h) of the Public Health Service Act (42 U.S.C.  
32 254b(h)), § 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) § 17(b) of the Child  
33 Nutrition Act of 1966 (42 U.S.C. 1786(b)) or § 725 of the McKinney-Vento Act (42 U.S.C.  
34 11434a);

35 (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent  
36 housing at any time during the 60 days immediately preceding the date of application for  
37 homeless assistance;

1 (iii) Have experienced persistent instability as measured by two moves or more during  
2 the 60-day period immediately preceding the date of applying for homeless assistance; and

3 Can be expected to continue in such status for an extended period of time because of chronic  
4 disabilities, chronic physical health or mental health conditions, substance addiction, histories of  
5 domestic violence or childhood abuse, the presence of a child or youth with a disability, or two  
6 or more barriers to employment, which include the lack of a high school degree or General  
7 Education Development (GED), illiteracy, low English proficiency, a history of incarceration or  
8 detention for criminal activity, and a history of unstable employment; or

9 (4) Any individual or family who:

10 (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault,  
11 stalking, or other dangerous or life-threatening conditions that relate to violence against the  
12 individual or a family member that has either taken place within the individual's or family's  
13 primary nighttime residence or has made the individual or family afraid to return to their primary  
14 nighttime residence;

15 (ii) Has no other residence; and

16 (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other  
17 social networks, to obtain other permanent housing.

#### 18 **Can a project serve persons at risk of becoming homeless?**

- 19 • No. Persons at risk of homelessness are not considered homeless. However, individuals  
20 and families that meet the eviction or discharge criteria in the above question may be  
21 eligible for SHP Transitional Housing or Supportive Services Only projects. By law,  
22 only those persons who are homeless may be served by the programs under the FY2011  
23 CoC NOFA. If an organization wants to serve persons at risk of becoming homeless,  
24 persons who are “doubled up,” or persons who are “near homelessness,” it would need to  
25 use another funding source. HUD administers the Emergency Shelter/Solutions Grants  
26 (ESG) program and the Homelessness Prevention and Rapid Re-Housing Program  
27 (HPRP) that can fund homelessness prevention activities for at-risk populations. Other  
28 HUD programs (i.e., Housing Choice Voucher program, Community Development Block  
29 Grant (CDBG) and Home) serve low-income persons who may be at risk of becoming  
30 homeless due to poor housing conditions, overcrowding, or other reasons. Contact the  
31 local HUD field office in the applicable area for more information on other HUD  
32 programs.

#### 33 **Can a project serve a person being discharged from a state mental health institution in a** 34 **state that requires housing be provided upon the person’s discharge?**

- 35 • If the state has a law requiring housing as part of a discharge plan from a mental health  
36 institution or any other public funded system of care HUD does not consider those  
37 persons eligible for assistance as they will be placed in housing arranged by the state.

1 Contact the state department of mental health or similar state agency for information on  
2 its discharge policy. If the state does not require housing as part of discharge planning,  
3 then those persons being discharged may be served as long as they meet the eligibility of  
4 homeless as described in the first question of this section. Note: applicants must not  
5 submit project applications that primarily serve individuals being directly discharged  
6 from these institutions, as that is not the intention of HUD homeless assistance programs.

- 7 • As a condition for award in the competition, a governmental entity that is serving as an  
8 applicant for a project must agree to develop and implement, to the maximum extent  
9 practicable and where appropriate, policies and protocols for the discharge of persons  
10 from publicly-funded institutions or systems of care (such as health care facilities, foster  
11 care or other youth facilities, or correction programs and institutions) in order to prevent  
12 discharge that immediately results in homelessness.

### 13 **Can a project serve homeless youth after becoming a ward of the state?**

- 14 • Project funding may not substitute for the assistance a state is required to provide a  
15 youth while in foster care. Youth who run away from home are considered homeless  
16 if they meet the eligibility criteria for homelessness, are without resources and  
17 support, and are not considered wards of the state.

### 18 **Can a homeless person moving into Permanent Housing receive services under SHP for an** 19 **extended period of time?**

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

### 26 **Who does HUD consider to be chronically homeless?**

- 27 • Chronically homeless persons are an unaccompanied homeless individual with a  
28 disabling condition, or a family with at least one adult member who has a disabling  
29 condition, who has either been continuously homeless for a year or more OR has had  
30 at least four (4) episodes of homelessness in the past three (3) years.” An episode of  
31 homelessness is a separate, distinct, and sustained stay in a place not meant for human  
32 habitation, on the streets, in an emergency homeless shelter and/or in a HUD-defined  
33 Safe Haven. A chronically homeless person must be unaccompanied and disabled  
34 during each episode. A disabling condition is defined as “a diagnosable substance  
35 use disorder, serious mental illness, developmental disability, or chronic physical  
36 illness or disability, including the co-occurrence of two or more of these conditions.”

1 A disabling condition limits an individual's ability to work or perform or more  
2 activities of daily living.

3 **The definition of chronically homeless persons indicate that the person or the family must**  
4 **have been continuously homeless for a year or more or has had at least four (4) episodes of**  
5 **homelessness in the last three (3) years. If the person or family has had four (4) episodes of**  
6 **homelessness in the last three (3) years but is currently in transitional housing, does the**  
7 **person or family meet the definition of chronically homeless?**

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

12 **What specific documentation is required to substantiate homeless person's disability for**  
13 **permanent housing projects?**

- 14 • The grantee or project sponsor must have written verification from a state-licensed  
15 qualified source that the person has such a disability. Qualified sources include  
16 medical service providers, certified substance abuse counselors, physicians or treating  
17 health care provider. A disability check from the Social Security Administration may  
18 also serve as documentation of a disabling condition.

19 **Do Permanent Housing Bonus projects have to meet the same requirements as the former**  
20 **Samaritan Housing Bonus Initiative?**

- 21 • No. CoCs will be able to use funds to serve homeless and disabled individuals and  
22 families and/or chronically homeless persons. Note, for an SRO applying for the  
23 bonus, the homeless individuals are not required to be disabled. Projects that indicate  
24 that they are going to exclusively serve the chronically homeless must ensure that all  
25 participants meet the eligibility requirements as defined by HUD. Further, these  
26 participants must come directly from the streets, emergency shelters, and/or a HUD-  
27 defined Safe Haven program. For projects that are not exclusively serving the  
28 chronically homeless, all participants must meet HUD's eligibility requirements and  
29 can come from the streets, emergency shelters, and/or transitional housing for  
30 homeless persons who originally came from the street or an emergency shelter.
- 31 • Each CoC can submit one or more new permanent housing bonus projects. The  
32 Permanent Housing Bonus is limited to 15 percent of a CoC's PPRN or \$6 million,  
33 whichever is less. Where permanent housing bonus funds are being requested under  
34 the SHP, a minimum of 80 percent of the funds must be used for eligible housing  
35 activities (i.e., acquisition, rehabilitation, new construction, leasing, or operations).  
36 An applicant may request up to 20 percent of the total of each project's eligible  
37 program activities (grant total minus administration costs up to five percent) for case  
38 management. No other supportive service activities are eligible for these projects.

1 As creating new permanent housing beds for` the chronically homeless continues to  
2 be a HUD priority, CoCs are strongly encouraged to use at least a portion of available  
3 bonus funds to create a project that will serve the chronically homeless.  
4

5 **Can a CoC submit a project serving chronic and non-chronic persons in the same project?**  
6

- 7
- 8 • No. CoCs will be able to use funds to serve homeless and disabled individuals and  
9 families and/or chronically homeless persons. Projects (i.e. grants) that indicate that they  
10 are going to exclusively serve chronically homeless persons must ensure that all  
11 participants meet the eligibility requirements as defined by HUD. Further, these  
12 participants must come directly from the streets, emergency shelters, and/or a HUD-  
13 defined Safe Haven program. For projects that are not exclusively serving the  
14 chronically homeless, all participants must meet HUD's eligibility requirements and can  
15 come from the streets, emergency shelters, and/or transitional housing for homeless  
persons who originally came from the street or an emergency shelter.

16 **What is the 10 percent cap for Category 3 of the homeless definition as mentioned in the**  
17 **proposed homeless definition?**

- 18
- 19 • A collaborative applicant may use not more than 10 percent of funds awarded under this  
20 subtitle (continuum of care funding) for any of the types of eligible activities specified in  
21 paragraphs (1) through (7) of section 423(a) to serve families with children and youth  
22 defined as homeless under other Federal statutes, or homeless families with children and  
23 youth defined as homeless under section 103(a)(6), but only if the applicant demonstrates  
24 that the use of such funds is of an equal or greater priority or is equally or more cost  
25 effective in meeting the overall goals and objectives of the plan submitted under section  
26 427(b)(1)(B), especially with respect to children and unaccompanied youth. The 10  
27 percent limitation under paragraph (1) shall not apply to collaborative applicants in which  
28 the rate of homelessness, as calculated in the most recent point in time count, is less than  
29 one-tenth of 1 percent of total population.

30 **Section C: SHP Administrative Costs**

31 **Is there a requirement regarding sharing SHP administrative costs?**

- 32
- 33 • States and units of general local governments that are applying for SHP projects that will  
34 be operated by nonprofit organizations must share funds for administrative costs with the  
35 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.

36 **How much of SHP administrative funds must be passed on to the non-profit**  
37 **organization(s) that 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 made available under the grant as having met this requirement.

## **Section D: Match Requirements**

### **Under the SHP program, what is the operating cost match requirement and is this requirement cash only?**

- 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 match requirement for operating costs is to be paid by the grantee using a cash resource. The matching funds must be provided 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 and 24 CFR 583.145. These requirements stipulate 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 will 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 Performance Report (APR). In-kind contributions do not count toward meeting this match requirement.
- 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

1 resident rents are used to fund ineligible SHP costs, then other sources must be used to  
2 meet the annual SHP match obligations.

3 **Is the SHP operating costs match requirement applicable to projects that submit a renewal**  
4 **project for funding?**

- 5 • Yes. Projects submitted for renewal with operating costs in their budget must meet the  
6 same match requirements as new SHP projects. Match requirements are published in the  
7 NOFA annually.

