



# Implementing the HEARTH Act: The New Continuum of Care Program

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# Continuum of Care (CoC) Program

The CoC Program is designed to:

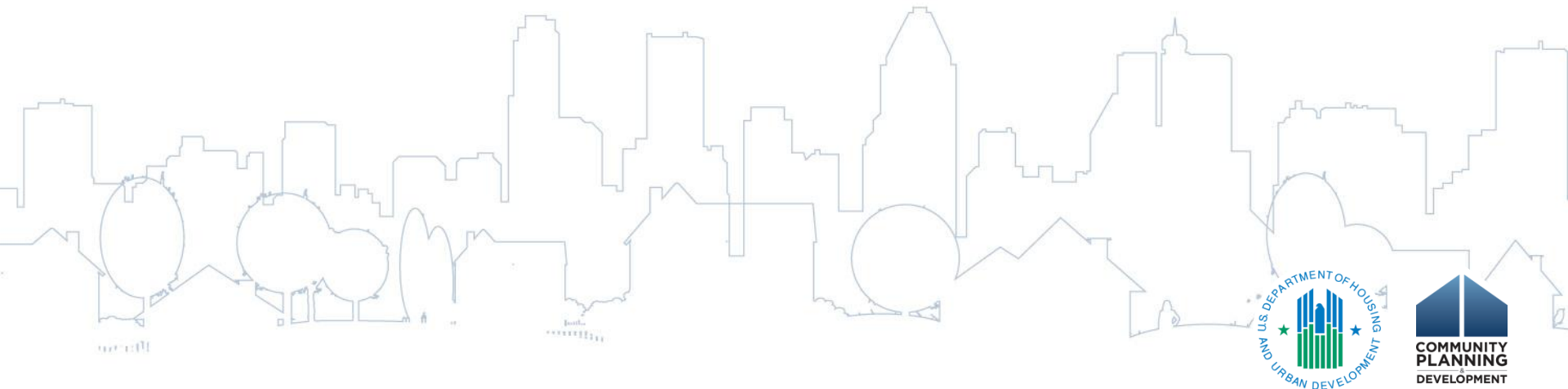
- Promote community-wide commitment to the goal of ending homelessness
- Provide funding for efforts by nonprofit providers, States, and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness



# Continuum of Care (CoC) Program

The CoC Program is designed to:

- Promote access to effective utilization of mainstream programs by homeless individuals and families
- Optimize self-sufficiency among individuals and families experiencing homelessness



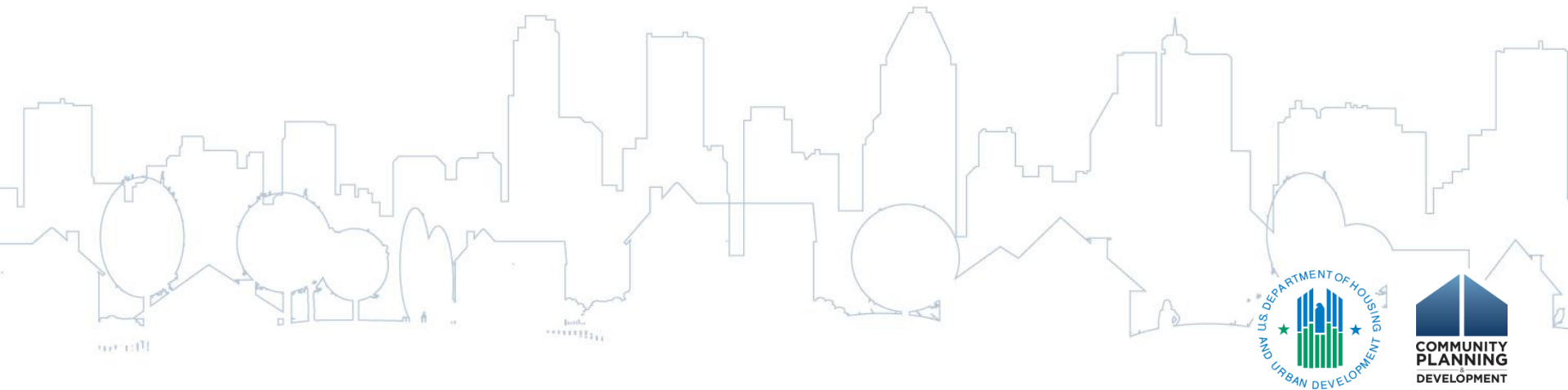
# Continuum of Care (CoC) Program

- The CoC Program rule is organized into seven subparts:
  - Subpart A – General Provisions
  - Subpart B – Establishing and Operating the Continuum of Care
  - Subpart C – Application and Grant Award Process
  - Subpart D – Program Components and Eligible Costs
  - Subpart E – High Performing Communities
  - Subpart F – Program Requirements
  - Subpart G – Grant Administration



