

Notice of Funding Availability (NOFA)
QUESTIONS AND ANSWERS

*A Supplement to the 2010 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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Questions and Answers

A Supplement to the 2010 Continuum of Care Homeless Assistance

NOFA and electronic Application

To assist in preparing for the 2010 Continuum of Care (CoC) Homeless Assistance electronic application, HUD has developed the following supplemental questions and answers. For convenience purposes, the document is organized so that the topics are grouped by headings. Additional information and training modules will be available at <http://www.hudhre.info/esnaps/>. CoCs and project applicants with additional questions should submit them to the HUD HRE Virtual Help Desk at www.hudhre.info/helpdesk.

A. Highlights and Major Changes for 2010:

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

- Starting with the 2009 competition, HUD adopted a two-part selection and announcement process that will be repeated in 2010. Eligible SHP and S+C renewal projects will be awarded as quickly as possible—sometime during winter 2010/2011. New projects will be awarded separately, after the project threshold review of the new project submissions and the scoring of the CoC application have been completed. This will likely be spring 2011.
- As in 2009, CoCs will not rank renewal projects in *e-snaps*. CoCs will only be required to accept or reject a renewal project. All new project applications must be ranked or rejected by the CoC. HUD will not review any project that was rejected by the CoC.
- Applicants with renewal projects will only be entering or verifying basic project and budget information, and certifying the request of renewal. See Section III.A.2 of the 2010 NOFA for information about eligible renewals.
- In 2010, applicants will be required to enter housing quality and project performance goals for each renewal and new application. The goals will be used to compare actual quality and performance indicated in the Annual Performance Reports (APRs).
- CoCs or project applicants that submitted an Exhibit 1 or Exhibit 2 application in 2009 will be able to bring forward data that was entered in their application from 2009 in 2010. CoCs or project applicants that applied for funding in *e-snaps* in 2008, but not in 2009, will be unable to bring forward information.

- ↓ It is important to note that if the CoC DID NOT select the import option during the CoC registration process then the 2009 Exhibit 1 information was not imported. There will not be an additional opportunity to import the CoC's Exhibit 1 information.
- ↓ One year renewal applicants that submitted an Exhibit 2 in 2009 will be able to import information from their 2009 Exhibit 2 into their 2010 Exhibit 2. e-snaps does not allow 2008 application information to be imported into 2010.
- Hold Harmless Merger Process
 - In 2010, HUD is reintroducing the Hold Harmless Need (HHN) Reallocation process. CoCs in HHN status, and those CoCs whose FPRN is based on the Hold Harmless Merger process, will be able to reallocate funds to new permanent housing and dedicated HMIS projects.
 - In 2010, HUD will use the CoC Hold Harmless Merger policy created in 2009 for calculating Final Pro Rata Need (FPRN). This process ensures that CoCs will not lose FPRN by merging (see Section I.A.4.i of the 2010 CoC NOFA) when at least one of the original COCs has a FPRN based upon HHN and at least one of the original CoCs has a FPRN based upon PPRN. A CoC was required to indicate during the registration process whether it was establishing this type of merger.
 - CoCs that took advantage of the CoC Hold Harmless Merger Process during CoC Registration must request renewals with a grant term of one year and may request new projects for two- or three- year grant terms (5 or 10 year for new Shelter Plus Care or Single Room Occupancy projects). All new and renewal requests must fall within FPRN.
- HUD will require education assurances as part of the FY2010 CoC NOFA
 - The CoC, in Exhibit 1, will be required to demonstrate that it is collaborating with local education agencies to assist in the identification of homeless families as well as informing these homeless families and youth of their eligibility for McKinney-Vento education services. The CoC, in Exhibit 1, will be required to demonstrate that it is considering the educational needs of children when families are placed in emergency or transitional shelter and is, to the maximum extent practicable, placing families with children as close to possible to their school of origin so as not to disrupt the children's education. Project applicants, in Exhibit 2, must demonstrate that their programs are establishing policies and practices that are consistent with, and do not restrict the exercise of rights provided by the education subtitle of the McKinney-Vento Act, and other laws relating to the provision of educational and related services to individuals and families

- The CoC is responsible for attaching the Certification(s) of Consistency with the Consolidated Plan for all projects, new and renewal, which are requesting funding to the CoC portion (Exhibit 1) of the application. CoCs will attach one signed form for each jurisdiction and include a list of all associated new and renewal projects.
- For the 2010 competition, HUD is requiring CoCs to demonstrate its efforts to collaborate with local education agencies to consider needs of homeless children. In addition, CoCs will be asked to describe current efforts at combating homelessness among veterans.
- As in 2009, the calculation of housing emphasis and leveraging for the CoC score will include only eligible new project requests. New this year, CoCs submitted their 2010 Housing Inventory data and Point-in-Time Data, previously submitted in Exhibit 1, directly into a new HUD Homelessness Data Exchange (HDX) web site between May 1-31, 2010. It should be noted that HUD expects CoCs to submit requested data in the Exhibit 1 application, where applicable.
- In 2010, the definition of *Chronically Homeless Person* has been expanded to include families with at least one adult member who has a disabling condition. The family must meet all the other standards for chronic homelessness in Section I.A.4.d. of this NOFA, Definitions and Concepts. For additional information see Section I.A.3.o of this NOFA.
- The reference “homeless families” means homeless households with dependent children.

Continuum of Care Scoring

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

Conditional Selection Priorities

- ↓ HUD’s 2010 selection priorities provides preference, up to \$30 million, to applicants with projects proposing to serve 100 percent rural counties.

- ↓ HUD used the parameters in Section 491(k)(2)(A) and (B) of the HEARTH Act to define a county as rural.
- ↓ To be eligible an applicant must propose to serve 100 percent rural counties and attach the Rural Housing Units Worksheet in its Exhibit 2.
- ↓ HUD encourages CoC that have counties defined as rural to take advantage of these selection priorities and propose projects that will serve underserved rural counties.
- ↓ HUD will fund all eligible one-year S+C and SHP renewal projects. HUD will fund 30% of this year's appropriation to permanent housing projects.
 - To meet this requirement, HUD will include all eligible renewal SHP permanent housing projects.
 - Select eligible, new permanent housing projects within FPRN that propose to serve 100 percent rural counties, in rank order by CoC score
 - Select eligible, new permanent housing projects within FPRN in rank order by CoC score.
- ↓ Select eligible Permanent Housing Bonus projects, in rank order by CoC score.
- ↓ HUD will fund for at least one year, lower-rated eligible dedicated HMIS projects. HUD will fund eligible Transitional Housing and Safe Haven projects that propose to serve 100 percent rural counties, in rank order by CoC score. HUD will competitively fund all remaining projects in rank order, by CoC.