8 **What is the supportive services match requirement for SHP and is the requirement cash**  
9 **only?**

- 10 • Beginning in the Appropriations Act for fiscal year 1999, Congress has required SHP  
11 grantees to provide a cash match to supportive services funding. The match provision  
12 applies to all recipients of SHP funds, regardless of whether the grantee originally  
13 received supportive service funds before the provision was instituted. SHP grantees can  
14 request no more than 80 percent of the total cost for the provision of supportive services  
15 in a project in their application for funding. Grantees are required to match the remaining  
16 20 percent of the total costs with funds from other sources. All matching funds must be  
17 used for eligible service costs identified on the supportive services budget, and included  
18 in the application and/or, for new projects, the technical submission. Renewal projects  
19 must include the costs in their project applications.
- 20 • The supportive services costs match to be paid by the grantee must be a cash resources.  
21 The matching funds must be provided to the project by one or more of the following: the  
22 recipient, the Federal government, State and local governments, and private resources, in  
23 accordance with 42 U.S.C. 11386 and 24 CFR 583.145. These requirements stipulate that  
24 a recipient may use funds from any source, including any other Federal source (but  
25 excluding the specific statutory subtitle from which Supportive Housing Program funds  
26 are provided), as well as State, local, and private sources, provided that funds from the  
27 other source are not statutorily prohibited to be used as a match. It is the responsibility of  
28 the recipient to ensure that any funds used to satisfy the matching requirements of this  
29 section are eligible under the laws governing the funds to be used as matching funds for a  
30 grant awarded under this program.
- 31 • For new SHP projects, documentation of firm commitments of cash resources for the first  
32 year of the grant term and certification that cash resources must be provided in the second  
33 and third year of the grant term, if applicable, must be submitted as part of the Technical  
34 Submission (the form and content requirements of the cash match documentation and  
35 certification are explained in the applicable exhibits of the SHP Technical Submission).  
36 In addition, for new and renewal SHP projects the cash match must be verified in the  
37 Annual Performance Report. In-kind services do not count toward meeting this match.

38 **What if we have a renewal project that is requesting supportive services funds? Is the**  
39 **matching requirement cash?**

- Yes. A renewal project requesting supportive services funds must also meet the match requirement as described above.

### **Section E: Application**

**To continue to achieve greater geographic diversity in FY2011, HUD is giving selection priority to project applications located in 100 percent rural areas. How does HUD define rural?**

- HUD is using the definition of rural as defined in Section 491(c)(A) and (B) of the McKinney-Vento Act, as amended by HEARTH. In the FY2011 CoC NOFA, HUD defines a rural area at the county level. Therefore, a county will be considered rural if it meets one of the following two tests:
  - No part of the county is within an area designated as a standard metropolitan statistical area by the Office of Management and Budget; or
  - Any county that is:
    - Within an area designated as a metropolitan statistical area or considered as part of a metropolitan statistical area; and
    - Located within a county where at least 75 percent of the population is rural.
- HUD has published a list of all counties defined as rural using these two tests in Appendix A of the FY201 CoC NOFA. To be eligible for the selection priority in Section V.B.2.b(3) of the FY2011 CoC NOFA, the project must propose to serve 100 percent rural areas as defined by HUD.

**How are projects identified as rural so HUD knows the project application is applying for this special selection criteria?**

- During the FY2011 Exhibit 2 application, project applicants will identify the geographic areas that are served by a project on Page 2. In order to be considered for this selection priority, all of the geographic areas selected on page 2 of the FY2011 Exhibit 2 application must have been identified on the published list of rural counties.

**What are the leveraging requirements for the FY2011 application process?**

- The total leveraging amount for the CoC will be automatically calculated based on the leveraging information for each new Exhibit 2 project application. Leveraging amounts for renewal projects will not be considered when calculating the CoC leveraging score; however, project leveraging is still an important aspect of how a CoC operates. Written commitments will still be required for all project applicants. New project applicants will be required to have leveraging commitment letters at technical submission and renewal projects will be required to have the documentation on file and will be a part of HUD's monitoring review.

- 1 • The written commitment must be documented on letterhead stationery, signed and dated  
2 by an authorized representative, and must, at a minimum, contain the following elements:  
3 the name of the organization providing the contribution; the type of contribution (e.g.,  
4 cash, child care, case management, etc.); the value of the contribution; the name of the  
5 project and its sponsor organization to which the contribution will be given; and, the date  
6 the contribution will be available. Written agreements could include signed letters,  
7 memoranda of agreement, and other documented evidence of a commitment. The value  
8 of commitments of land, buildings and equipment are one-time only and cannot be  
9 claimed by more than one project or by the same project in another year. For example,  
10 the value of donated land, buildings or equipment claimed in FY2010, or before, for a  
11 project cannot be claimed as leveraging by that project or any other project in subsequent  
12 competitions.

13 **The NOFA states that HUD will perform a “threshold” review of project applications.**  
14 **What does this mean and what should project applications be aware of when preparing the**  
15 **applications?**

- 16 • HUD reviews each Exhibit 2 application to ensure that the applicant and project sponsor  
17 are eligible to apply for the program selected and have the requisite capacity to carry out  
18 the project. HUD also reviews the capacity of all other organizations involved with the  
19 proposed project. Be sure to answer all of the questions in Exhibit 2 for the applicable  
20 program and component type. Nonprofit applicants are required to include  
21 documentation demonstrating their eligibility.
- 22 • HUD also reviews your Exhibit 2 project application to ensure that your project will only  
23 serve eligible people, that the activities you propose are eligible, and, in the case of new  
24 projects that your project meets threshold quality standards. You can help ensure that  
25 your project passes the quality review by completely answering all of the applicable  
26 questions in the project application. These questions relate directly to the NOFA  
27 threshold standards so it is important that you address each and every applicable factor in  
28 the exhibit and complete all applicable sections for the program for which you are  
29 applying.
- 30 • Under SHP and S+C, renewal projects are considered to have met most of the threshold  
31 requirements through their previously approved grant applications. However, threshold  
32 reviews will be done on renewal projects to determine: (1) the eligibility of proposed  
33 activities; (2) the eligibility of the population to be served; and (3) the capacity of the  
34 applicant and project sponsor, including specific progress data contained in the Annual  
35 Performance Report (APR).

36 **Are renewal projects required to submit the Code of Conduct again if they submitted their**  
37 **code in a previous competition?**

- 1 • Renewal applicants that submitted a Code of Conduct prior to FY2011 in *e-snaps* are not  
2 required to submit another copy unless the information has been revised. To verify  
3 HUD’s receipt of the Code of Conduct [click here](#).
- 4 • Renewal and new applicants who do not have a Code of Conduct on file are required to  
5 submit the Code of Conduct by attaching the document in *e-snaps*.

## 6 **Section F: Data Collection Reporting**

### 7 **Where is the information on completing the Housing Inventory Count (HIC) and other** 8 **resources relative to the HIC?**

9 Data collected for the FY2011 Housing Inventory Count and Point-in-Time count will not be  
10 submitted as part of the FY2011 Continuum of Care Exhibit 1 application in *e-snaps*. Instead,  
11 data for these two counts was entered directly into the HUD Homelessness Data Exchange  
12 (HDX) web site. CoCs are still scored on both the Housing Inventory Count and the Point-in-  
13 Time count. HUD will consider the information submitted on the HDX as well as related  
14 questions in the Exhibit 1.

15 All guidance and further information relative to the HIC can be found at  
16 <http://www.hudhre.info/hdx/> by using the “Search” feature for the topic HIC or <http://hmis.info/>.

18 Below are several direct links to some of the resources related to the HIC.

- 19 1. [HUDHRE.info -- FAQs by Topic](#)
- 20 2. [HUDHRE.info -- FAQs](#)
- 21 3. [The Homelessness Pulse Project - Fourth Quarter](#)

22 In addition, to review questions and answers that have been submitted to the Virtual Help Desk  
23 or to ask your own question, please go to [www.hudhre.info/helpdesk](http://www.hudhre.info/helpdesk).

## 24 **Section G: Project Listing**

### 25 **HUD asks communities to rank new application projects on the Continuum of Care (CoC)** 26 **Project Listing in Exhibit 1. Who sets the priorities for the community?**

- 27 • Prioritizing projects should be a logical outcome of the development of a community's  
28 CoC strategy and driven by the community's gaps analysis. This means that all  
29 organizations in the process should have a voice in determining the community's  
30 priorities for funding. CoCs determine which new projects to submit for funding and  
31 assign each project a rank on the project listing. This should be done through a fair and  
32 open process using objective criteria. How the selecting entity (or entities) facilitates or  
33 leads the selection process is determined by the community.

- 1       • As stated in the application and the FY2011 NOFA, HUD expects the CoC’s strategy to  
2 be developed by and coordinated with as inclusive of a group as possible. Organizations  
3 involved in this process should include nonprofit organizations as well as community and  
4 faith-based entities, government agencies, public housing authorities, housing developers  
5 and homeless service providers, businesses and business associations, law enforcement  
6 agencies, hospitals, funding providers, and homeless and formerly homeless persons.  
7 These and other organizations should represent and address the specific needs of each  
8 homeless sub-population: the jobless, veterans, persons with serious mental illnesses,  
9 persons suffering from substance abuse, persons living with HIV/AIDS, victims of  
10 domestic violence, runaway youth and others.

11 **Will CoCs be required to rank renewal projects in FY2011?**

- 12       • No. CoCs are not required to rank renewal projects. CoCs will be required, however, to  
13 accept or reject each renewal project for funding under the CoC. Renewal projects that  
14 are rejected by the CoC will not be reviewed by HUD.
- 15       • The CoC should continuously update its project listings, but not accept or reject projects  
16 until it is prepared to submit the application to HUD. Every time you click update ranking  
17 or rejection information will be lost. The CoC should update one final time just before  
18 submitting the application to HUD. The CoC will be unable to submit its application until  
19 it accepts and rejects every project submitted to the CoC.