# Subpart A

Subpart A contains the purpose and scope of the CoC Program and the definitions section



# Subpart A – Key Definitions

**Continuum of Care (CoC)** means the group organized to carry out the responsibilities under the CoC Program and that is composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons to the extent these groups are represented within the geographic area and are available to participate.



# Subpart A – Key Definitions

**Applicant** means an eligible applicant that has been designated by the CoC to apply for assistance on behalf of the CoC.

**Collaborative applicant** means the eligible applicant that has been designated by the CoC to apply for a grant for CoC planning funds on behalf of the CoC.

**Unified Funding Agency (UFA)** means an eligible applicant selected by the CoC to apply for a grant for the entire CoC, which has the capacity to carry out the duties in §578.11(b), which is approved by HUD and to which HUD awards a grant.



# Subpart A – Key Definitions

## **Centralized or coordinated assessment system**

means a centralized or coordinated process designed to coordinate program participant intake assessment and provision of referrals.

A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertized, and includes a comprehensive and standardized assessment tool.





# Subpart A – Key Definitions

**Permanent housing** means community-based housing without a designated length of stay, and includes both **permanent supportive housing** and **rapid rehousing**. To be permanent housing the program participant must be the tenant on a lease for at least a term of one year, which is renewable for terms that are a minimum of one month long, is terminable only for cause.



# Subpart A – Key Definitions

**Transitional housing** means housing, where all program participants have a signed lease or occupancy agreement, the purpose of which is to facilitate the movement of homeless individuals/families into PH within 24 months. The program participant must have a lease or occupancy agreement for a term of at least one month that ends in 24 months and cannot be extended.



# Subpart A – Key Definitions

The following definitions have been incorporated from other regulations. HUD is not seeking comment on these definitions through the CoC rule:

- At risk of homelessness
- Developmental disability
- Homeless



# Subpart B

Subpart B contains the requirements for establishing the CoC, the responsibilities of the CoC, the process for preparing an application for funds, the process for being designated a UFA, and the remedial action that HUD may take for CoCs that do not meet the criteria of the Act



# Subpart B – Establishing the CoC

- Representatives from relevant organizations within a geographic area shall establish a CoC for the geographic area to carry out the duties of this part.
- The CoC must establish a board to act on its behalf. The CoC must adopt and follow a written process to select the board. The process must be reviewed, updated, and approved at least once every 5 years.