Application Format in e-snaps:

To ensure that the exhibits are completed correctly, CoCs and project applicants should carefully review all training and instructional materials available to them before beginning their applicable Exhibits. *e-snaps* training modules can be located at <http://esnaps.hudhre.info/>. In addition to training materials, there are instructions within and attached to the Exhibit 1 and Exhibit 2 application. CoCs and project applicants are expected to review all applicable instructions related to their portion of the application.

CoCs and project applicants that submitted an application in 2009 could select to have information from their 2009 application brought forward into their 2010 application. CoCs and project applicants that did not apply in **2009** will not have this option.

CoCs and project applicants that have never applied in *e-snaps* and those that applied in *e-snaps* in 2008, but not in 2009, will not have any information in *e-snaps* to bring forward in 2010. All information will need to be entered manually in the Exhibit 1 and Exhibit 2.

- **CoCs and Exhibit 1**—CoCs that applied in 2009 were able to indicate during the 2010 CoC Registration process whether or not they wanted to bring forward 2009 data.
 - CoCs that selected “No” will be required to enter all Exhibit 1 data manually.
 - CoCs that selected “Yes” will have some information brought forward into 2010. However, be advised that there may be additional questions in 2010 as well as

changes to some questions from 2009. Therefore, CoCs must review each question to determine if additional information needs to be added or if the response needs to be revised.

- **Project Applicants and Exhibit 2**—Project applicants that are requesting renewal funding in 2010 for a project that was previously submitted in **2009** will be able to indicate at the point of application whether or not they would like to bring forward 2009 data. To learn how to do so, please review the *e-snaps* training documents posted at <http://esnaps.hudhre.info/>. **Please ensure that all information that is brought forward is carefully reviewed and updated as necessary.**

B. Eligible Persons to be Served:

*Starting with the 2010 CoC Homeless Assistance Grants competition, the definition of a homeless person is as it is defined in the 2010 CoC NOFA. **The definition of a homeless person as defined in the McKinney-Vento Act as amended by HEARTH is not in effect for the 2010 competition.***

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

A person is considered homeless only when (s)he resides in one of the four places described below. Persons assisted in new and renewal permanent housing projects must be homeless and come from:

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

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

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

- e) Eviction within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing; or
- f) Discharge within a week from an institution in which the person has been a resident for ninety-one (91) or more consecutive days and no subsequent residence has been identified and (s)he lacks the resources and support networks needed to obtain housing.

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

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

No. Persons at risk of homelessness are not considered homeless. However, individuals and families that meet criteria e) and f) (see Question 1) may be eligible for SHP Transitional Housing or Supportive Services Only projects. By law, only those persons who are homeless may be served by the programs under the 2010 CoC NOFA. If an organization wants to serve persons at risk of becoming homeless, persons who are “doubled up,” or persons who are “near homelessness,” it would need to use another funding source. HUD administers the Emergency Shelter Grants (ESG) program and the Homelessness Prevention and Rapid Re-Housing Program (HPRP) that can fund homelessness prevention activities for at-risk populations. Other HUD program (i.e., Housing Choice Voucher program, Community Development Block Grant (CDBG) and HOME) serve low-income persons who may be at risk of becoming homeless due to poor housing conditions, overcrowding or other reasons. Contact the local HUD field office in the applicable area for more information on other HUD programs.

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

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

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

4. Can a project serve a homeless youth after becoming a ward of the state?

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

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

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

6. Who does HUD consider to be chronically homeless?

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

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

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

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

The grantee or project sponsor must have written verification from a state-licensed qualified source that the person has such a disability. Qualified sources include medical service providers,

certified substance abuse counselors, physicians or treating health care provider. A disability check from the Social Security Administration may also serve as documentation of a disabling condition.

9. Do Permanent Housing Bonus projects have to meet the same requirements as the former Samaritan Housing Bonus initiative?

No. CoCs will be able to use funds to serve homeless and disabled individuals and families and/or chronically homeless persons. Note, for an SRO applying for the bonus, the homeless individuals are not required to be disabled. Projects that indicate that they are going to exclusively serve the chronically homeless must ensure that all participants meet the eligibility requirements as defined by HUD. Further, these participants must come directly from the streets, emergency shelters, and/or a HUD-defined Safe Haven program. For projects that are not exclusively serving the chronically homeless, all participants must meet HUD's eligibility requirements and can come from the streets, emergency shelters, and/or transitional housing for homeless persons who originally came from the street or an emergency shelter.

Each CoC can submit one or more new permanent housing bonus projects. The Permanent Housing Bonus is limited to 15 percent of a CoC's PPRN or \$6 million, whichever is less. Where permanent housing bonus funds are being requested under the SHP, a minimum of 80 percent of the funds must be used for eligible housing activities (i.e., acquisition, rehabilitation, new construction, leasing, or operations). An applicant may request up to 20 percent of the total of each project's eligible program activities (grant total minus administration costs up to five percent) may be used for case management. No other supportive service activities are eligible for these projects.

As creating new permanent housing beds for the chronically homeless continues to be a HUD priority, CoCs are strongly encouraged to use at least a portion of available bonus funds to create a project that will serve the chronically homeless. Additionally, as creating new permanent housing beds for disabled veterans is a HUD priority; HUD strongly encourages CoCs to use at least a portion of available bonus funds to create projects that will serve veterans.

It should also be noted that the CoCs can not use any remaining PPRN funds to supplement their permanent housing bonus project(s).

10. Can a CoC submit a project servicing chronic and non-chronic persons in the same project?

CoCs will be able to use funds to serve homeless and disabled individuals and families and/or chronically homeless persons. Projects (i.e. grants) that indicate that they are going to exclusively serve chronically homeless persons must ensure that all participants meet the eligibility requirements as defined by HUD. Further, these participants must come directly from the streets, emergency shelters, and/or a HUD-defined Safe Haven program. For projects that are not exclusively serving the chronically homeless, all participants must meet HUD's

eligibility requirements and can come from the streets, emergency shelters, and/or transitional housing for homeless persons who originally came from the street or an emergency shelter.

C. SHP Administrative Costs

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

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

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

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

D. Match Requirements

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

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

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

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

Yes. Projects submitted for renewal with operating costs in its budget must meet the same match requirements as new SHP projects. Match requirements are published in the NOFA annually.

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

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

The supportive services costs match to be paid by the grantee must be a cash resources. The matching funds must be provided to the project by one or more of the following: the recipient, the Federal government, State and local governments, and private resources, in accordance with 42 U.S.C. 11386 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 must be provided in the second and third year of the grant term, if applicable, must be submitted as part of the Technical Submission (the form and content requirements of the cash match documentation and certification are explained in the

applicable exhibits of the SHP Technical Submission). In addition, for new and renewal SHP projects the cash match must be verified in the Annual Performance Report. In-kind services do not count toward meeting this match.