20 **Section H: CoC Need Amounts**

21

22 **What is Preliminary Pro Rata Need (PPRN)?**

- 23       • Preliminary Pro Rata Need is the term used to describe the relative portion of national  
24 homeless assistance need assigned to a community or group of communities in HUD’s  
25 CoC competition. The PPRN amount is the expression of relative homeless assistance  
26 need in dollar terms for use in a CoC competition. To determine the homeless assistance  
27 need of a particular jurisdiction, HUD will use nationally available data, including the  
28 following factors as used in the Community Development Block Grant  
29 (CDBG)/Emergency Shelter Grant (ESG) programs: data on poverty, housing  
30 overcrowding, population, age of housing, and growth lag. The universe of geographies  
31 is defined by the universe of jurisdictions used in the CDBG allocation process.  
32 Applying those factors to a particular jurisdiction provides an estimate of the relative  
33 need index for a jurisdiction compared to other jurisdictions applying for assistance under  
34 the CoC Homeless Assistance Grants Program NOFA.
- 35       • Each year HUD publishes the PPRN for each jurisdiction on the HUD HRE  
36 ([www.hudhre.info](http://www.hudhre.info)). A CoC’s PPRN is determined by adding the published PPRN of  
37 each jurisdiction within the HUD-approved CoC. In FY2011, HUD will be using the

1 2010 CDBG/ESG allocations. See the section on the Permanent Housing Bonus for  
2 details on how a CoC's PPRN is used in calculating the maximum amount of funds a  
3 CoC may apply for under this initiative.

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

### 5 **What is Hold Harmless Need (HHN)?**

6 Hold Harmless Need (HHN) is calculated for every CoC as a part of determining the CoC's Final  
7 Pro Rata Need (FPRN) for the FY2011 CoC competition. HHN is calculated by summing the  
8 Annual Renewal Amount (ARA) for all SHP renewal grants expiring January 1, 2012 through  
9 December 31, 2012 (see the NOFA for instructions on how to determine ARA). If there are no  
10 SHP renewal projects expiring in calendar year 2012, then the CoC's HHN is \$0 for the FY2011  
11 CoC Competition. Shelter Plus Care Renewals are not included in HHN Amount.

12 The HHN amount of a CoC is determined as part of the CoC registration process. The  
13 PPRN is used in determining each CoC's Final Pro Rata Need (FPRN). A CoC's FPRN is the  
14 higher of: a) Preliminary Pro Rata Need (PPRN) or b) Hold Harmless Need (HHN).  
15

**One jurisdiction was dropped for FY2011. This jurisdiction was added to the county's PPRN:**

- o New Jersey: 341212-Hammonton (Atlantic County)

16

**Eleven jurisdictions were added for FY2011. These jurisdictions are drawn from existing county/urban county geography and thus assume a portion of those jurisdiction's PPRN. We have not tried to insert these jurisdictions into the appropriate CoC in *e-snaps*. These jurisdictions must be claimed by the CoC serving that area in FY2011 in order to include the PPRN amount for that particular geography as part of the CoC's PPRN.**

- o Colorado: 081524-Thornton (Adams County)
- o Florida: 122754-Sanford (Seminole County)
- o Florida: 122808-Sebastian City (Indian River County)
- o Kansas: 202190-Manhattan City (Riley County)
- o Massachusetts: 252028-Revere City (Suffolk County)
- o Minnesota: 272922-Mankato City (Blue Earth County)
- o Minnesota: 273456-North Mankato City (Nicollet County)
- o Minnesota: 275040-Woodbury City (Washington County)
- o Oklahoma: 402046-Moore City (Cleveland County)
- o South Carolina: 451608-Summerville (Dorchester County)
- o Washington: 530396-East Wenatchee City (Douglas County)

1

In FY2011, the previously named area Skagway Hoonah-Angoon Census Area (Alaska: 029232-Skagway Hoonah-Angoon Census Area) split into two separate jurisdictions now known as Hoonah-Angoon Census Area, Alaska and Skagway Municipality, Alaska. Both jurisdictions must be claimed by the CoC serving that area in FY2011 in order to include the PPRN amount for both jurisdictions as part of the CoC's PPRN. The correct geo codes and jurisdictions names are listed below:

- o Alaska: 029105-Hoonah-Angoon Census Area
- o Alaska: 029230-Skagway Municipality

2

3 To view detailed changes to the geographic areas, those areas that were dropped, added, and split  
4 for the FY2011 CoC Competition please visit the HUD HRE at  
5 [http://www.hudhre.info/documents/FY2011\\_PPRNAmts.pdf](http://www.hudhre.info/documents/FY2011_PPRNAmts.pdf).

6 **What is Final Pro Rata Need (FPRN)?**

- 7 • FPRN is the higher of PPRN or HHN. “PPRN status” is when the FPRN is based on  
8 PPRN. “HHN status” is when FPRN is based on HHN. Shelter Plus Care renewal  
9 projects are not included in the calculation of FPRN.
- 10 • The FPRN amount was determined as part of the CoC Registration process.

11 **What is the CoC Hold Harmless Merger Process and how does it relate to FPRN?**

- 12 • The CoC Hold Harmless Merger Process allows one or more CoCs in HHN status to  
13 merge with one or more CoCs in PPRN status without losing any FPRN. To be eligible,  
14 CoCs are required to merge 100 percent of the original CoCs geographies into one, larger  
15 CoC. During the FY2011 registration process, HUD calculated the newly merged CoCs  
16 FPRN based on the higher FPRN for each original CoC.
- 17 • CoCs that have a FPRN based on this Hold Harmless Merger Process will be permitted to  
18 submit requests for one-year renewals as well as multi-year new projects using the  
19 remaining available PPRN. Finally, CoCs that take advantage of the Hold Harmless  
20 Merger Process will be eligible to reallocate existing renewal projects through the Hold  
21 Harmless Need (HHN) Reallocation process, even if the newly merged CoC is not in  
22 HHN status. For more information on HHN Reallocation, see Section P.

23 **What happens to SHP renewal projects that are submitted completely outside the FPRN**  
24 **amount?**

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

1 **Does HUD’s updating of Shelter Plus Care and Section 8 SRO projects FMRs affect a**  
2 **CoC’s FPRN?**

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

5 **Section I: Special Initiatives**

6 **Samaritan Housing Bonus:**

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

13 **Permanent Housing Bonus:**

14 With the Permanent Housing (PH) Bonus, CoCs may serve individuals and/or families that are  
15 both homeless and disabled in permanent housing.

- 16 • The CoC will be eligible to receive up to a maximum of 15 percent of the CoC’s  
17 Preliminary Pro Rata Need (PPRN), or \$6 million, whichever is less.
- 18 • Projects exclusively serving chronically homeless persons must ensure that all  
19 participants meet the eligibility requirements as defined by HUD. Additionally,  
20 participants must come directly from the streets, emergency shelters, and/or a HUD-  
21 defined Safe Haven program.
- 22 • For projects that are not exclusively serving chronic homeless individuals, all participants  
23 must meet HUD’s eligibility requirements for permanent housing and must come the  
24 streets, emergency shelters, HUD-defined Safe Havens, and/or transitional housing for  
25 homeless persons who originally came from the streets or an emergency shelter.
- 26 • CoCs may request PH Bonus funds for SHP-PH, S+C TRA/SRA/PRA/SRO, or Mod  
27 Rehab SRO projects. For Mod Rehab SRO projects, the homeless individuals are not  
28 required to be disabled.
- 29 • PH Bonus funds should primarily be used for housing activities. However, a SHP project  
30 requesting funds through this initiative may request up to 20 percent of the total eligible  
31 program activities (minus administration costs up to five percent) for case management  
32 costs on the Supportive Services budget. Case management is the only allowable  
33 supportive service cost that can be requested for bonus projects.
  - 34 ○ In SHP, housing activities include acquisition, new construction, rehabilitation,  
35 leasing of housing and operating costs when used in connection with housing.

- 1           ○ In S+C and SRO, rental assistance (which is the only activity allowable under  
2           these programs) is considered a housing activity.
- 3       • For PH bonus projects applying under the SHP and S+C program, the total request—  
4       including administration costs—must be equal to or less than the allowable bonus amount  
5       for a CoC.
- 6       • CoCs that are eligible to use the HHN Reallocation Process (CoCs in HHN Status or  
7       CoCs that are newly merged through Hold Harmless Merger) may not reallocate funds  
8       into a new PH Bonus project.
- 9       • If the CoC is under PPRN status, additional available funds cannot be allocated to a PH  
10      Bonus project. See question 3 of this Section for more information.

11 **Can an applicant submit a bonus project that exceeds the maximum bonus amount and**  
12 **apply the bonus money first then apply the remaining balance under the PPRN?**

- 13       • The PH Bonus amount is up to 15 percent of the continuum’s PPRN amount or \$6  
14       million, whichever is less. CoCs were notified of the maximum amount they could  
15       request for this initiative during the FY2011 CoC Registration process. HUD will only  
16       fund PH Bonus projects up to the maximum allowed amount. If a CoC in PPRN status  
17       wants to create a project that would exceed the eligible PH Bonus amount, then they must  
18       submit two separate Exhibit 2 project applications: one for PH Bonus funds and the other  
19       using the remaining funds that are within the CoC’s Preliminary Pro Rata Need (PPRN).  
20       If a PH Bonus project is submitted that is requesting more than is allowable, the project  
21       budget will be automatically reduced.

22 **Is it required that the head of household be the qualifying person with the disability for a**  
23 **family in a SHP Permanent Housing Bonus project?**

- 24       • For bonus projects not proposing to serve the chronically homeless, under the SHP-PH program,  
25       the disabled person may be the adult or the minor child in a family. Although the SHP  
26       regulations and program statute are silent on this issue, refer to the guidance in the SHP Desk  
27       Guide, Section B. Eligible Participants, for the discussion on disability status which covers how  
28       to verify and document a disability. The SHP Desk Guide can be found on the HUD’s Housing  
29       Resource Exchange (HRE) website at <http://www.hudhre.info/>.
- 30       • For bonus projects proposing to serve chronically homeless persons, under the SHP program, the  
31       person with the disability must be one adult member of the household. See Section I.C.2.o for  
32       more information.
- 33       • To be eligible for the S+C program, a person must be both homeless and disabled. In the  
34       case of a homeless household with children, at least one **adult** member must meet the  
35       program definition of disabled.