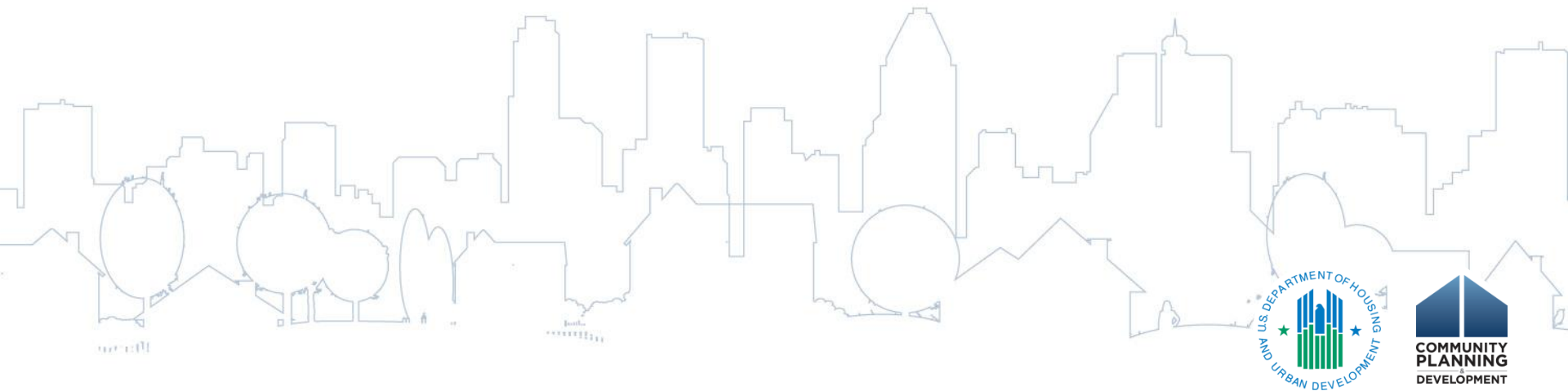
# Subpart B – Establishing the CoC

- The board must have the following composition:
  - Be representative of the relevant organizations and of projects serving homeless subpopulations
  - Include at least one homeless or formerly homeless individual



# Subpart B – Responsibilities of the CoC

- Operate the CoC
- Designate and operate the HMIS for the CoC
- Develop a plan for the CoC



# Subpart B – Responsibilities of the CoC

## Operate the CoC

- Hold meetings at least semi-annually
- Invite new members to join at least annually
- Adopt and follow a written process to select a board
- Appoint additional committees, subcommittees, or workgroups





# Subpart B – Responsibilities of the CoC

## Operate the CoC

- Develop governance charter (with Collaborative Applicant and HMIS Lead)
- Establish and operate a centralized or coordinated assessment system
- Develop written standards for administering assistance



# Subpart B – Responsibilities of the CoC

## Operate the CoC

- Evaluate outcomes of ESG and COC projects
- Consult with recipients/subrecipients to develop performance targets appropriate for population and program type, monitor recipient and subrecipient performance, evaluate outcomes, and take action against poor performers



# Subpart B – Responsibilities of the CoC

## Designate and Operate an HMIS

- Designate a single HMIS
- Designate eligible applicant to serve as an HMIS Lead
- Ensure the HMIS is administered in compliance with HMIS standards



# Subpart B – Responsibilities of the CoC

## Designate and Operate an HMIS

- Review, revise, and approve a privacy plan, security plan, and data quality plan
- Ensure consistent participation of recipients/subrecipients



# Subpart B – Responsibilities of the CoC

## CoC Planning

- The CoC must develop a plan that includes:
  - A coordinated housing and service system
  - Planning for, and conducting a biennial P-I-T
  - Conducting an annual gaps analysis of homeless needs and services



# Subpart B – Responsibilities of the CoC

## CoC Planning

- The CoC must develop a plan that includes:
  - Providing information to the Con Plan(s)
  - Consulting with ESG recipients on the plan for allocating ESG funds and reporting on, and evaluating, performance of ESG recipients/subrecipients



# Subpart B – Preparing an Application for Funds

- When preparing an application for funds the CoC must:
  - Design, operate, and follow a collaborative process for the development of applications
  - Approve the submission of applications in response to the NOFA



# Subpart B – Preparing an Application for Funds

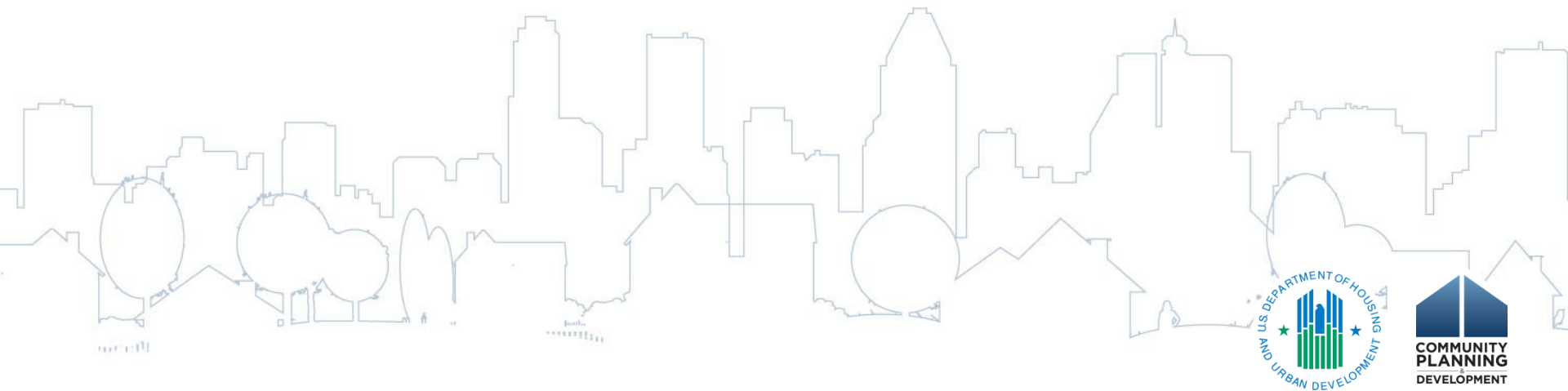
- When preparing an application for funds the CoC must (cont):
  - Establish priorities for funding projects
  - Determine if one application for funds will be submitted for all projects or if more than one application for projects will be submitted