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

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

E. Application

1. To achieve greater geographic diversity in 2010, HUD is giving selection priority to projects 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 2010 CoC NOFA, HUD is defining a rural area at the county level. Therefore, a county will be considered rural if it meets one of the following two tests:

1. No part of the county is within an area designated as a standard metropolitan statistical area by the Office of Management and Budget; or
2. Any county that is
 - a. Within an area designated as a metropolitan statistical area or considered as part of a metropolitan statistical area; and
 - b. 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 FY2010 CoC NOFA. To be eligible for the selection priority in section V.B.2 of the 2010 CoC NOFA, the project must propose to serve 100 percent rural areas as defined by HUD.

2. How will I identify my project as rural so that HUD knows that I am applying for this special selection criteria?

During the 2010 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 2010 Exhibit 2 application must have been identified on the published list of rural counties.

In addition, the project applicant will be required to attach the *Rural Housing Units Worksheet in e-snaps* for the Exhibit 2 application. You may download the *Rural Housing Units Worksheet* template at <http://esnaps.hudhre.info/>. Follow the built-in-instructions, located in the *Rural*

Housing Units Worksheet, to identify the jurisdiction(s) where each of the beds/units will be located if funded in the 2010 CoC Competition.

3. What are the leveraging requirements in the application?

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.

The written commitment must be documented on letterhead stationery, signed and dated by an authorized representative, and must, at a minimum, contain the following elements: the name of the organization providing the contribution; the type of contribution (e.g., cash, child care, case management, etc.); the value of the contribution; the name of the project and its sponsor organization to which the contribution will be given; and, the date the contribution will be available. Written agreements could include signed letters, memoranda of agreement, and other documented evidence of a commitment. The value of commitments of land, buildings and equipment are one-time only and cannot be claimed by more than one project or by the same project in another year. For example, the value of donated land, buildings or equipment claimed in 2009, or before, for a project cannot be claimed as leveraging by that project or any other project in subsequent competitions.

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

HUD reviews each Exhibit 2 application to ensure that the applicant and project sponsor is eligible to apply for the program selected and has the requisite capacity to carry out the project. HUD also reviews the capacity of all other organizations involved with the proposed project. It is therefore imperative to demonstrate that project applicants and sponsors have sufficient capacity. Be sure to answer all of the questions in Exhibit 2 for the applicable program and component type. Nonprofit applicants are required to include documentation demonstrating their eligibility. Renewal applicants that have previously submitted their nonprofit documentation in *e-snaps* are not required to attach it again

HUD also reviews your Exhibit 2 project application to ensure that the project will only serve eligible people, that the activities being proposed are eligible, and, in the case of new projects that the project meets threshold quality standards. You can help ensure that the project passes the quality review by completely answering all of the applicable questions in the project application. These questions relate directly to the NOFA threshold standards so it is important

that you address each and every applicable factor in the exhibit and complete all applicable sections for the program for which you are applying.

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

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

Renewal applicants that submitted a Code of Conduct in FY2008 or FY2009 in *e-snaps* are not required to submit another copy unless the information has been revised. Also, renewal applicants that submitted an application during the FY 2005, FY 2006, or FY 2007 competition, and included a copy of the code of conduct are not required to submit another copy unless the information has been revised. To verify HUD’s receipt of your code of conduct for FY2005 through FY2007, please check the HUD website at <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm>.

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

F. Data Collection Reporting

1. Where can I find information on completing and submitting the Housing Inventory Chart (HIC) and other resources relative to the HIC?

Data collected for the 2010 Housing Inventory and Point-in-Time Counts will not be submitted as part of the 2010 Continuum of Care Exhibit 1 application in *e-snaps*. Instead, CoCs were required to submit the Housing Inventory and Point-in-Time counts in HUD’s new HUD Homelessness Data Exchange (HDX) web site. CoCs will still be scored on both the Housing Inventory and the Point-in-Time count. HUD will consider the information submitted on the HDX as well as related questions in the Exhibit 1.

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

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

1. [HUDHRE.info -- FAQs by Topic](#)
2. [2010 Housing Inventory Instructions](#)
3. [HUDHRE.info -- FAQs](#)

4. [HUDHRE.info -- FAQs by Topic](#)
5. [The Homelessness Pulse Project Second Report](#)

In addition, to review questions and answers that have been submitted to the Virtual Help Desk or to ask your own question, please go to www.hudhre.info/helpdesk.

G. CoC Project Listing

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

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

As stated in the application and the 2010 NOFA, HUD expects your CoC's strategy to be developed by and coordinated with as inclusive of a group as possible. Organizations involved in this process should include nonprofit organizations as well as community and faith-based entities, government agencies, public housing authorities, housing developers and homeless service providers, businesses and business associations, law enforcement agencies, hospitals, funding providers, and homeless and formerly homeless persons. These and other organizations should represent and address the specific needs of each homeless sub-population: the jobless, veterans, persons with serious mental illnesses, persons suffering from substance abuse, persons living with HIV/AIDS, victims of domestic violence, runaway youth and others.

2. Will CoC's be required to rank renewal projects in 2010?

No. CoCs are not required to rank renewal projects. CoCs will be required, however, to accept or reject each renewal project for funding under the CoC. Renewal projects that are rejected by the CoC will not be reviewed by HUD.

The CoC should continuously update its project listings, but not accept or reject projects until it is prepared to submit the application to HUD. Every time you click update ranking or rejection information will be lost. The CoC should update one final time just before submitting the application to HUD. The CoC will be unable to submit its application until it accepts and rejects every project submitted to the CoC.

H. CoC Need Amounts

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

Preliminary Pro Rata Need is the term used to describe the relative portion of national homeless assistance need assigned to a community or group of communities in HUD's CoC competition. The PPRN amount is the expression of relative homeless assistance need in dollar terms for use in a CoC competition. To determine the homeless assistance need of a particular jurisdiction, HUD will use nationally available data, including the following factors as used in the Community Development Block Grant (CDBG) program: data on poverty, housing overcrowding, population, age of housing, and growth lag. The universe of geographies is defined by the universe of jurisdictions used in the CDBG allocation process. Applying those factors to a particular jurisdiction provides an estimate of the relative need index for a jurisdiction compared to other jurisdictions applying for assistance under the CoC Homeless Assistance Grants Program NOFA.

Each year HUD publishes the PPRN for each jurisdiction on the HUD HRE (www.hudhre.info). A CoC's PPRN is determined by adding the published PPRN of each jurisdiction within the HUD-approved CoC. In 2010, HUD will be using the 2009 CDBG allocation. In 2009 there were 4,121 metro cities, urban counties and all other counties that were assigned a Preliminary Pro Rata Need dollar amount. See the section on the Permanent Housing Bonus for details on how a CoC's PPRN is used in calculating the maximum amount of funds a CoC may apply for under this initiative.

The PPRN amount for a CoC is determined as a part of the CoC registration process. This amount is indicated in the CoC's registration information.