36 **What happens if our community submits a project seeking Permanent Housing Bonus**  
37 **funds and the project application does not meet HUD’s criteria for permanent housing?**

- 1       • If the CoC requests a new Permanent Housing Bonus project and HUD determines that it  
2       is not a permanent housing project, HUD will not reclassify the project which will result  
3       in it being rejected.

4       **My agency was awarded funds under the Rapid Rehousing for Families Demonstration**  
5       **Program in FY2008. Are eligible to apply for renewal funds for this program in the**  
6       **FY2011 CoC competition?**

- 7       • Yes. This project is eligible for renewal during the FY2011 CoC Competition.  
8       • This is a program that was implemented for households with dependent children residing  
9       on the street or in emergency shelters as directed by Congress in the Consolidated  
10      Appropriations Act for 2008 [H.R. 2764]. These projects were originally funded under  
11      the FY2008 competition and were required to be administered in accordance with the  
12      requirements of the SHP Transitional Housing component, with the exception that the  
13      eligible activities are limited to administration, leasing (up to 18 months), and supportive  
14      services. All selected projects were required to have a grant term of three years.  
15      Therefore, projects with grant agreements that are expiring in calendar year 2012 may be  
16      eligible to receive renewal funding in this year's competition (see Renewal Eligibility in  
17      Section 3.C. of this NOFA).  
18      • These projects must be reflected on the CoC's SHP grant inventory worksheet and  
19      included with the CoC's application submission. Also, a project application (Exhibit 2)  
20      must be submitted in this year's competition. Projects with grant agreements that are  
21      expiring in calendar year 2013 should be submitted for renewal funding in the FY2012  
22      Competition.

23      **Section J: Projects**

24      **Under what condition can SHP funds be used in public housing facilities?**

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

29      **How do HUD's requirements for timely implementation of projects affect my project?**

- 30      • Recipients conditionally awarded funds in the FY2011 CoC competition must have a  
31      fully executed grant agreement or, in the case of the SRO Program, Annual Contributions  
32      Contract, by September 30, 2013. If a grant agreement or ACC is not executed by that  
33      date, the award will be withdrawn. These funds will remain available until September  
34      30, 2018, except that funds for ten (10) year projects (SRO, S+C/SRO, PRA with  
35      rehabilitation) will be available until expended. A grant agreement should not be

1           executed until the project is ready to begin activities and serving participants. If  
 2           operation is not imminent by the September 30, 2013 deadline, HUD may withdraw  
 3           funds.

<i>Expenditure Requirements</i>	<i>Obligation Requirements</i>
<p>In order to expend funds within statutorily required deadlines, applicants funded for sponsor-based and project-based, and rental assistance without rehabilitation must execute the grant award and begin providing rental assistance, within two years.  <i>However, HUD strongly encourages all rental assistance to begin within 12 months.</i></p> <p><i>Applicants who are unable to begin rental assistance within this 12 month period should consult with the local field office. These applicants, and all other applicants, must continue to meet statutory deadlines regarding the obligation of grant funds as stated in the HUD Appropriations Act. See Section VI.B.3, for more information on timeliness standards.</i></p> <p><i>Under 24 CFR 882.802, rehabilitation must involve a minimum expenditure of \$3,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to upgrade conditions to comply with HUD's physical condition standards in 24 CFR Part 5, subpart G.</i></p>	<p>The FY2010 HUD Appropriations Act requires HUD to obligate all FY2011 CoC homeless assistance funds by September 30, 2013, except for \$5,000,000 which is available until expended. All obligated funds remain available for expenditure until September 30, 2018, except funds for rehabilitation projects with ten year grant terms, which remain available until expended.</p>

- 4           • Grant terms, and associated grant operations, cannot extend beyond the availability of  
 5           funds. Applicants must plan accordingly and only submit applications that can start  
 6           operations in a timely manner with enough time to complete within the awarded grant  
 7           term. In addition, HUD will take action if the grantee fails to satisfy the timeliness  
 8           standards detailed in the FY2011 CoC NOFA.

9           **In what situations would a project be identified as new?**

- 10          • Identify your project as “New” in the following situations:
- 11           ○ The proposed project has not previously provided services or supportive housing
  - 12           ○ for homeless persons;
  - 13           ○ The proposed project is expanding an existing non-SHP funded project in order to
  - 14           ○ increase the number of homeless persons served (only the expansion piece is
  - 15           ○ considered eligible for funding);
  - 16           ○ The proposed project is expanding an existing SHP funded project in order to
  - 17           ○ increase the number of homeless persons served (only the expansion piece is
  - 18           ○ considered eligible for funding);
  - 19           ○ The proposed project is to bring physical condition of property to Housing
  - 20           ○ Quality Standards (HQS). Only activities that are code-related are eligible;

- 1           ○ The proposed project is replacing non-renewable Federal or private funds in an  
2           existing project; or
- 3           ○ The propose project is re-starting a SHP project that received SHP funds in the  
4           past, but the SHP funds ended when the project term expired and the project did  
5           not continue to provide services or supportive housing for homeless persons.  
6           Note that development costs cannot be requested under these circumstances.

## 7   **What are the Lead-Based Paint or Environmental review requirements?**

- 8           • The changes in the Lead-Based Paint regulations, which became effective for recipients  
9           of funding since the FY2001 competition, are extensive. The regulations set hazard  
10          reduction requirements that give much greater emphasis than existing regulations on  
11          reducing lead in house dust. Scientific research has found that exposure to lead in dust is  
12          the most common way young children become lead poisoned. Therefore, the regulation  
13          requires dust testing after paint is disturbed to make sure the home is lead-safe. Specific  
14          requirements depend on whether the housing is being disposed of or assisted by the  
15          Federal Government, and also on the type and amount of financial assistance, the age of  
16          the structure, and whether the dwelling is rental or owner-occupied. It is also subject to  
17          regulations if the population to be served by the project will include children under the  
18          age of 6. For additional information, contact your local Field Office.
- 19          • In regard to environmental reviews, an important statutory change now provides that for  
20          recipients who are private nonprofit organizations or public housing authorities (PHA),  
21          the environmental review may be performed by responsible entities (units of general local  
22          government in whose jurisdiction the activity is located or states) in accordance with 24  
23          CFR Part 58 - “Environmental Review Procedures for Entities Assuming HUD  
24          Environmental Responsibilities” whether or not the grantee is itself a unit of local  
25          government or state.
- 26          • If a responsible entity is either unwilling or unable to perform an environmental review  
27          for grantees who are public housing agencies or private nonprofit organizations (Section  
28          58.11), or if HUD determines that the responsible entity should not perform the  
29          environmental review on the basis of performance, timing or compatibility of objectives,  
30          HUD may designate another responsible entity to conduct the review under Part 58 or  
31          may itself conduct the environmental review based on Part 50.
- 32          • Not every project is subject a full environmental review but every project must be in  
33          compliance with the National Environmental Policy Act and other federal and state  
34          environmental laws.
- 35          • If the program is for the provision of scattered site leasing/rental assistance or exclusively  
36          for the provision of services and the services provided meet the requirements of an  
37          exemption or exclusion listed at 24 CFR 58.34 or 58.35(b), the responsible entity may  
38          determine and record that no further environmental review is required, citing the  
39          appropriate exemption or exclusion.

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

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

8       Project applicants that are state or local governments applying for funds in FY2011, and in  
9       previous competitions, are asked in Exhibit 2 to verify they have policies and protocols that have  
10      been developed or implemented regarding discharges from publicly-funded institutions.

11      **How do state and local grantees identify their efforts toward implementing the**  
12      **requirements of the discharge certification?**

- 13      • Project applicants that are state or local governments applying for funds in FY2011, and  
14      in previous competitions, are asked in Exhibit 2 to verify if they have a discharge  
15      planning policy or protocol to prevent or reduce the number of persons discharged from  
16      publicly-funded institutions (e.g. health care facilities, foster care, correctional facilities,  
17      or mental health institutions) into homelessness or HUD McKinney-Vento funded  
18      programs.  
19      • One of the ways in which these applicants can demonstrate their efforts towards meeting  
20      this requirement is by reducing the incidence of discharges from these institutions into  
21      their own CoC funded project.

22      **Can project-based or tenant-based Housing Choice Voucher be used in a SHP funded**  
23      **transitional housing program?**

- 24      • HUD's policy is to not fund new projects mixing housing choice voucher assistance in  
25      SHP-funded transitional projects. Experience with such funding has resulted in many  
26      complex operating issues when the two subsidy streams are combined. Housing choice  
27      vouchers are intended to be a permanent housing resource and should be integrated into  
28      the CoC in that manner.

29      **Can Shelter Plus Care renewal and new projects and new SRO projects request rent**  
30      **amounts above or below the published FMR at the time of the application due date?**

- 31      • No. Shelter Plus Care (S+C) and new SRO grants may not request an amount above or  
32      below 100 percent of the applicable Fair Market Rent (FMR) for the Metropolitan  
33      Statistical Area (MSA) and unit size. If a grantee for tenant or sponsor based assistance  
34      draws down rents lower than the awarded FMR then it may use the additional dollars to  
35      lease additional units. Note: For PRA and SRO components of S+C and Mod Rehab

1 SRO, a project is capped at assisting the number of units awarded and under contract. An  
2 applicant is always obligated to lease at least the number of units specified in the  
3 application.