# Subpart B – Unified Funding Agency

To be designated a UFA, a collaborative applicant must be selected by the CoC to apply to HUD to be designated as the UFA for the CoC.



# Subpart C

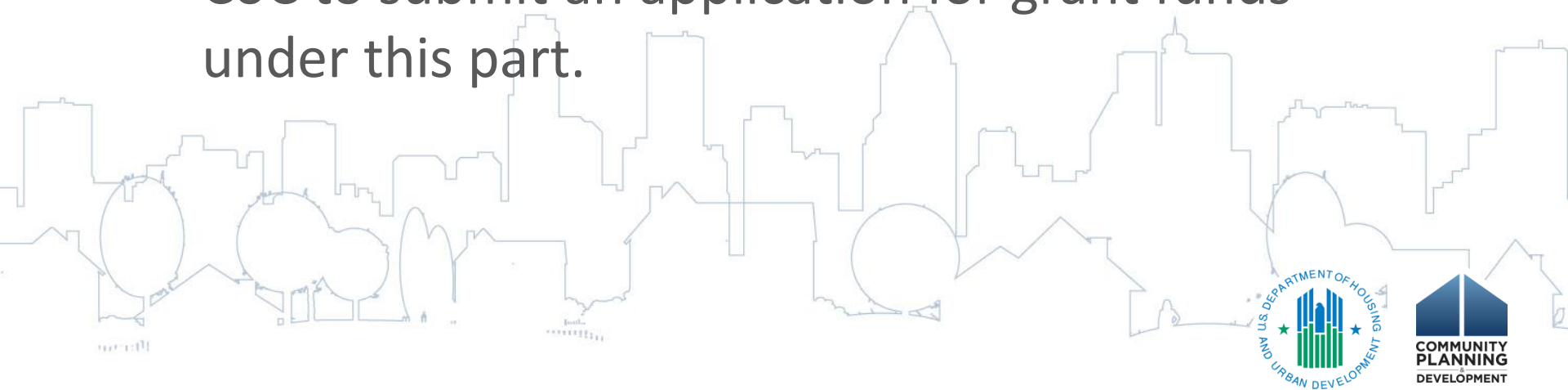
Subpart C contains the eligible applicants and the process for applying for and awarding funds, including the process for receiving a grant agreement after an applicant has been conditionally awarded funds and special provisions for renewal projects. Subpart C also contains the requirements for appealing funding decisions made by the CoC, the consolidated planning jurisdiction, and HUD.



# Subpart C – Eligible Applicants

Eligible applicants are nonprofit organizations, States, local governments, and instrumentalities of State or local governments.

Eligible applicant(s) must be designated by the CoC to submit an application for grant funds under this part.



# Subpart C – Establishing Maximum Award Amounts

HUD will first establish the Final Pro Rata Need (FPRN) amount. This is the higher of:

- The Preliminary Pro Rata Need amount
- The Renewal Demand amount

Then, HUD will apply FMR adjustments as well as include any amounts for CoC planning, UFA costs, and bonuses