2. What is Hold Harmless Need (HHN)?

Hold Harmless Need (HHN) is calculated for every CoC as a part of determining the CoC's Final Pro Rata Need (FPRN) for the 2010 competition. HHN is calculated by summing the Annual Renewal Amount (ARA) for all SHP renewal grants expiring January 1, 2011 through December 31, 2011 (see the NOFA for instructions on how to determine ARA). If there are not any SHP renewals expiring in calendar year 2011, then the CoC's HHN is \$0 for the 2010 CoC Competition. Shelter Plus Care Renewals are not included in HHN Amount.

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

3. What are the geographic jurisdictions that have been added or dropped for the 2010 competition?

Four jurisdictions were dropped for FY2010. In all cases these jurisdictions are added to the county's PPRN:

o Alaska: 020498-Fairbanks (Fairbanks North Star Borough)
o Colorado: 089014-Broomfield County
o Michigan: 260192-Ann Arbor (Washtenaw County)
o Michigan: 262526-Grand Haven City (Ottawa County)
Ten jurisdictions were added for FY2010. 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 <i>e-snaps</i>. These jurisdictions must be claimed by the CoC serving that area in FY2010 in order to include the PPRN amount for that particular geography as part of the CoC's PPRN.
o California: 061728-Indio City (Riverside County)
o California: 062046-Lodi (San Joaquin County)
o California: 062754-Perris City (Riverside County)
o Colorado: 080180-Broomfield City & County
o Georgia: 131713-Johns Creek (Fulton County)
o Indiana: 189097-Marion County
o Louisiana: 229033-East Baton Rouge Parish
o Louisiana: 229055-Lafayette Parish
o New Jersey: 341212-Hammonton (Atlantic County)
o Texas: 482178-Grapevine (Tarrant County)

To view detailed changes to the geographic areas, those areas that were dropped or added, for the FY2010 CoC Competition please visit the HUD HRE at http://www.hudhre.info/documents/FY2010_PPRNAmts.pdf.

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

FPRN is the higher of PPRN or HHN. “PPRN status” is when the FPRN is based on PPRN. “HHN status” is when FPRN is based on HHN. Shelter Plus Care renewals projects are not included in the calculation of FPRN.

The FPRN amount was determined as part of the CoC Registration process.

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

The CoC Hold Harmless Merger Process allows one or more CoCs in HHN status to merge with one or more CoCs in PPRN status without losing any FPRN. To be eligible, CoCs are required to merge 100 percent of the original CoCs geographies into one, larger CoC. During the 2010 registration process, HUD calculated the newly merged CoCs FPRN based on the higher FPRN for each original CoC.

CoCs that have a FPRN based on this Hold Harmless Merger Process will be permitted to submit requests for one-year renewals as well as multi-year new projects using the remaining available PPRN. Finally, CoCs that take advantage of the Hold Harmless Merger Process will be eligible to reallocate existing renewal projects through the Hold Harmless Need (HHN) Reallocation process, even if the newly merged CoC is not in HHN status. For more information on HHN Reallocation, see Section P.

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

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

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

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

I. Special Initiatives

1. Samaritan Housing Initiative:

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

2. Permanent Housing Bonus:

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

- The CoC will be eligible to receive up to a maximum of 15 percent of the CoC's Preliminary Pro Rata Need (PPRN), or \$6 million, whichever is less.
- Projects exclusively serving chronically homeless persons must ensure that all participants meet the eligibility requirements as defined by HUD. Additionally, participants must come directly from the streets, emergency shelters, and/or a HUD-defined Safe Haven program. For projects that are not exclusively serving chronic homeless individuals, all participants must meet HUD's eligibility requirements for permanent housing and must come the streets, emergency shelters, HUD-defined Safe Havens, and/or transitional housing for homeless persons who originally came from the streets or an emergency shelter.

- CoCs may request PH Bonus funds for SHP-PH, S+C TRA/SRA/PRA/SRO, or Mod Rehab SRO projects. For Mod Rehab SRO project, the homeless individuals are not required to be disabled.
- PH Bonus funds should primarily be used for housing activities. However, a project requesting funds through this initiative may request up to 20 percent of the total eligible program activities (minus administration costs up to five percent) for case management costs on the Supportive Services budget. Case management is the only allowable supportive service cost that can be requested for bonus projects.
 - In SHP, housing activities include acquisition, new construction, rehabilitation, leasing of housing and operating costs when used in connection with housing.
 - In S+C and SRO, rental assistance (which is the only activity allowable under these programs) is considered a housing activity.
- For PH bonus projects applying under the SHP and S+C program, the total request—including administration costs—must be equal to or less than the allowable bonus amount for a CoC.
- CoCs that are eligible to use the HHN Reallocation Process (CoCs in HHN Status or CoCs that are newly merged through Hold Harmless Merger) may not reallocate funds into a new PH Bonus project.
- If the CoC is under PPRN status, additional available funds cannot be allocated to a PH Bonus project. See question 3 of this Section for more information.

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

The PH Bonus amount is up to 15 percent of the continuum’s PPRN amount or \$6 million, whichever is less. CoCs were notified of the maximum amount they could request for this initiative during the 2010 CoC Registration process. HUD will only fund PH Bonus projects up to the maximum allowed amount. If a CoC in PPRN status wants to create a project that would exceed the eligible PH Bonus amount, then they will need to submit two separate Exhibit 2 project applications--one for PH Bonus funds and the other using the remaining funds that are within the CoC’s Preliminary Pro Rata Need (PPRN). If a PH Bonus project is submitted that is requesting more than is allowable, the project budget will be reduced.

4. Is it required that the head of household be the qualifying person with the disability for a family in a SHP PH Bonus project?

For bonus projects not proposing to serve the chronically homeless, under the SHP-PH program, the disabled person may be the adult or the minor child in a family. Although the SHP regulations and program statute are silent on this issue, refer to the guidance in the SHP Desk Guide, Section B. Eligible Participants, for the discussion on disability status which covers how to verify and document a disability.

The SHP Desk Guide can be found on the HUD’s Housing Resource Exchange (HRE) website at <http://www.hudhre.info/>.

For bonus projects proposing to serve chronically homeless persons, under the SHP program, the person with the disability must be one adult member of the household. See Section I.A.3.o for more information.

To be eligible for the S+C program, a person must be both homeless and disabled. In the case of a homeless household with children, at least one **adult** member must meet the program definition of disabled.

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

If the CoC requests a new Permanent Housing Bonus project and HUD determines that it is not a permanent housing project, HUD will not reclassify the project resulting in it being rejected. CoCs may create multiple Permanent Housing Bonus projects in 2010 as long as the total amount of funding requested for all bonus projects does not exceed 15 percent of the CoCs Preliminary Pro Rata Need or \$6 million, whichever is less. All Permanent Housing Bonus projects will be funded in order of the project listing, as long as the total for all PH bonus projects does not exceed the allowed bonus allocation. It is not a requirement that a Permanent Housing Bonus project be ranked number one on the new project priority list.