4 **Our community has a project that was originally awarded as a Safe Haven-TH and is**  
5 **submitting a first-time renewal for this project. How will the new definition of Safe Haven**  
6 **impact us?**

- 7 • Beginning with the FY2008 competition, HUD no longer uses the Safe Haven  
8 Transitional Housing (SH-TH) or Permanent Housing (SH-PH) classifications. Grantees  
9 that have not already changed their classifications that are seeking renewal will have an  
10 opportunity through the FY2011 NOFA to change the classification of their project  
11 without a grant amendment, if necessary. Grantees that are currently operating a HUD  
12 funded Safe Haven (TH or PH) should review the required SH characteristics that are  
13 defined in the FY2011 NOFA to determine if the project still qualifies as a SH or if it  
14 needs to be reclassified to either a TH or a PH project. If a grantee determines that its  
15 project meets all of the characteristics of a SH, the grantee should identify as a Safe  
16 Haven in the Exhibit 2 application. For those projects that are identified as a Safe Haven,  
17 any chronically homeless person entering the project will maintain his/her status as  
18 chronically homeless, and will therefore be eligible to enter projects that serve  
19 chronically homeless.
- 20 • If a grantee determines that its current Safe Haven project does not meet all of the Safe  
21 Haven requirements listed above, it must decide whether or not the Safe Haven project  
22 would more appropriately be identified as a transitional supportive housing program or a  
23 permanent supportive housing program. Grantees should work with their local field  
24 offices to determine the correct SHP component of their projects. If reclassification to a  
25 SHP-TH or SHP-PH is required, the grantee can make the change during the FY2011  
26 CoC application without completing a grant amendment.
- 27 • Reclassifying to a SH project (from SH-TH or SH-PH) through a grant amendment will  
28 allow chronically homeless persons entering these projects to maintain their status, which  
29 will allow them to be eligible for projects serving chronically homeless persons.

30 **Can a sponsor for a Supportive Housing Program project be a “for-profit” entity?**

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

32 **Can SHP rehabilitation funds be used to rehab leased properties?**

- 33 • Yes. In 2008, HUD provided additional conditions regarding use of SHP funds to  
34 rehabilitate leased properties. These conditions also apply to the FY2011 CoC NOFA  
35 and are as follows: To rehabilitate a leased property, certain conditions must be met  
36 during the Technical Submission and if they are not, the award will be withdrawn. The

1 recipient must have a lease for 25 or more years with a landowner that is not the  
2 applicant, project sponsor, a parent or affiliated organization and must submit it to HUD  
3 for approval. The landowner must execute and record against the land the lease, and the  
4 Use and Repayment Covenant. Under certain circumstances where the useful life of the  
5 improvements is greater than 25 years, the recipient must be required to repay the  
6 residual value of the improvements.  
7

8 **Is it possible for a Supportive Services Only (SSO) Project convert to a TH or PH**  
9 **program?**

- 10 • No. By definition, the SSO program cannot provide housing and the conversion to a  
11 housing program is an entirely new project requiring a new submission under competitive  
12 rules so that the statutorily required quality of the project can be evaluated. CoCs in  
13 HHN status, or whose FPRN is based on the Hold Harmless merger process, may use  
14 HHN Reallocation in FY2011 to reallocate money in SSO programs to new non-bonus  
15 permanent housing or dedicated HMIS projects.  
16

17 **Is Certification of Consistency with the Consolidated Plan voluntary for renewal or new**  
18 **Exhibit 2 projects?**

- 19
- 20 • No. The Certificate of Consistency with the Consolidated Plan is **not** voluntary for  
21 renewal or new projects. Each CoC must have a HUD-2991 signed by the official  
22 responsible for submitting the Consolidated Plan on behalf of the State or local  
23 government for each jurisdiction covered by the CoC certifying that all projects  
24 requesting funding within that jurisdiction are consistent with the applicable Consolidated  
25 Plan. The CoC will create a list of all projects that are located within each jurisdiction(s)  
26 within a CoC and attach it to the HUD-2991. The form(s) and the attached list(s) will  
27 then be uploaded into e-snaps. Each project that requests funding must be consistent with  
28 the consolidated plan. CoCs that cover multiple consolidated plan jurisdictions may have  
29 a project that is on more than one list, as it covers more than one jurisdiction. If a HUD-  
30 2991 is missing, or if a project is not included on a list, it will be required before the  
31 conditional HUD award can be made.
- 32 • For more information on how to complete and submit the Certification on Consistency  
33 with the Consolidated Plan, please go to the e-snaps Training and Resources page located  
34 at <http://hudhre.info/esnaps/>.

35 **Are domestic violence applicants required to disclose actual shelter locations?**

- 36 • No. Domestic violence applicants are not required to include the actual shelter location  
37 address. Instead an administrative office address or a P.O. Box may be **used**.  
38

1 **Can client income benefits (i.e., mainstream resources) be used for leveraging?**

- 2
- 3 • No. Client income benefits cannot be counted towards leveraging. However, in SHP,  
4 program income can be counted as leveraging.
- 5

6 **What types of housing structure can be used for permanent supportive housing?**

- 7
- 8 • Most types of housing structures can be used for permanent supportive housing.  
9 Apartments, single-family houses, duplexes, group homes, or single-room occupancy  
10 units all qualify. When considering housing type it is important to remember that  
11 permanent housing is defined as having an unlimited length of stay.
- 12

13 **When can lease funds be used?**

- 14
- 15 • Under the SHP program, grantees may use leasing funds only when there are actual  
16 leasing costs associated with housing or providing services to homeless persons. That is,  
17 funds designated for leasing may only be used for the actual costs of leasing a  
18 structure/unit. SHP leasing funds may not be used to pay a project sponsor's monthly  
19 mortgage obligation or other costs of building operations. Also, leasing funds cannot be  
20 used for buildings that are owned, or leased by the applicant, sponsor, or parent  
21 companies.
- 22

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

26

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

30

31 **Section K: Serving Veteran Needs**

32

33 **The NOFA mentions veteran groups. How should veteran organizations be involved in the**  
34 **CoC?**

- 35
- 36 • The community's process for developing and implementing a CoC system should be  
37 comprehensive and inclusive. This means the needs of all homeless sub-populations in  
38 the community should be represented in the CoC planning process and project  
39 implementation. Because studies show that a significant segment of the homeless  
40 population is veterans, it is especially important to involve organizations serving veterans  
41 so that the needs of this population are appropriately addressed.

42 **Is there any guidance available on developing programs to address the needs of homeless**  
43 **veterans?**

- 1 • In FY2011 there is a Permanent Housing Bonus. The bonus amount is 15 percent of a  
2 CoCs PPRN or \$6 million, whichever is less. CoCs can use these funds for homeless  
3 disabled individuals and families or chronically homeless persons. CoCs can use at least  
4 a portion of available bonus funds to create a project that will serve disabled veterans.
- 5 • In 2002, HUD released two technical assistance resources addressing the needs of  
6 homeless veterans. The first report, “A Place at the Table: Homeless Veterans and Local  
7 Homeless Assistance Planning Networks,” was updated in December 2005 and is  
8 designed to help organizations serving homeless veterans to more effectively participate  
9 in the homeless assistance program planning networks in their communities and, in  
10 particular, to access resources through the Continuum of Care planning process. To  
11 access this document visit the HUD HRE located at <http://www.hudhre.info/>.
- 12 • The second report, “Coordinating Resources and Developing Strategies to Address the  
13 Needs of Homeless Veterans,” provides information on promising practices for  
14 effectively coordinating HUD funding with other resources in order to address the special  
15 needs of homeless veterans. Both reports can be found on the HUD HRE located at  
16 <http://www.hudhre.info/>. Printed versions of the second report only are available from  
17 Community Connections at 1-800-998-9999.
- 18 • HUD strongly encourages each local Continuum of Care to examine the identified unmet  
19 needs for supportive services and housing of homeless veterans by examining appropriate  
20 local community data contained in the Department of Veterans Affairs CHALENG  
21 (Community Homelessness Assessment, Local Education and Networking Groups) for  
22 Veterans report. This report can be accessed via the web at <http://www.hudhre.info/>.
- 23 • For additional information on the HUD Veterans Affairs Supportive Housing Program  
24 (HUD-VASH Program), including the Federal Register Notices, the estimated number of  
25 vouchers available in your community through this program and the name of the Public  
26 Housing Agency (PHA) associated with each VA site, Continuums of Care (CoC) should  
27 go to the following website”  
28 <http://www.hud.gov/offices/pih/programs/hcv/vash/index.cfm>. CoCs should also contact  
29 their local VAMC for specific information about how to refer homeless veterans in their  
30 jurisdiction for housing assistance through HUD-VASH.

31 **Where can a CoC find additional information on HUD-VASH, including the Federal**  
32 **Register Notices, the estimated number of vouchers available in a community and the name**  
33 **of the Public Housing Agency (PHA) associated with each VA site?**

- 34 • The HUD-VASH Notice to Continuums of Care provides questions and answers to assist  
35 CoCs in understanding implementation of the HUD-VASH program. The HUD-VASH  
36 Notice can be found at [http://www.hudhre.info/documents/HUD\\_VASH\\_QA.pdf](http://www.hudhre.info/documents/HUD_VASH_QA.pdf).