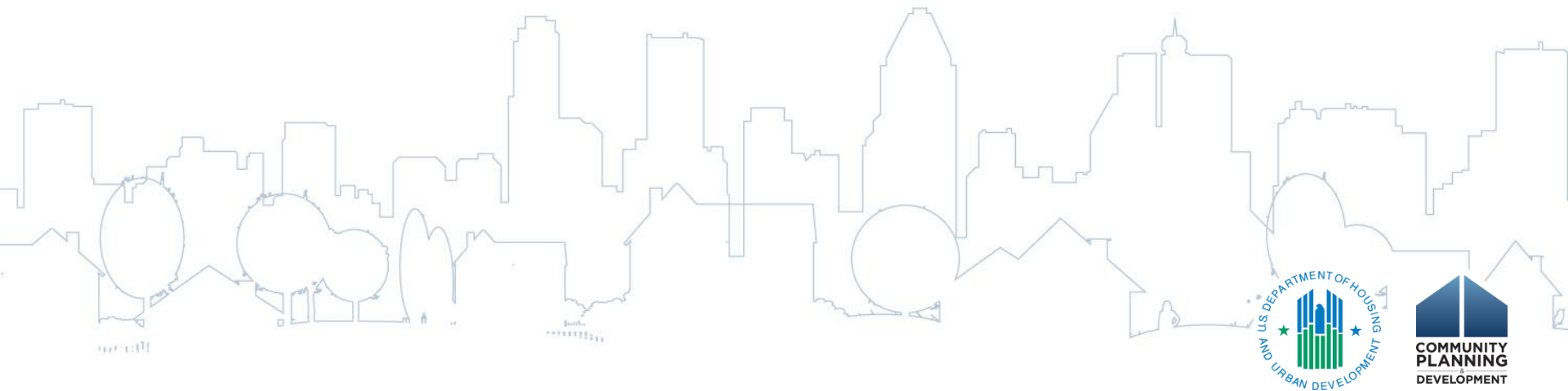
# Subpart C – Applying for and Awarding Funds

- Annually, HUD will issue a NOFA.
- Applications must be as detailed in the NOFA.
- HUD will review applications in accordance with the guidelines provided in the NOFA and section 427 of the Act.
- HUD will announce awards and notify selected applicants of any conditions imposed on awards.



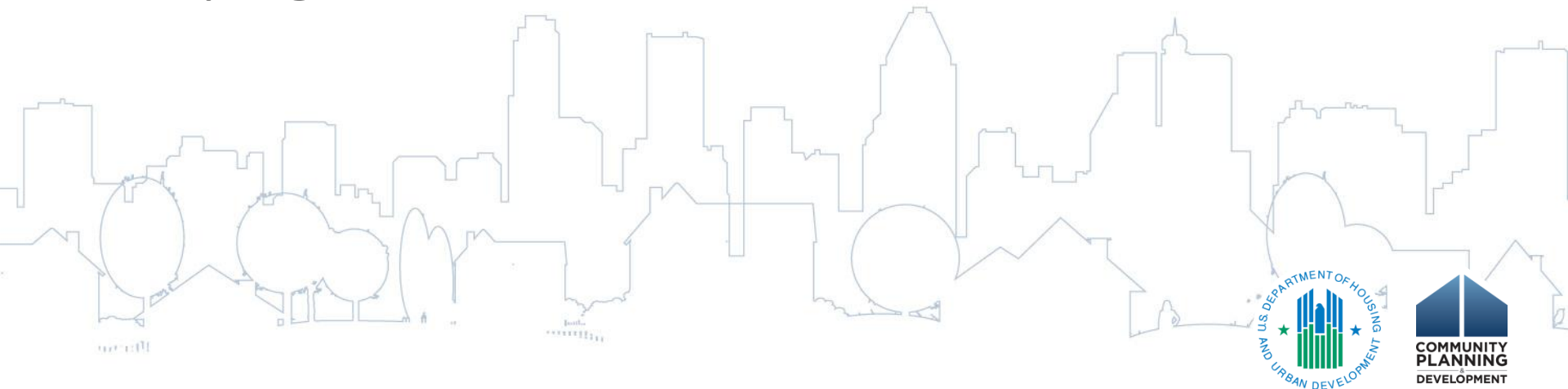
# Subpart C – Renewals

- SHP or S+C programs may be renewed to continue ongoing operations beyond the initial funding period, even if they would not be eligible for a new grant under this program.