J. Projects

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

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

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

Recipients conditionally awarded funds in the 2010 CoC funding round must have a fully executed grant agreement or, in the case of the SRO Program, Annual Contributions Contract, by September 30, 2012. If a grant agreement or ACC is not executed by that date, the award will be withdrawn. Obligated funds will remain available until September 30, 2017, except that funds for ten (10) year projects (SRO, S+C/SRO, PRA with rehabilitation) will be available until expended. A grant agreement should not be executed until the project is ready to begin activities and serving participants. If operation is not imminent by the September 30, 2012 deadlines, HUD may withdraw funds.

<i>Expenditure Requirements</i>	<i>Obligation Requirements</i>
In order to expend funds within statutorily	The FY2010 HUD Appropriations Act

<p>required deadlines, applicants funded for sponsor-based, and project-based, rental assistance without rehabilitation must execute the grant award and begin providing rental assistance, within two years.</p> <p><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>requires HUD to obligate all FY2010 CoC homeless assistance funds by September 30, 2012, except for \$5,000,000 which is available until expended. All obligated funds remain available for expenditure until September 30, 2017, except funds for rehabilitation projects with ten year grant terms, which remain available until expended.</p>
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Grant terms, and associated grant operations, cannot extend beyond the availability of funds. Applicants must plan accordingly and only submit applications that can start operations in a timely manner with enough time to complete within the awarded grant term. In addition, HUD will take action if the grantee fails to satisfy the timeliness standards detailed in the 2010 CoC NOFA.

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

Identify your project as “new” in the following situations:

- If you are proposing a brand new project that has not previously provided services or supportive housing for homeless persons;
- If you are expanding an existing non-SHP funded project in order to increase the number of homeless persons served (only the expansion is considered eligible for funding);
- If you are making an expansion to an existing SHP funded project in order to increase the number of homeless persons served (only the expansion is considered eligible for funding; see Section M, question #4 of this document, regarding how to apply for renewal and expansion of the same project);

- If you are bringing your project up to code (only activities which are code-related are eligible);
- If you are replacing non-renewable Federal or private funds in an existing project; or
- If you are re-starting an SHP project which received SHP funding in the past, but the SHP funding ended when the project term expired, and the project did not continue to provide services or supportive housing for homeless persons. Please note that development costs cannot be requested under these circumstances.

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

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

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

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

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

If the program is for the provision of scattered site leasing/rental assistance or exclusively for the provision of services and the services provided meet the requirements of an exemption or

exclusion listed at 24 CFR 58.34 or 58.35(b), the responsible entity may determine and record that no further environmental review is required, citing the appropriate exemption or exclusion.

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

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

Project applicants that are state or local governments applying for funds in 2010, and in previous competitions, are asked in Exhibit 2 to verify that they have policies and protocols they have developed/implemented regarding discharges from publicly-funded institutions.

6. How do state and local grantees identify their efforts toward implementing the requirements of that certification?

Project applicants that are state or local governments applying for funds in 2010, and in previous competitions, are asked in Exhibit 2 to verify if they have a discharge planning policy or protocol to prevent or reduce the number of persons discharged from publicly-funded institutions (e.g. health care facilities, foster care, correctional facilities, or mental health institutions) into homelessness or HUD McKinney-Vento funded programs.

One of the ways in which these applicants can demonstrate their efforts towards meeting this requirement is by reducing the incidence of discharges from these institutions into their own CoC funded project.

7. Can project-based or tenant-based Housing Choice Voucher be used in a SHP funded transitional housing program?

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

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

No. Shelter Plus Care (S+C) and new SRO grants may only request 100 percent of the applicable Fair Market Rent (FMR) for the Metropolitan Statistical Area (MSA) and unit size. Although awards are based on the number of units and the FMR amounts for those units, S+C

TRA, SRA or PRA funds can be used to pay actual reasonable rents which could be above or below the published FMR. Where actual rents exceed the published FMR, the grantee will need to demonstrate that the rent is reasonable. Keep in mind that leasing SRA, TRA, and PRA units at rents higher than the FMR may cause problems down the line since the S+C grant amounts are calculated by multiplying the number of units to be assisted by the FMR, not the "reasonable rent." Grantees that draw down amounts that are higher than the FMR awarded are still required to serve the number of people proposed in the S+C application.

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

No. Shelter Plus Care (S+C) and new SRO grants may not request an amount except 100 percent of the applicable Fair Market Rent (FMR) for the Metropolitan Statistical Area (MSA) and unit size. If a grantee draws down rents lower than the awarded FMR then it may use the additional dollars to lease additional units. Note: For PRA and SRO components of S+C and Mod Rehab SRO, a project is capped at assisting the number of units awarded and under contract. An applicant is always obligated to lease at least the number of units specified in the application.

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

Beginning with the 2008 competition, HUD no longer uses the Safe Haven Transitional Housing (SH-TH) or Permanent Housing (SH-PH) classifications. Grantees that have not already changed their classifications that are seeking renewal will have an opportunity through the 2010 NOFA to change the classification of their project without a grant amendment, if necessary. Grantees that are currently operating a HUD funded Safe Haven (TH or PH) should review the required SH characteristics that are defined in the 2010 NOFA to determine if their project still qualifies as a SH or if it needs to be reclassified to either a TH or a PH project. If a grantee determines that its project meets all of the characteristics of a SH, the grantee should identify itself as such in its Exhibit 2 application. For those projects that are identified as a Safe Haven, any chronically homeless person entering the project will maintain his/her status as chronically homeless, and will therefore be eligible for entrance into projects that serve the chronically homeless.

If a grantee determines that its current Safe Haven project does not meet all of the Safe Haven requirements listed above, it must decide whether or not the Safe Haven project would more appropriately be identified as a transitional supportive housing program or a permanent supportive housing program. Grantees should work with their local field offices to determine the correct SHP component of their projects. If reclassification to a SHP-TH or SHP-PH is required, the grantee can make the change during the 2010 CoC application without completing a grant amendment.

Reclassifying to a SH project (from SH-TH or SH-PH) through a grant amendment will allow chronically homeless persons entering these projects to maintain their status, which will allow them to be eligible for projects serving chronically homeless persons.

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

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

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

Yes. In 2008, HUD provided additional conditions regarding using SHP funds to rehabilitate leased properties. These conditions also apply to the 2010 CoC NOFA and are as follows: To rehabilitate a leased property, certain conditions must be met during the Technical Submission and if they are not, the award will be withdrawn. The recipient must have a lease for 25 or more years with a landowner that is not the applicant, project sponsor, a parent or affiliated organization and must submit it to HUD for approval. The landowner must execute and record against the land the lease, and the Use and Repayment Covenant. Under certain circumstances where the useful life of the improvements is greater than 25 years, the recipient must be required to repay the residual value of the improvements.