37

1 **Section L: Housing Requirements**

2 **What specifically are the FY2011 percentage distributions for all SNAPS programs in this**  
3 **competition?**

- 4 • In accordance with Section 429 of the McKinney-Vento Act, HUD will award Supportive  
5 Housing Program funds as follows: not less than 25 percent for projects that primarily  
6 serve homeless families with children; not less than 25 percent for projects that primarily  
7 serve homeless persons with disabilities; and not less than 10 percent for supportive  
8 services not provided in conjunction with supportive housing. After projects are rated  
9 and ranked, based on the factors described above, HUD will determine if the  
10 conditionally selected projects achieve these minimum percentages. If not, HUD will  
11 skip higher-ranked projects in order to achieve these minimum percentages.
- 12 • In accordance with Section 463(a) of the McKinney-Vento Act, at least 10 percent of  
13 competitive S+C funds will be awarded for each of the four components of the program:  
14 Tenant-based Rental Assistance; Sponsor-based Rental Assistance; Project-based Rental  
15 Assistance; and Single Room Occupancy (provided there are sufficient numbers of  
16 approvable projects to achieve these percentages). After projects are rated and ranked,  
17 based on the factors described above, HUD will determine if the conditionally selected  
18 projects achieve these minimum percentages. If necessary, HUD will skip higher-ranked  
19 projects in order to achieve these minimum percentages.
- 20 • In accordance with Section 455(b) of the McKinney-Vento Act, no more than 10 percent  
21 of the assistance made available for S+C in any fiscal year may be used for programs  
22 located within any one unit of general local government. In accordance with Section  
23 441(c) of the McKinney-Vento Act, no city or urban county may have Section 8 SRO  
24 projects receiving a total of more than 10 percent of the assistance made available under  
25 this program. HUD is defining the 10 percent availability this fiscal year as \$10 million  
26 for S+C and \$10 million for Section 8 SRO. However, if the amount awarded under  
27 either of these two programs exceeds \$100 million, then the amount awarded to any one  
28 unit of general local government (for purposes of the S+C Program) or city or urban  
29 county (for the purposes of the Section 8 SRO Program) cannot exceed 10 percent of the  
30 actual total amount awarded for that program.

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

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

1 **Section M: Renewal Funding**

2 **What is a renewal grant?**

- 3 • A renewal grant is a grant that continues assistance to a project that received continuous  
4 McKinney-Vento funding in the past. For the FY2011 competition, a grantee may  
5 request renewal funding if it was previously funded under one of the following programs  
6 and its grant will expire in calendar year 2012. The following are eligible:
- 7       ▪ SHP projects, that are expiring in the time period beginning January 1,  
8       2012 and ending December 31, 2012;
  - 9       ▪ S+C projects that are expiring in the time period beginning January 1,  
10      2012 and ending December 31, 2012 of those that have been previously  
11      extended but which are projected to run out of funds in 2012;
  - 12      ▪ Any new SHP grants that received one year of funding in the FY2010  
13      Competition,
  - 14      ▪ Any S+C grant awarded prior to FY2002 funding is expected to run out in  
15      CY2012, and which has never received renewal funding ; and
  - 16      ▪ SHP and S+C projects that were originally awarded in FY2005 with  
17      expiration date in CY2012 or later that have not yet been renewed.

18 **Who can apply for a renewal project?**

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

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

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

32 **Do I have to submit separate project applications to both renew and expand an SHP**  
33 **project?**

- 34 • Yes. If a project is eligible for renewal and the grantee wants to apply for funds to renew  
35 the existing project and add new activities or expand existing activities to the same

1 project, a separate Exhibit 2 must be submitted for each. That is, an Exhibit 2 should be  
2 submitted requesting the renewal of the existing project and a separate Exhibit 2 should  
3 also be submitted for the new or expanded activities. In addition, the renewal and new  
4 projects will be listed as separate projects on the CoC Project Listing in Exhibit 1.  
5 Finally, projects cannot be consolidated until they are expiring in the same operating  
6 year. Therefore, the new expanded project cannot be consolidated with the existing  
7 renewal project until it applies for renewal the first time.

#### 8 **How do I determine if my project is eligible for SHP renewal?**

- 9 • To be eligible for a FY2011 SHP renewal, your current HUD grant must expire during  
10 calendar year 2012. A grant is expiring in calendar year 2012 if its term ends in the time  
11 period beginning January 1 and ending December 31, 2012. Many grants were awarded  
12 with funds for acquisition, rehabilitation, or new construction which must be completed  
13 before term activities can begin. The term ends three years from the operating start date,  
14 not three years from the first draw of SHP development (acquisition/rehab) funds.
- 15 • Term activities are those that are funded for a period of time specified in the NOFA,  
16 grant agreement, or HUD renewal guidance under which the grant was funded – such as  
17 one, two or three years. Term activities are leasing, operations, HMIS, and supportive  
18 services. The term of a grant begins when the grantee begins to serve participants – this  
19 is the basis for establishing the operating start date for the project, and is established by  
20 the grantee in LOCCS and the term ends when the specified time period for the grant  
21 lapses. A grant agreement for a new project should not be executed until the project is  
22 ready to begin operating and serving participants.
- 23 • Review your CoC's FY2011 Supportive Housing Program (SHP) Grants Inventory  
24 Worksheet (GIW) as approved by HUD and confirm whether your project is eligible for  
25 renewal in this competition. If the grant is not listed on the HUD-approved SHP GIW, it  
26 cannot be submitted for renewal.

#### 27 **How much money can I request for my SHP renewal?**

- 28 • The amount an applicant may request for eligible activities for renewal of an existing  
29 project (i.e., leasing, operations, supportive services, and administration) is based on the  
30 Annual Renewal Amount of the grant being renewed, as approved by HUD for these  
31 activities in the existing project's grant agreement. The amount approved by HUD can  
32 be found on the HUD-approved SHP GIW. Renewal funds can only be requested for  
33 continuing a previously approved project at the same level of housing and/or services  
34 provided in the previous grant. The amount requested for operations may not exceed 75  
35 percent of the total operations budget and the amount requested for supportive services  
36 may not exceed 80 percent of the total supportive services budget (see Section E of this  
37 supplement regarding match requirements for these activities). Cost of living increases  
38 are not available for renewal projects.

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

- 3 • To continue a renewal SHP project that was unsuccessful in seeking renewal in a prior  
4 competition, you may use any type of funds – Federal, state, local, or private funds.  
5 Projects that are not renewed in a prior year’s competition can no longer apply in future  
6 CoC competitions as renewal projects. However, these projects can apply as new  
7 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**  
9 **renewal funds for existing projects?**

- 10 • Yes. The need for the continuation of previously funded projects should be considered  
11 in the local needs analysis process and a decision should be made locally to allow the  
12 continuation of a project. HUD does not require that existing projects be renewed by the  
13 Continuum or Care; however, HUD is very concerned that the ongoing housing needs of  
14 persons currently being served by existing projects be taken into account as part of the  
15 decision-making process. The CoC should review each project at the time it seeks  
16 renewal to determine if the project is performing satisfactorily and is meeting the needs  
17 of persons it proposed to serve or whether local needs have changed and other  
18 subpopulations or types of assistance should be given preference.  
19 • Note: Projects originally funded for capital costs through SHP grants are still held to the  
20 20 year use requirement even if continued funding is not received through SHP.

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

- 23 • For the FY2011 competition, it was permissible to allow budget shifts in a project as part  
24 of the Grant Inventory Worksheet (GIW) process, as long as the grantee followed the  
25 field office’s process and did not cause the bottom line to increase. If a grantee wishes to  
26 move awarded funds between budget activities (i.e., leasing, operating costs and  
27 supportive services, and HMIS) after the competition, use the following process:  
28 ○ Line items shifts of 10 percent or less require a request memo from the grantee to  
29 the field office.  
30 ○ Line items of greater than 10 percent require a request from the grantee to the field  
31 office and a grant amendment.  
32  
33 • No changes should be made at the time of application in *e-snaps*. All changes must have  
34 been reflected on the FY2011 SHP GIW(s). Any changes that the applicant wishes to  
35 make after the GIW(s) are approved during the CoC Registration process can be reflected  
36 during the execution phase of the FY2011 grant agreement.  
37  
38 • Please remember that there will be changes in the budget amount for some grants whose  
39 annual renewal amount was reduced during the FY2010 CoC Competition. These

1 changes should be reflected prior to grant execution or after the new grant amendment is  
2 in effect.

3  
4 **Can SHP grantees reduce the number of persons served to make up for higher costs**  
5 **associated with the project?**

- 6  
7
- 8 • Beginning with the FY2006 Continuum of Care Homeless competition, if actual rents  
9 have increased substantially from the time of the initial application to the time of the first  
10 renewal, the grantee or project sponsor may need to reduce the number of units that can  
11 be supported by the project since the overall amount of the SHP request cannot be  
12 increased. Grantees that wish to reduce the number of units will be required at the grant  
13 execution phase, or through a grant amendment, to submit a written explanation that  
14 identifies the number of units that can be leased at the current fair market rent.
  - 15 • Grantees should note that a reduction in the number of participants might result in a  
16 corresponding decrease in the other funded budget categories. For more information, see  
17 Section D of the updated SHP Desk Guide issued in August 2008 which can be found at:  
18 <http://www.hudhre.info>.

19 **Are Shelter Plus Care renewal projects a part of the FY2011 CoC competition process?**

- 20
- 21 • Under the FY2010 HUD Appropriations Act, eligible Shelter Plus Care Program (S+C)  
22 grants whose terms are expiring in calendar year 2012, or have been extended beyond  
23 their original five-year terms but which are projected to run out of funds in calendar year  
24 2012, will be renewed for one-year provided that they are determined to be needed by the  
25 Continuum of Care (CoC) and meet other programmatic and financial standards. S+C  
26 renewals are submitted as part of the CoC application submission but are funded non-  
27 competitively. All S+C renewal applications should be submitted by the deadline and in  
28 accordance with the other submission requirements described in the NOFA. A renewal  
29 project may consist of no more than one component [i.e., TRA, SRA, PRA, and SRO].

30 **How do I determine if my project is eligible for S+C renewal?**

- 31
- 32 • Any S+C project whose grant term is expiring in calendar year 2012 (January 1, 2012 –  
33 December 31, 2012) is eligible for renewal. In addition, S+C grants that received an  
34 extension previously but which are projected to run out of funds in 2012 are also eligible.  
35 The effective date of the grant is the date used to determine whether the grant is expiring.
  - 36 • If your initial five (5) year or ten (10) year grant term is expiring in calendar year 2012  
37 but you do not expect to run out of funds during that year, you may make a request to  
38 your HUD field office for an extension. This extension process is independent from the  
39 CoC competition. In such a case, contact your HUD field office for information on  
40 seeking an extension of your project.
  - 41 • Any (5) year S+C project that originally received funding in FY2005 that has not yet  
been renewed and will expire in calendar year 2012 or beyond must apply for renewal in

1 the FY2011 application process, even if funds are remaining in the grant. Under no  
2 circumstances can these projects be extended beyond 2012.

