Office of Special Needs Assistance Programs
U.S. Department of Housing and Urban Development
Continuums of Care Mergers–What to Consider?

I. Background

HUD strongly encourages Continuums of Care (CoCs)–where appropriate–to merge with one or more existing CoCs. Such mergers can result in improved coordination of services, effective Homeless Management Information System implementation, more efficient resource allocation, and planning, and improved competitiveness for new resources. Merging smaller CoCs into a larger CoC also reduces the administrative burden of applying for funding at the local level and reviewing funding applications at the national level. HUD has developed this guide to assist CoCs with making informed decisions about whether to merge, understanding the implications of merging, and identifying the key first steps to accomplish when merging.

II. Things to Consider when Deciding Whether to Merge CoCs

The decision to merge a CoC is made by the CoCs involved. HUD's role is to review the documentation from the CoCs involved to ensure a formal process was followed. This section explores topics that CoCs should consider related to governance, resource allocation, and HMIS implementation when contemplating merging.

A. Governance

Merging CoCs means creating a single governance structure from existing, separate structures. This can be challenging as it can result in existing committees yielding power to different committees that represent the stakeholders and needs of the merged CoC. This can raise concerns for existing stakeholders. It is important consider and address all these concerns in the creation of the new governance structure (which may borrow heavily from existing, effective structures). Steps the CoCs should take include:

1. Determine how the new governance structure can result in better outcomes for the combined geographic area in preventing and ending homelessness. To help accomplish this, answer the following questions:

   a. What benefits do the stakeholders involved expect to gain from merging? How will the governance of the new CoC be structured to reinforce and maximize these benefits?
   b. What are the concerns and fears of the stakeholders of merging? How will the governance of the new CoC be structured to minimize and mitigate these concerns and fears?
   c. Considering the strengths and weaknesses of each of the current, separate CoC structures, planning processes, and decision-making processes, how can the governance of the merged CoC be structured to maintain the strengths and eliminate the weaknesses?

d. How will the governance structure maximize local autonomy and take advantage of effective local infrastructure?

   Tip: A side-by-side comparison of the benefits and challenges of a merger, like the one provided below related to governance, can be helpful in guiding the discussion for your CoCs. This could be completed as a group at a meeting related to merging to help guide the discussion and identify stakeholders' perceptions of benefits and concerns.

Potential Benefits	Potential Challenges
Increased ability to focus on coordination in a multi-county consortium	Planning efforts will increase significantly for a larger jurisdiction
Economies of scale: 1 annual CoC Program Competition application required instead of 2 or more	Potential reduction of local control over program decision-making
Maximize use of CoC Program funds	The transition of activities will require coordination among the CoCs
Performance and competitive edge likely to improve for metro region	A new project review and priority-setting process will be needed for the new multi-jurisdictional CoC
Regional planning enhanced	

2. Designate a new CoC Board and identify the committees that will have decision-making authority to make decisions on behalf of the merged CoC. (Note: while some committees may stay the same, a new CoC Board and new or combined committees will likely have to be created)

3. Designate the CoC's Collaborative Applicant for the combined CoC and assign the Collaborative Applicant responsibilities, considering the organization's capacity and its ability to communicate and cooperate with the CoC and its committees, as necessary.

B. Homeless Assistance System and Resource Allocation

Merging CoCs often means realigning resources over a broader geographic area and developing a process for applying for new funds that considers the entire geographic area involved. Steps the CoCs should take include:

1. Identify the housing and service needs of those experiencing homelessness in the combined geographic area and develop a well-defined and comprehensive strategy to address the community's housing and service needs.
2. Identify how your organizations will reach agreement on the project review and funding priority-setting process for the new CoC. Funding priorities can be the most contentious, and, therefore, the most challenging to reach agreement on and should be thoroughly discussed prior to agreeing to a merger.