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

No. By definition, the SSO program cannot provide housing and the conversion to a housing program is an entirely new project requiring a new submission under competitive rules so that the statutorily required quality of the project can be evaluated. CoCs in HHN status, or whose FPRN is based on the Hold Harmless merger process, may use HHN Reallocation in 2010 to reallocate money in SSO programs to new non-bonus permanent housing or dedicated HMIS projects.

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

No. The Certificate of Consistency with the Consolidated Plan is **not** voluntary for new or renewal projects. To complete this requirement, each CoC must have a HUD-2991 signed by the official responsible for submitting the Consolidated Plan on behalf of the State or local government for each jurisdiction that is covered by the CoC certifying that all projects requesting funding within that jurisdiction are consistent with the applicable Consolidated Plan. The CoC shall then create a list of all projects that are located within each jurisdiction within a CoC and attach it to the HUD-2991. The form(s) and the attached list(s) will then be uploaded into e-snaps.

This certification is not voluntary. Each project that requests funding must be consistent with the consolidated plan. CoCs that cover multiple consolidated plan jurisdictions may have a project

that is on more than one list, as it covers more than one jurisdiction. If a HUD-2991 is missing, or if a project is not included on a list, it will be required before the conditional HUD award can be made.

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

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

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

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

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

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

No. The priorities in the e-Logic Model allow a project to identify specific goals and activities. The goals in the APR and the e-Logic Model are not exactly the same, although both target the same larger goal of ending chronic homelessness and moving homeless families and individuals to permanent housing. In completing the e-Logic Model, select and focus on the goals and priorities available from the drop-down menu that most closely relate to the goals and activities of the project. They do not need to match the goals from the APR exactly. Finally, the project's e-Logic Model goals should be consistent with the goals described in the Exhibit 2 project narrative.

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

Yes. All new and renewal projects are required to complete and attach the 2010 e-Logic Model.

19. What types of housing structures can be used for permanent supportive housing?

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

20. When can leasing funds be used?

Under the SHP program, grantees may use leasing funds only when there are actual leasing costs associated with housing or providing services to homeless persons. That is, funds designated for leasing may only be used for the actual costs of leasing a structure/unit. SHP leasing funds may not be used to pay a project sponsor's monthly mortgage obligation or other costs of building

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

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

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

K. Serving Veteran Needs

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

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

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

For the 2010 competition, there is a Permanent Housing Bonus. The bonus amount will be 15 percent of a CoCs PPRN or \$6 million, whichever is less. CoCs will be able to use funds for homeless disabled individuals and families or chronically homeless persons. As creating new permanent housing beds for disabled veterans is a HUD priority, HUD strongly encourages CoCs to use at least a portion of available bonus funds to create a project that will serve disabled veterans.

HUD has committed to moving at least 16,000 veterans per year out of homelessness into permanent housing over the next two and a half years as part of a joint effort with the Department of Veterans Affairs to end homelessness among veterans. In 2010, HUD is asking grantees to redouble their efforts to reach out to homeless veterans, engage them in needed services and move them toward permanent housing as rapidly as possible.

In 2002, HUD released two technical assistance resources addressing the needs of homeless veterans. The first report, "A Place at the Table: Homeless Veterans and Local Homeless Assistance Planning Networks," was updated in December 2005 and is designed to help organizations serving homeless veterans to more effectively participate in the homeless assistance program planning networks in their communities and, in particular, to access resources

through the Continuum of Care planning process. To access this document visit the HUD HRE located at <http://www.hudhre.info/>.

The second report, “Coordinating Resources and Developing Strategies to Address the Needs of Homeless Veterans,” provides information on promising practices for effectively coordinating HUD funding with other resources in order to address the special needs of homeless veterans. Both reports can be found on the HUD HRE located at <http://www.hudhre.info/>. Printed versions of the second report only are available from Community Connections at 1-800-998-9999.

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

For additional information on the HUD Veterans Affairs Supportive Housing Program (HUD-VASH Program), including the Federal Register Notices, the estimated number of vouchers available in your community through this program and the name of the Public Housing Agency (PHA) associated with each VA site, Continuums of Care (CoC) should go to the following website: <http://www.hud.gov/offices/pih/programs/hcv/vash/index.cfm>. CoCs should also contact their local VAMC for specific information about how to refer homeless veterans in their jurisdiction for housing assistance through HUD-VASH.

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

The HUD-VASH Notice to Continuums of Care provides questions and answers to assist CoCs in understanding implementation of the HUD-VASH program. The HUD-VASH Notice can be found at http://www.hudhre.info/documents/HUD_VASH_QA.pdf.

L. Housing Requirements

National Funding Priorities

1. What specifically are the 2010 percentage distributions for all SNAPs programs in this competition?

In accordance with Section 429 of the McKinney-Vento Act, HUD will award Supportive Housing Program funds as follows: not less than 25 percent for projects that primarily serve homeless families with children; not less than 25 percent for projects that primarily serve homeless persons with disabilities; and not less than 10 percent for supportive services not provided in conjunction with supportive housing. After projects are rated and ranked, based on

the factors described above, HUD will determine if the conditionally selected projects achieve these minimum percentages. If not, HUD will skip higher-ranked projects in order to achieve these minimum percentages.

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

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

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

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

M. Renewal Funding

1. What is a renewal grant?

A renewal grant is a grant that continues assistance to a project that received continuous McKinney-Vento funding in the past. For the 2010 competition, a grantee may request renewal funding if it was previously funded under one of the following programs and its grant will expire in calendar year 2011. The following are eligible:

- a. SHP projects, that are expiring during the period beginning on January 1 2011 and ending December 31, 2011;

- b. S+C projects that are expiring January 1 - December 31, 2011, of those that have been previously extended but which are projected to run out of funds in 2011; and
- c. SHP and S+C projects that were originally awarded in 2004 with expiration date of calendar year 2011 or later that have not yet been renewed.

2. Who can apply for a renewal project?

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

Supportive Housing Program Grants

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

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

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

Yes. If a project is eligible for renewal and the grantee wants to apply for funds to renew the existing project and add new activities or expand existing activities to the same project, a separate Exhibit 2 must be submitted for each. That is, an Exhibit 2 should be submitted requesting the renewal of the existing project and a separate Exhibit 2 should also be submitted for the new or expanded activities. In addition, the renewal and new projects will be listed as separate projects on the CoC Project Listing in Exhibit 1. Finally, projects cannot be consolidated until they are expiring in the same operating year. Therefore, the new expanded project cannot be consolidated with the existing renewal project until it applies for renewal the first time.

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

To be eligible for a 2010 SHP renewal, your current HUD grant expires during the period beginning January 1 and ending December 31, 2011. Many grants were awarded with funds for acquisition, rehabilitation, or new construction which must be completed before term activities

can begin. The term ends three years from the operating start date, not three years from the first draw of SHP development (acquisition/rehab) funds.