3 **What are the standards for the first renewal of a Shelter Plus Care (S+C) Project?**

- 4 • For TRA and SRA, you may request up to the amount determined by multiplying the  
5 number of units under lease at the time of your Grant Inventory Worksheet (GIW)  
6 submission for renewal funding by the applicable current Fair Market Rent(s) (FMR) by  
7 12 months (FMR as published in the Federal Register at the time of application.)  
8 Example: A S+C grant originally awarded for 50 units was able to lease an additional 5  
9 units and had 55 units under lease when it applied for its first renewal. They may apply  
10 for 55 units in the renewal grant.
- 11 • Any first time renewal S+C TRA or SRA Project requesting more units than was  
12 awarded in the original application must provide HUD with copies of the leases for all  
13 units under lease at the time of final approval of the FY2011 S+C GIW.
- 14 • PRA and SRO components may not request a first time renewal for more units than are  
15 on the expiring grant agreement. For the S+C/SRO component, use the same FMR  
16 method as other renewing S+C project components, the FMR is 75 percent of the 0-  
17 bedroom rate. Upon renewal, the unspent balance of funds at the end of the previous  
18 grant period will be recaptured. The one-year term of non-competitively awarded S+C  
19 renewal projects may not be extended.

20 **What are the standards for second renewal and subsequent renewal of Shelter Plus Care**  
21 **(S+C) projects?**

- 22 • For S+C grants having been awarded one-year of renewal funding in FY2010, the  
23 number of units requested for renewal in FY2011 may not exceed the number of units  
24 funded in FY2010. Please be advised that the actual FMRs used in calculating your grant  
25 will be those in effect at the time the renewal awards are announced, which may be  
26 higher or lower than those used to apply. One year S+C renewal grants cannot be  
27 extended.
- 28 • The number of units eligible for renewal is limited to the number of units applied for in  
29 the previous one-year renewal contract. Example: An S+C grant was renewed for the  
30 first time for 55 units, as in the previous example. All subsequent renewals are limited to  
31 55 units. If the grantee was able and willing to lease two additional units covering a total  
32 of 57 units during the year, the renewal of this grant will still be limited to 55 units. The  
33 grantee must ensure that it has sufficient funds to cover the additional 2 units for the  
34 longer of either the term of the grant or the voluntary tenancy of the residents of these  
35 units. Any shortfall in funding for units not under contract must be provided by the  
36 grantee.

1 **How do S+C projects change the unit sizes during the contract and at renewal?**

- 2 • Reasonable changes to a mix of unit sizes may be undertaken during the grant period for  
3 Tenant Based (TRA) or Sponsor Based (SRA) component projects. A program may  
4 apply for the actual unit mix under lease at the time of application renewal. Example: A  
5 TRA grant for 50 one-bedroom units has 5 participants who each reunited with their child  
6 and now each requires two-bedroom units. The grant may be renewed for 45 one-  
7 bedroom and 5 two-bedroom units, for a total of 50 units. This authority does not extend,  
8 however, to wholesale changes in the nature of the project. A grantee may not change a  
9 TRA or SRA project, for example, from all one-bedroom units (singles) to all three-  
10 bedroom units (families), or vice versa. Additionally, projects that were initially awarded  
11 as a Samaritan Housing Initiative Bonus project must continue to exclusively serve  
12 chronically homeless persons.

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

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

23 **Since we may consolidate S+C grants from the FY2010 awards, how should they be listed**  
24 **for the FY2011 competition?**

- 25 • If the FY2010 S+C grants have already been consolidated prior to the CoC submission of  
26 the FY2011 S+C Grants Inventory Worksheet, they should have been listed as the one  
27 consolidated grant on the Worksheet following the guidance provided in the built-in  
28 instructions. HUD encourages the consolidation of appropriate S+C renewal grants  
29 when the grants are under the same grantee, have the same component and expire in the  
30 same year. However, renewal requests for expiring S+C grants that have not been  
31 consolidated, as reflected on the final Grant Inventory Worksheet(s), should still be  
32 submitted as separate Exhibit 2's in *e-snaps* and will be awarded as individual renewal  
33 grants. Where the grantee wishes to consolidate the renewal grants, this action may be  
34 subsequently accomplished by the field office at the point of renewal grant agreement  
35 execution.

36

1 **Which FMRs do S+C renewals use when applying for renewal funds?**

- 2 • For Shelter Plus Care (S+C) grants that are being renewed for the first time, CoCs may  
3 request up to the amount determined by multiplying the number of units under lease at  
4 the time of submission of the CoC's Grant Inventory Worksheet by 100 percent of the  
5 applicable current Fair Market Rent(s) by 12 months. The appropriate amount will  
6 automatically calculate in *e-snaps*.  
7 • For S+C grants that are being renewed for the second or subsequent renewal, the number  
8 of units requested for renewal in FY2011 may not exceed the number of units funded in  
9 FY2010.  
10 • In both scenarios, CoCs should use the FMRs that were published in the Federal Register  
11 at the time of Exhibit 2 submission. Please be advised that the actual FMRs used in  
12 calculating your grant will be those in effect at the time the grants are selected which may  
13 be higher or lower than those used for application.  
14

15 **Can a CoC that is in preliminary Pro Rata Need (PPRN) status decide to reduce or not**  
16 **request renewal funds for existing projects?**

- 17 • Yes. The need for the continuation of previously funded projects should be considered in  
18 the local needs analysis process and a decision should be made locally on the  
19 continuation of a project. HUD does not require existing projects be renewed. HUD is  
20 very concerned that the ongoing housing and service needs of persons currently being  
21 served by existing projects also be taken into account as part of the decision-making  
22 process. The CoC should review each project at the time it seeks renewal to determine if  
23 the project is performing satisfactorily and is meeting the needs of persons it serves.  
24

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

- 27  
28 • No. SHP, S+C and SRO Permanent Housing Bonus projects funded prior to FY2005  
29 were not limited to the chronically homeless. Projects funded with 2005-2008 Samaritan  
30 Housing Initiative Bonus funds must serve chronically homeless persons only. Note that  
31 the Permanent Housing Bonus in the FY2011 CoC NOFA does not require grantees serve  
32 the chronically homeless.  
33

34 **Can projects have more than one project sponsor?**

- 35  
36 • Each project must identify one project applicant and one project sponsor. Although some  
37 projects may have multiple sub-recipients of grant funds, there must be one lead sponsor  
38 identified in *e-snaps*.  
39

40 **Section N: Homeless Management Information Systems (HMIS)**

41  
42 **What is the Homeless Management Information System (HMIS) and how can communities**  
43 **use HUD competitive funds to develop this system?**

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- A number of communities and states have a long-standing comprehensive HMIS that brings computer technology to client intake procedures and permits 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.

**What elements of 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.

**What elements of 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.

**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.

1 **Will HMIS projects count against the housing total in the Continuum of Care Exhibit 1**  
2 **when calculating “Housing Emphasis” points?**

- 3
- 4 • No. HMIS is a line item that is separate and apart from supportive services. Only  
5 housing activities and supportive services are used in calculating the “Housing  
6 Emphasis” points. As such, HMIS requests will not be included in this calculation.

7 **How can we use HUD McKinney-Vento competitive funds to implement and operate a**  
8 **community-wide HMIS?**

- 9
- 10 • Beginning in FY2008, HUD only allows one applicant for dedicated HMIS projects.  
11 This requirement only applies to dedicated HMIS projects and does not apply to non-  
12 HMIS dedicated projects that contain HMIS costs. The CoC is responsible for HMIS  
13 software selection, implementation and administration or for appointing an HMIS Lead  
14 Agency to make these decisions.
  - 15 • The classification of dedicated HMIS projects as their own component is shown in the  
16 Exhibit 2. In the past, HMIS projects were classified as SSO projects. In order to  
17 accurately portray the purpose of these projects, they will be categorized independently  
18 from SSO projects. If your project was funded as an SSO HMIS and you are requesting  
19 renewal funding, you should classify your project as an HMIS, not an SSO project.

20 **What standards will be used for assessing the cost-effectiveness of a proposed new or**  
21 **expanded HMIS?**

- 22
- 23 • HUD has not placed any limits on the size of the grant to fund a new or expanded HMIS,  
24 given the different number and size of homeless providers, the size of the geography  
25 involved, and the varying administrative arrangements required for implementing and  
26 operating a CoC-wide HMIS. However, HUD will look at the scope and reasonableness  
27 of the proposed activities compared to other communities in the cost-effectiveness  
28 review.

29 **How do I shift existing HMIS shared costs from the current supportive services budget to**  
30 **the new HMIS budget?**

- 31
- 32 • If the renewal applicant merely wants to shift the existing HMIS activities from the  
33 supportive services category to the new HMIS activity in the renewal application  
34 submission, it does not need to obtain a grant amendment or approval from the Field  
35 Office. This is because HUD has reclassified HMIS costs from the former supportive  
36 service category to a new, stand-alone HMIS category. You need to briefly describe the  
37 change in Exhibit 2. Additionally, these changes should have been reflected on the final  
38 Grant Inventory Worksheet(s).

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

- 4
- 5 • Yes. You may shift costs to other line items if they are reasonable and necessary to  
6 install the HMIS and operate it. Examples of reasons this may be necessary are if you  
7 have new providers coming into the system and need to purchase new licenses or should  
8 you find you need additional staff training resources. These could be added if reasonable.  
9 However, you cannot increase the amount of the overall renewal grant. If additional  
10 funds are needed for the project, you would have to propose a new expansion project or  
11 have your providers use the shared cost option. You need to briefly describe the change  
12 in Exhibit 2.
- 13 • Additional shifts from the amount approved by HUD on the FY2011 Grant Inventory  
14 Worksheet may be made as part of the grant agreement process and should NOT be done  
15 at time of application in *e-snaps*.