C. Coordinated Entry

A CoC is required to have a single coordinated entry process that covers its entire geography. Therefore, merging CoCs will often mean merging the processes, policies and procedures of two different implementations of coordinated entry. Steps the CoC should take include:

1. Identify the organization(s) or CoC committee(s) that will oversee:
    a. the coordinated entry policies and procedures for the newly merged CoC,
    b. the organizations that currently conduct participant outreach, operate access points, provide assessments for resource need and vulnerability, and
    c. coordinate the prioritization and referral processes.
2. Use the [Coordinated Entry Self Assessment tool](#) to help identify key aspects of design, implementation, and management; compare the results against existing CoC practices; and establish a general outline for a set of policies and procedures the CoC must adopt to support the ongoing management of coordinated entry processes and functions in compliance with [CPD-17-01: Notice Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System](#).
3. Develop a unifying set of written policies and procedures to govern coordinated entry for the newly merged CoC. Include a transition plan to help stakeholders adopt to the new policies and procedures.

D. HMIS Implementation

CoC's planning to merge may each have their own HMIS implementations. However, the newly merged CoC is required to have a single HMIS implementation and a single HMIS Lead to manage the HMIS. When merging, CoCs must make important decisions about the HMIS implementation for the merged CoC. Steps the CoC should take include:

1. *HMIS Governance* - Agree on the CoC's HMIS lead, how the HMIS implementation will be structured, and which organization(s) will oversee HMIS policies and procedures for the CoC and communicate regularly with the HMIS Lead?
2. *Financial Management* – Ensure there is sufficient capacity to support users from all merging CoCs and that there are adequate financial resources to support the newly merged CoC.

    a. What resources are currently available to the newly merged CoC, including dedicated HMIS grants, and how do those grants need to be modified to enable the HMIS lead of the newly merged CoC has access to the funds?
    b. What additional resources are required to meet the needs of the newly merged CoC? How will they be acquired?
    c. If the newly merged CoC is incorporating data from different HMIS software, what will it cost to migrate the data and who will pay these costs? Are these funds available or will the CoC need to identify a funding mechanism to pay for these costs?

3. *Vendor Management* – Determine which HMIS vendor the CoC will use and how to incorporate data from other systems, if applicable.

a. How should the CoC determine which HMIS vendor to use when there CoCs are using different HMIS vendors?
b. What steps must CoCs take with existing vendor contracts and what are the implications of changing or ending existing vendor contracts?
c. How will your CoC ensure support during the transition from the all vendors involved and what is the timeframe for this transition?
d. Would HMIS data from all current systems be incorporated into the new HMIS implementation? If so, how, when, and how much data will be merged?

4. *Data Collection and Reporting Requirements* – Identify and resolve potential data collection and reporting issues relative to the merger, including the impact of the merger on HMIS bed coverage rates and participation in the Annual Homeless Assessment Report (AHAR).

III. Reminders

If the merger proceeds, there are some administrative changes that will need to take place. These include:

1. The newly formed CoC will need to update the governance charter to reflect any changes to roles and responsibilities and to document any new policies and procedures the parties agreed to.
2. The newly formed CoC will need to collect and report combined data in the Housing Inventory Count (HIC) and Point-in-Time (PIT) count that immediately follows the approval. The CoC that will no longer exist in HUD's records because of the merger should export and save their HIC, PIT and AHAR data prior to the update to merge the data being programmed into Homelessness Data Exchange (HDX). For the purposes of future competitions and references to data, HUD will combine the data from the CoCs involved in the merger for historical analysis.
3. Existing planning grants will need to be amended to the newly designated Collaborative Applicant.

IV. How to Submit Requests to Merge CoCs

CoCs that choose to merge must notify HUD by sending an email to CoCMerger@hud.gov. Please include a copy of the documents from the CoCs showing that each CoC has approved the merger. If the appropriate processes are followed, HUD acknowledges the merger, provides an updated CoC name, if applicable, and notifies the appropriate parties to ensure that HUD's data systems are updated to reflect the merger.