Term activities are those that are funded for a period of time specified in the NOFA, grant agreement, or HUD renewal guidance under which the grant was funded – such as one, two or three years. Term activities are leasing, operations, HMIS, and supportive services. The term of a grant begins when the grantee begins to serve participants – this is the basis for establishing the operating start date for the project, and is established by the grantee in LOCCS and the term ends when the specified time period for the grant lapses. A grant agreement for a new project should not be executed until the project is ready to begin operating and serving participants.

Review your CoC's 2010 Supportive Housing Program (SHP) Grants Inventory Worksheet (GIW) which has been approved by HUD and confirm whether your project is eligible for renewal in this competition. If the grant is not listed on the HUD-approved SHP GIW, it cannot be submitted for renewal.

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

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

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

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

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

Yes. The need for the continuation of previously funded projects should be considered in the local needs analysis process and a decision should be made locally to allow the continuation of a

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

Note: Projects originally funded for capital costs through SHP grants are still held to the 20 year use requirement even if continued funding is not received through SHP.

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

For the 2010 competition, it was permissible to allow budget shifts in a project as part of the Grant Inventory Worksheet (GIW) process, as long as the grantee followed the field office's process and did not cause the bottom line to increase. If a grantee wishes to move awarded funds between budget activities (i.e., leasing, operating costs and supportive services, and HMIS) after the competition, use the following process:

- Line items shifts of 10 percent or less require a request memo from the grantee to the field office.
- Line items of greater than 10 percent require a request from the grantee to the field office and a grant amendment.

No changes should be made at the time of application in *e-snaps*. All changes must have been reflected on the 2010 SHP GIW(s). Any changes that the applicant wishes to make after the GIW(s) are approved during the CoC Registration process can be reflected during the execution phase of the 2010 grant agreement.

Please remember that there will be changes in the budget amount for some grants whose annual renewal amount was reduced during the 2009 CoC Competition. These changes should be reflected prior to grant execution or after the new grant amendment is in effect.

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

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

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

Shelter Plus Care Grants

11. Are Shelter Plus Care renewal projects a part of the 2010 CoC Competitive Process?

Under the 2010 HUD Appropriations Act, eligible Shelter Plus Care Program (S+C) grants whose terms are expiring in calendar year 2011, or have been extended beyond their original five-year terms but which are projected to run out of funds in calendar year 2011, will be renewed for one-year provided that they are determined to be needed by the Continuum of Care (CoC) and meet other programmatic and financial standards. S+C renewals are submitted as part of the CoC application submission but are funded non-competitively. All S+C renewal applications should be submitted by the deadline and in accordance with the other submission requirements described in the NOFA. A renewal project may consist of no more than one component [i.e., TRA, SRA, PRA, and SRO].

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

Any S+C project whose grant term is expiring in calendar year 2011 (January 1, 2011 – December 31, 2011) is eligible for renewal. In addition, S+C grants that received a 5-year or 10 year extension previously but which are projected to run out of funds in 2011 are also eligible. The effective date of the grant is the date used to determine whether the grant is expiring.

If your initial five (5) - year or ten (10) – year grant term is expiring in 2011 but you do not expect to run out of funds during that year, you may make a request to your HUD field office for an extension. This extension process is independent from the CoC competition. In such a case, contact your HUD field office for information on seeking an extension of your project.

Any (5) - year S+C project that originally received funding in 2004 that has not yet been renewed and will expire in 2011 or beyond must apply for renewal in 2010, even if funds are remaining in the grant. Under no circumstances can these projects be extended beyond 2011.

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

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

Any first time renewal S+C TRA or SRA Project requesting more units than was awarded in the original application must provide HUD with copies of the leases for all units under lease at the time of final approval of the 2010 S+C GIW.

PRA and SRO components may not request a first time renewal for more units than are on the expiring grant agreement. For the S+C/SRO component, use the same FMR method as other renewing S+C project components, the FMR is 75 percent of the 0-bedroom rate. Upon renewal, the unspent balance of funds at the end of the previous grant period will be recaptured. The one-year term of non-competitively awarded S+C renewal projects may not be extended.

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

For S+C grants having been awarded one-year of renewal funding in 2009, the number of units requested for renewal in 2010 may not exceed the number of units funded in 2009. Please be advised that the actual FMRs used in calculating your grant will be those in effect at the time the renewal awards are announced, which may be higher or lower than those used to apply. One year S+C renewal grants cannot be extended.

The number of units eligible for renewal is limited to the number of units applied for in the previous one-year renewal contract. Example: An S+C grant was renewed for the first time for 55 units, as in the previous example. All subsequent renewals are limited to 55 units. If the grantee was able and willing to lease two additional units covering a total of 57 units during the year, the renewal of this grant will still be limited to 55 units. The grantee must ensure that it has sufficient funds to cover the additional 2 units for the longer of either the term of the grant or the voluntary tenancy of the residents of these units. Any shortfall in funding for units not under contract must be provided by the grantee.

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

Reasonable changes to a mix of unit sizes may be undertaken during the grant period for Tenant Based (TRA) or Sponsor Based (SRA) component projects. A program may apply for the actual unit mix under lease at the time of application renewal (as identified on the HUD approved S+C GIW). Example: A TRA grant for 50 one-bedroom units has 5 participants who each reunited with their child and now each require two-bedroom units. The grant may be renewed for 45 one-bedroom and 5 two-bedroom units, for a total of 50 units. This authority does not extend, however, to wholesale changes in the nature of the project. A grantee may not change a TRA or SRA project, for example, from all one-bedroom units (singles) to all three-bedroom units (families), or vice versa. Additionally, projects that were initially awarded as a Samaritan Housing Initiative Bonus project must continue to exclusively serve chronically homeless persons. Project Based (PRA) or Single Room Occupancy (SRO) components are not permitted to change the unit configuration.

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

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

17. Since we may consolidate S+C grants from the 2009 round, how should they be listed for the 2010 round?

If the 2009 S+C grants have already been consolidated prior to the CoC submission of the 2010 S+C Grants Inventory Worksheet, they should have been listed as the one consolidated grant on the 2010 Worksheet following the guidance provided in the built-in instructions. HUD encourages the consolidation of appropriate S+C renewal grants when the grants are under the same grantee, have the same component and expire in the same year. However, renewal requests for expiring S+C grants that have not been consolidated, as reflected on the final Grant Inventory Worksheet(s), should still be submitted as separate Exhibit 2's in *e-snaps* and will be awarded as individual renewal grants. Where the grantee wishes to consolidate the renewal grants, this action may be subsequently accomplished by the field office at the point of renewal grant agreement execution.

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

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

General Renewal Projects

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

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

project at the time it seeks renewal to determine if the project is performing satisfactorily and is meeting the needs of persons it serves.