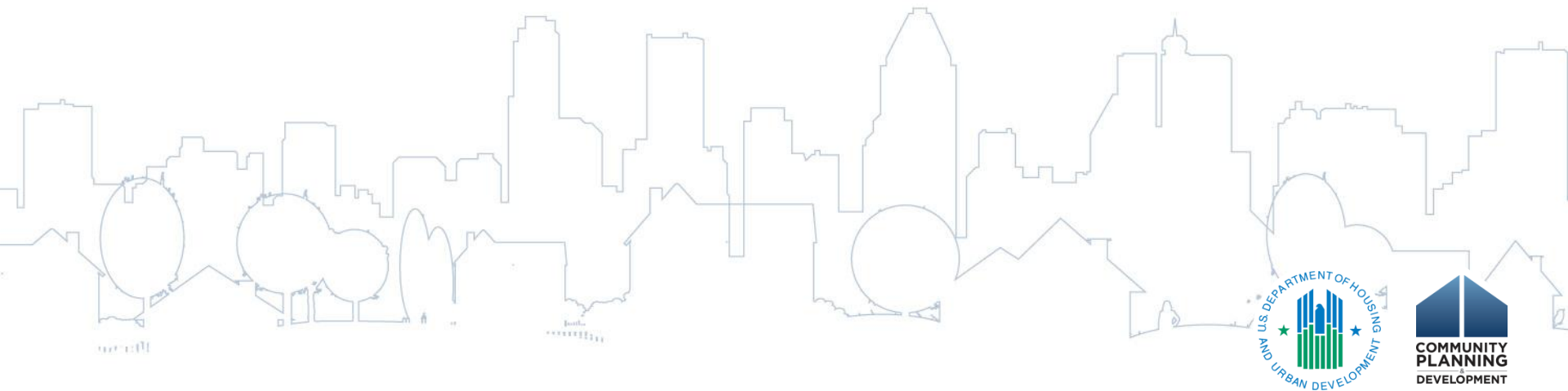
# Subpart C – Renewals

- Eligible projects may be renewed for 1-year even if the application of which it was a part was not funded, despite having been submitted as detailed in the NOFA if the project meets the purposes of the CoC program.



# Subpart D

Subpart D contains the program components and eligible uses of assistance for funds in this program





# Subpart D – Program Components

The interim rule establishes five components through which funds may be awarded:

1. Permanent Housing
2. Transitional Housing
3. Supportive Service Only
4. HMIS
5. Homelessness Prevention



# Subpart D – Program Components

## Permanent Housing (PH)

PH includes **Permanent Supportive Housing for Persons with Disabilities (PSH)** and **Rapid re-housing**.

Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, supportive services, HMIS, and project administration.



# Subpart D – Program Components

## Transitional Housing (TH)

TH facilitates the movement of homeless individuals and families to PH within 24 months of entering TH.

Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, supportive services, HMIS, and project administration.



# Subpart D – Program Components

## Supportive Service Only (SSO)

Provides services to individuals and families where the recipient/subrecipient is not also providing housing or housing assistance.

Funds may be used for acquisition, rehabilitation, or leasing a facility from which supportive services will be provided, supportive services, HMIS, and project administration.



# Subpart D – Program Components

## Homeless Management Information System (HMIS)

**Funds may be used by HMIS Leads** to lease a structure in which the HMIS is operated and other costs found in the rule for HMIS leads.



# Subpart D – Program Components

## Homelessness Prevention

**A CoC must be designated a HUD-approved HPC to use CoC funds for Homelessness Prevention.**

Funds may be used for short- and/or medium-term rental assistance and housing relocation and stabilization services as set forth in the ESG program, HMIS, and project administration.



# Subpart D – Eligible Costs

The interim rule establishes 12 categories of eligible costs:

1. CoC Planning Activities	7. Rental Assistance
2. UFA Costs	8. Supportive Services
3. Acquisition	9. Operating Costs
4. Rehabilitation	10. HMIS
5. New Construction	11. Project Administration
6. Leasing	12. Relocation Costs



# Restrictions on Combining Funds

The following types of assistance may not be combined in a single structure:

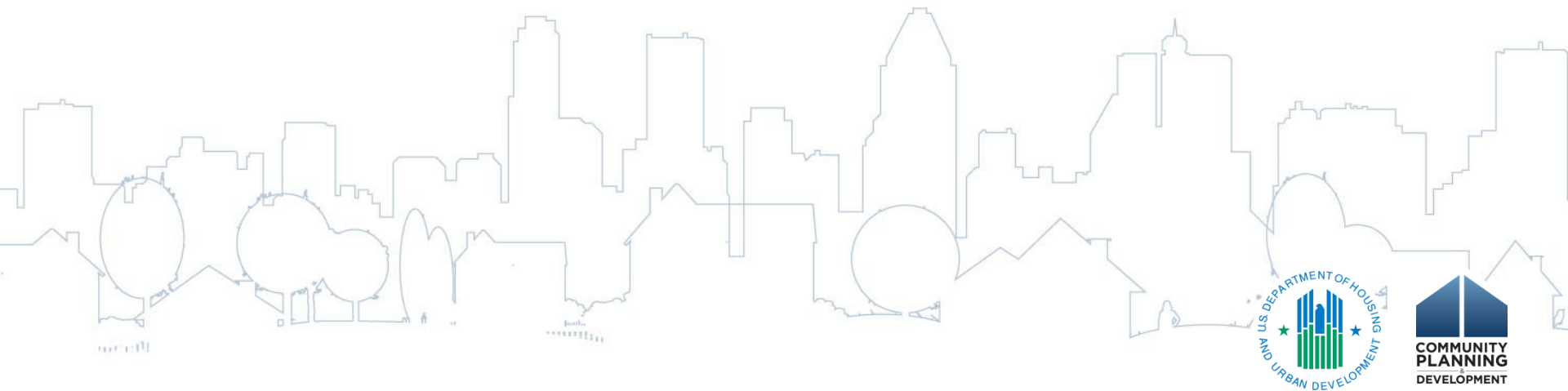
- Leasing and hard costs
- Tenant-based RA and hard costs
- Short- or medium-term RA and hard costs
- RA and leasing
- RA and operating





# Subpart E

Subpart E contains the standards a CoC must meet to apply to become a High Performing Community (HPC), the application process, and the eligible activities a recipient may carry out if the CoC is designated an HPC.



# Subpart F

Subpart F contains the program requirements that apply to all funds awarded under this program. This includes the matching requirements, housing standards, calculation of rent and occupancy charges, limitations on funds, timeliness standards, and other federal requirements.



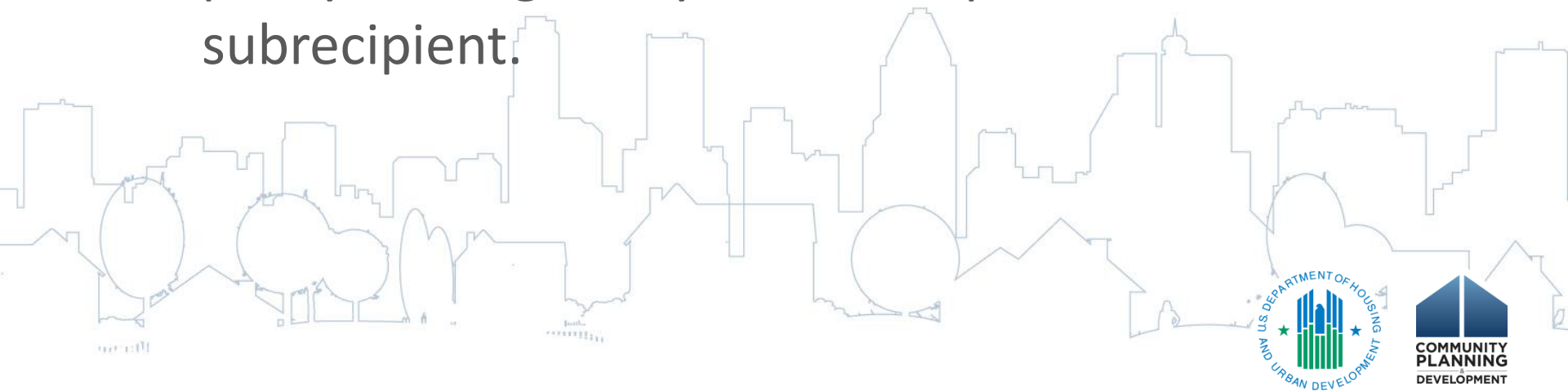
# Subpart F – Program Requirements

- **Match** - Funds, except leasing, must be matched with no less than 25% of funds or in-kind contributions from other sources on a grant-by-grant basis.
- **Housing Quality Standards (HQS)** – housing leased by CoC funds, or for which rental assistance payments are made using CoC funds, must meet HQS.