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

- 22
- 23 • Yes. SHP renewals seeking to add new HMIS shared costs can shift funds. If the  
24 renewal applicant merely wants to shift the existing supportive services and/or operations  
25 activities, Field Office approval is not needed if the amount is less than 10 percent of  
26 either the supportive services or operations activities. The change must have been made  
27 in the Grant Inventory Worksheet (GIW). If the amount exceeds 10 percent of either  
28 activity, then the Field Office must approve the change through a grant amendment.

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

- 31
- 32 • The CoC is at the core of planning and service delivery for homeless individuals and  
33 families within any given community or geographic area. Each CoC is responsible for  
34 HMIS implementation, including planning, software selection, set up, and management  
35 of the database according to HUD standards.
- 36 • HUD will only allow one applicant for dedicated HMIS projects. The HMIS  
37 administering agency and/or the applicant /sponsor of a SHP dedicated HMIS project  
38 grant is an agent of the CoC, manages HMIS operations on behalf of the CoC, and  
39 provides HMIS administration functions at the direction of the CoC. Through the  
40 experience of successful HMIS implementations, we have learned that active  
41 participation by CoC members, either through Committee/sub-committee structure or

1 other meetings, in the management of the HMIS process, including establishing policies,  
2 procedures and protocols for privacy, data sharing protocols, data analysis, reporting,  
3 data integrity/validity, etc., are essential to the viability and success of the HMIS.

## 4 **Section O: Performance**

### 5 6 **For renewal projects in a CoC that did not report on the APR, can another source for** 7 **information be used?**

- 8
- 9 • Yes. These renewal projects can use their HMIS database or other project information  
10 available to respond to the performance section.

## 11 **Section P: Reallocation**

### 12 13 **Can an eligible CoC reallocate funds into a new Safe Haven project?**

- 14
- 15 • No. The Hold Harmless Need Reallocation process can only be used by eligible CoCs to  
16 create new permanent housing or dedicated HMIS grants. Safe Havens are not considered  
17 permanent housing and therefore, reallocated funds cannot be used to create this type of  
18 project. Only CoCs who's FPRN is based on HHN or the Hold Harmless Merger process  
19 may seek to use the reallocation process to create new permanent housing projects or  
20 dedicated HMIS projects.

### 21 22 **What is Hold Harmless Need (HHN) Reallocation?**

- 23
- 24 • A CoC whose Final Pro Rata Need is based on its Hold Harmless Need amount, or those  
25 CoCs whose FPRN is based on the Hold Harmless Merger Process, may reallocate funds  
26 in whole or part from SHP renewal projects to create one or more new permanent  
27 housing projects and/or a new dedicated HMIS projects. The HHN Reallocation process  
28 allows eligible CoCs to fund new permanent housing or dedicated HMIS projects by  
29 transferring all or part of funds from existing SHP grants eligible for renewal in FY2011  
30 (those expiring during the period beginning January 1 and ending December 31, 2012).  
31 These new permanent housing projects may be for SHP (one, two or three years), S+C  
32 (five or ten years) and Section 8 Moderate Rehabilitation (ten years). New HMIS projects  
33 may be for one, two or three years.
  - 34 • New permanent housing projects and dedicated HMIS SHP projects being created  
35 through this process will be funded under the selection criteria for renewals described in  
36 Section III.C.4. of the CoC NOFA. Like all projects submitted under the FY2011 CoC  
37 NOFA, these projects must meet eligibility and quality standards established by HUD in  
38 order to be conditionally selected for funding. In addition, these projects must be  
39 prioritized within a CoCs Final Pro Rata Need Amount.
- 40

- 1       • This Hold Harmless Need Reallocation Process is not available to a CoC whose FPRN is  
2 based on Preliminary Pro Rata Need.  
3

4 **If our CoC is in Hold Harmless Need (HHN) status or has a FPRN based on the Hold**  
5 **Harmless Merger Process, must we use the Reallocation Chart to identify new permanent**  
6 **housing projects (non-PH Bonus projects) listed on the CoC Project Listing? And, how**  
7 **should we document all the renewal project(s) that are reduced or eliminated to fund these**  
8 **projects?**  
9

- 10       • CoCs in HHN status, or has a FPRN that is based on the Hold Harmless Merger  
11 Process, must use the reallocation process to create new permanent housing or dedicated  
12 HMIS projects outside the Permanent Housing Bonus process. In *e-snaps*, screens will  
13 be used to document those SHP projects that are being reallocated through elimination  
14 or reduction as well as the new projects that will be created. CoCs must identify **all** the  
15 one-year renewal SHP projects that were reduced or eliminated in order to create the  
16 new permanent housing or dedicated HMIS projects through the reallocation process on  
17 screens in e-snaps. Renewal projects that are eliminated in favor of new permanent  
18 housing or new dedicated HMIS projects cannot be placed on the CoC Project Listing  
19 and are no longer eligible for any future funding as a renewal.  
20

21 **Are there limitations on the types of SHP renewal projects that may be reduced or**  
22 **eliminated?**  
23

- 24       • There are numerous reasons for possible reductions or eliminations of renewal projects.  
25 For example, projects may be under-performing, or there may be a reduced need for the  
26 particular type of project, or mainstream program funding may now be covering a  
27 supportive service that was previously funded from a HUD homeless grant. When  
28 completing the Reallocation forms in *e-snaps* it is important that CoCs take special care  
29 to ensure that the total dollar amount that was reduced and/or eliminated is equal to the  
30 dollar amount requested in the new permanent housing project(s) and dedicated HMIS  
31 projects on this chart.  
32
- 33       • Communities should note that if renewal projects are reduced, then a proportional  
34 reduction in the project scope and the number of persons served can be included as part  
35 of the reduced renewal project's exhibit. Additionally, communities are reminded that if  
36 a Supportive Housing Program renewal project is being eliminated, and it originally  
37 received funding for acquisition, rehabilitation, and/or new construction, the 20-year  
38 "term of commitment" requirement remains in effect as stipulated under the statute  
39 (Section 423.b), and the grantee must continue to operate the housing for homeless  
40 persons according to this section.  
41  
42

1 **How can we use the HHN Reallocation process to implement and operate a community-**  
2 **wide HMIS?**

- 3
- 4 • In FY2011, HUD will only allow one applicant for dedicated HMIS projects. This  
5 requirement only applies to dedicated HMIS projects and does not apply to non-HMIS  
6 dedicated projects that contain HMIS costs. Additionally, CoCs will be able to use the  
7 reallocation process to create new dedicated HMIS projects. The CoC is responsible for  
8 HMIS software selection, implementation and administration. Through its planning  
9 process, the CoC will make the determination of whether or not a new dedicated HMIS  
10 is warranted and which renewal projects will be reduced or eliminated to provide  
11 funding for a new HMIS project.
  - 12 • The reallocation option is being offered in an effort to assist the CoC in better managing  
13 and centralizing all HMIS activities in its CoC-wide system into one dedicated HMIS  
14 project. This option will allow CoCs to remove the HMIS line items from the non-  
15 dedicated HMIS projects and consolidate these costs into a new dedicated HMIS project.  
16 If an existing dedicated HMIS project already exists within a CoC, that provider must  
17 also be the applicant for the new reallocated project, which will serve as an expansion of  
18 the existing project.
  - 19 • The classification of dedicated HMIS projects as their own component is shown in the  
20 Exhibit 2. In the past, HMIS projects were classified as SSO projects. In order to  
21 accurately portray the purpose of these projects, they will be categorized independently  
22 from SSO projects. If your project was funded as an SSO HMIS and you are requesting  
23 renewal funding, you should classify your project as an HMIS, not an SSO project.
- 24

25 **Section Q: Homeless Emergency and Rapid Transition to Housing**  
26 **(HEARTH) Act**

27

28 **How will HUD begin the implementation phases of the McKinney-Vento Act as amended**  
29 **by HEARTH?**

- 30
- 31 • HUD anticipates that the McKinney-Vento Act as amended by HEARTH will be used to  
32 award and administer projects funded beginning with the FY2012 CoC Competition.
  - 33 • HUD will publish proposed regulations for public comment in two phases, as required in  
34 the HEARTH Act. Proposed regulations on the definition of homelessness were issued  
35 first, with the proposed program regulations for the CoC Program, the Rural Housing  
36 Stability Program and the Emergency Solutions Grant Program to be issued subsequently.

37 **What can my CoC do in 2011 to prepare for the anticipated FY2012 implementation of the**  
38 **McKinney-Vento Act as amended by HEARTH?**

39

- 1 • To prepare for the implementation of the McKinney-Vento Act as amended by  
2 HEARTH, CoCs and project applicants should read the McKinney-Vento Act as  
3 amended by HEARTH. The amended Act can be found at [www.hudhre.info/hearth](http://www.hudhre.info/hearth). All  
4 future information published by HUD will be posted here as well
- 5 • Additionally, CoCs and project applicants should:
- 6 ○ Review the CoC's HMIS and identify whether it has the capacity to collect  
7 unduplicated counts of individuals and families experiencing homelessness and  
8 provide information to project sponsors and applicants for needs analyses and  
9 funding priorities. Additionally, the HMIS must be able to accommodate the  
10 increase in users and any unique needs that HMIS may need to develop as ESG  
11 providers will be required to use HMIS;
  - 12 ○ Review the performance measures outlined in the HEARTH Act and begin to  
13 strategize about how the outcomes will be collected at the local level. HUD  
14 strongly encourages communities to consider the CoC's HMIS capacity to collect  
15 the information necessary to report on the selection criteria defined in the  
16 HEARTH Act.
  - 17 ○ If your CoC has not been competitively funded in the past, HUD strongly  
18 encourages you to consider merging with another CoC. HUD has determined that  
19 merging can result in improved coordinator of services, effective HMIS  
20 implementations, more efficient resource allocation and planning, and improved  
21 effectiveness for new resources. Merging also reduces the administrative burden  
22 of applying for funding at the local level. These advantages will help CoCs better  
23 prepare for the implementation of the HEARTH Act.