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

No. SHP, S+C and SRO Permanent Housing Bonus projects funded prior to 2005 were not limited to the chronically homeless. Projects funded with 2005-2008 Samaritan Housing Initiative Bonus funds must serve chronically homeless persons only. Please note, the Permanent Housing Bonus in the 2010 CoC NOFA does not require that grantees serve the chronically homeless.

21. Can projects have more than one project sponsor?

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

N. Homeless Management Information Systems (HMIS)

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

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

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

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

HMIS funds contained in the Training and Technical Assistance line item of the HMIS budget may be used for travel, hotel, and per diem costs associated with the provision of technical assistance and training sessions by local HMIS staff; attendance at training sessions provided by local HMIS staff and/or outside trainers; attendance at HUD-sponsored HMIS training sessions or symposiums; attendance at HMIS vendor-sponsor meetings; and attendance at other HMIS-

related events as qualified and pre-approved by HUD Headquarters. Applicants may be asked to identify the number and type of HMIS training sessions for which they are requesting SHP funds prior to grant agreement. The approved budget will be limited to the reasonableness of travel expenses as listed in 24 CFR Parts 84 and 85.

3. What elements of an HMIS are not eligible?

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

4. Is HMIS a separate eligible funded activity?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Additional shifts from the amount approved on the 2010 Grant Inventory Worksheet may be made as part of the grant agreement process and should NOT be done at time of application in *e-snaps*.

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

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

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

O. Performance

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

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

P. HHN Reallocation

1. Can an eligible CoC reallocate funds into a new Safe Haven project?

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

2. What is Hold Harmless Need (HHN) Reallocation?

A CoC whose Final Pro Rata Need is based on its Hold Harmless Need amount, or those CoCs whose FPRN is based on the Hold Harmless Merger Process, may reallocate funds in whole or part from SHP renewal projects to create one or more new permanent housing projects and/or a new dedicated HMIS projects. The HHN Reallocation process allows eligible CoCs to fund new permanent housing or dedicated HMIS projects by transferring all or part of funds from existing SHP grants eligible for renewal in 2010 (those expiring between January 1 and December 31, 2011). These new permanent housing projects may be for SHP (one, two or three years), S+C (five or ten years) and Section 8 Moderate Rehabilitation (ten years). New HMIS projects may be for one, two or three years.

New permanent housing projects and dedicated HMIS SHP projects being created through this process will be funded under the selection criteria for renewals described in Section V.B.1 of the CoC NOFA. Like all projects submitted under the 2010 CoC NOFA, these projects must meet eligibility and quality standards established by HUD in order to be conditionally selected for funding. In addition, these projects must be prioritized within a CoCs Final Pro Rata Need Amount.

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

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

CoCs in HHN status, or whose FPRN is based on the Hold Harmless Merger Process, must use the reallocation process to create new permanent housing or dedicated HMIS projects. In *e-snaps*, screens will be used to document those SHP projects that are being reallocated through elimination or reduction as well as the new projects that will be created. CoCs must identify **all** the one-year renewal SHP projects that were reduced or eliminated to fund in order to create the new permanent housing or dedicated HMIS projects through the reallocation process on screens in *esnaps*. Renewal projects that are eliminated in favor of new permanent housing or new dedicated HMIS projects cannot be placed on the CoC Project Listing and are no longer eligible for any future funding as a renewal.

4. How can we use the HHN Reallocation process to implement and operate a community-wide HMIS?

In 2010, HUD will only allow one applicant for dedicated HMIS projects. This requirement only applies to dedicated HMIS projects and does not apply to non-HMIS dedicated projects that contain HMIS costs. Additionally, CoCs will be able to use the reallocation process to

create new dedicated HMIS projects. The CoC is responsible for HMIS software selection, implementation and administration. Through its planning process, the CoC will make the determination of whether or not a new dedicated HMIS is warranted and which renewal projects will be reduced or eliminated to provide funding for a new HMIS project.

The HHN reallocation option is being offered in an effort to assist the CoC in better managing and centralizing all HMIS activities in its CoC-wide system into one dedicated HMIS project. This option will allow CoCs to remove the HMIS line items from the non-dedicated HMIS projects and consolidate these costs into a new dedicated HMIS project. If an existing dedicated HMIS project already exists within a CoC, that provider must also be the applicant for the new reallocated project, which will serve as an expansion of the existing project.

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

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

There are numerous reasons for possible reductions or eliminations of renewal projects. For example, projects may be under-performing, or there may be a reduced need for the particular type of project, or mainstream program funding may now be covering a supportive service that was previously funded from a HUD homeless grant. In 2010, CoCs whose FPRN is based on HHN status or the Hold Harmless Merger Process will be able to use HHN Reallocation to reallocate reduced or eliminated SHP grants to new permanent housing projects (not permanent housing bonus projects) or dedicated HMIS projects.

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

Q. Homeless Emergency and Rapid Transition to Housing (HEARTH) Act

1. How will HUD begin the implementation phases of the McKinney-Vento Act as amended by HEARTH?

HUD anticipates that the McKinney-Vento Act as amended by HEARTH will be used to award and administer projects funded beginning with the FY2011 CoC Competition.

HUD will be publishing proposed regulations for public comment in two phases, as required in the HEARTH Act. Proposed regulations on the definition of homelessness were issued first, with the proposed program regulations for the CoC Program, the Rural Housing Stability Program and the Emergency Solutions Grant Program to be issued subsequently.

2. What can my CoC do in 2010 to prepare for the anticipated 2011 implementation of the McKinney-Vento Act as amended by HEARTH?

To prepare for the implementation of the McKinney-Vento Act as amended by HEARTH, CoCs and project applicants should read the McKinney-Vento Act as amended by HEARTH. The amended Act can be found at www.hudhre.info/hearth. All future information published by HUD will be posted here as well

Additionally, CoCs and project applicants should:

- Review the CoC's HMIS and identify whether it has the capacity to collect unduplicated counts of individuals and families experiencing homelessness and provide information to project sponsors and applicants for needs analyses and funding priorities. Additionally, the HMIS must be able to accommodate the increase in users and any unique needs that HMIS may need to develop as ESG providers will be required to use HMIS;
- Review the performance measures outlined in the HEARTH Act begin to strategize about how the outcomes will be collected at the local level. HUD strongly encourages communities to consider the CoC's HMIS capacity to collect the information necessary to report on the selection criteria defined in the HEARTH Act.
- If your CoC has not been competitively funded in the past, HUD strongly encourages you to consider merging with another CoC. HUD has determined that merging can result in improved coordinator of services, effective HMIS implementations, more efficient resource allocation and planning, and improved effectiveness for new resources. Merging also reduces the administrative burden of applying for funding at the local level. These advantages will help CoCs better prepare for the implementation of the HEARTH Act.