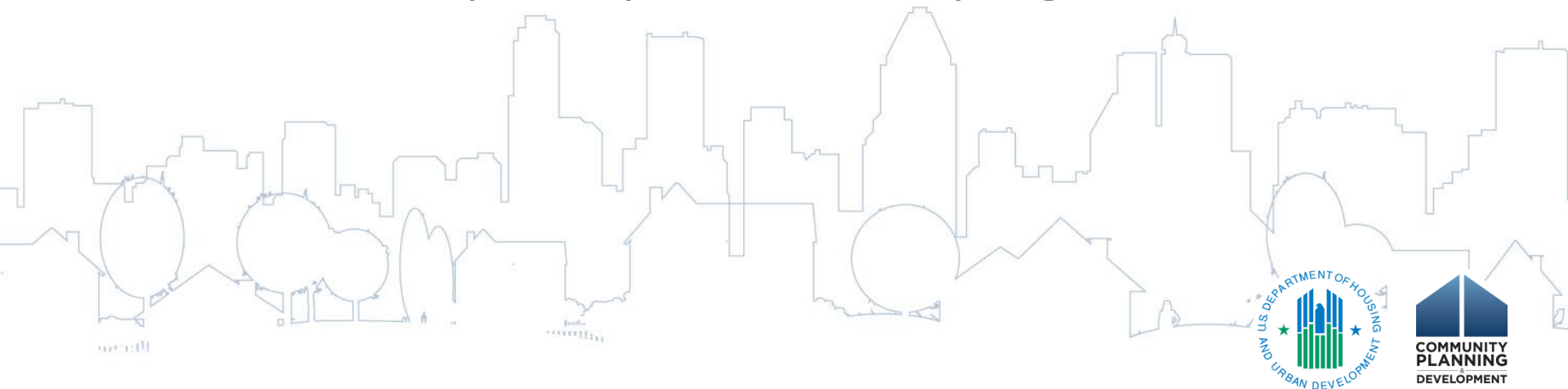
# Subpart F – Program Requirements

- **Participation of homeless individuals** – each recipient and subrecipient must provide for the participation of not less than 1 homeless individual or formerly homeless individual on the board of directors or other equivalent policy making entity of the recipient or subrecipient.



# Subpart F – Program Requirements

- **Supportive Service Agreement** – Recipients and subrecipients may require the program participants to take part in supportive services that are not disability-related provided through the project as a condition of continued participation in the program



# Subpart F – Program Requirements

- **Timeliness Standards –**
  - Construction Activities – Must begin within 9 months of signing the grant agreement and must be completed within 24 months of signing the grant agreement.
  - Activities that could not begin until after construction activities are completed must begin within 3 months of the date the construction activities are completed



# Subpart F – Program Requirements

- **Distribution of Funds – A recipient must:**
  - Distribute funds to subrecipients
  - Distribute the appropriate portion of funds to subrecipient **no later than 45 days** after receiving an approvable request
  - Draw down funds **at least once per quarter of the program year**



# Subpart F – Program Requirements

- **Termination of Assistance –**
  - Recipients/subrecipients may terminate assistance to a program participant who violates program requirements or conditions of occupancy.
  - Recipients must follow written due-process
  - Recipients/subrecipients providing PSH for hard-to-house populations must exercise judgment and examine all circumstances





# Subpart G

Subpart G contains the standards recipients must adhere to when administering grants under this program. It includes recordkeeping requirements, requirements for making and documenting grant and project changes, sanctions, and close-out procedures.



# Subpart G – Recordkeeping Requirements

The recipient and its subrecipients must establish and maintain standard operating procedures to ensure that funds are used in accordance with the requirements in this interim rule and must maintain sufficient records to enable HUD to determine whether the recipient and its subrecipients are meeting the requirements of this part.



# Resources

- Up to date information regarding the McKinney-Vento Act programs, including a copy of the McKinney-Act amended by the HEARTH Act, the ESG interim rule, the CoC interim rule, , and TA materials can be found at <http://www.hudhre.info/hearth/>
- Notification of the availability of future information will be released via HUD's Homeless Assistance listserv. To join HUD's listserv, go to <http://www.hud.gov/subscribe/maillinglist.cfm> and click on "Homeless Assistance Program"



# Questions

Submit Questions to HUD's Homeless Resource Exchange  
Virtual Help Desk at:

<http://www.hudhre.info/index.cfm?do=viewHelpdesk>

Please note: Due to the high volume of questions, please read the regulations and the training materials provided prior to submitting your question to the Virtual Help Desk.

