

### **Continuum of Care Application**

**1. Question: On the HUD website, is that the correct and final version of the CoC application?**

**Response:** Yes, an accurate version of the CoC application is currently on HUD's website. Field Offices are given only a small supply of application kits that are not sufficient for general distribution.

**2. Question: If the community's CoC application is submitted prior to the July 15, 2003 deadline will it be reviewed early or are all application held and reviewed after July 15?**

**Response:** The review process for all applications received on time will begin after the submission deadline.

**3. Question: In the NOFA for the Continuum of Care, on page 21589, the statement reads, "HUD is establishing a limitation of 25 pages..." In the application and Q&A sections, the limitation is stated as 30 pages. We are directed, in situations of conflict, to adhere to the NOFA instructions. Please clarify.**

**Response:** The page limitation for Exhibit 1, the Continuum of Care narrative is **30** pages. The 25-page limitation indicated in the NOFA is an error. A technical correction will be published in the Federal Register shortly.

**4. Question: We ordered the application book some time ago and it has not arrived. When will they be sent?**

**Response:** The CoC Application Kits were attached as Appendix B to the SuperNOFA, which is available for download on the Internet at <http://www.hud.gov>.

**5. Question: Are there any differences between the printed and downloaded versions of the application?**

**Response:** There should be no differences between the printed and downloaded versions of the application.

**6. Question: The section on frequent errors notes that using the correct Form 424 is important. Is there more than one form 424 and if so, where can it be accessed?**

**Response:** The HUD-424 is found in the application kit immediately following the Q&A Supplement. This frequent error refers to either a sponsor filling out the HUD 424 for their project or the applicant in a consolidated or associated application filling out the HUD 424 for a request for renewal when they are not the current grantee. Only the current **grantee** may request renewal and therefore only the current **grantee** should complete the HUD 424.

**7. Question: How do we fill out the Funding Matrix, columns 1, 2 and 3?**

**Response:** The Funding Matrix is not required in the Continuum of Care application. However, the authorized signature on the second page of the HUD-424 (which includes the funding matrix) is required.

**8. Question: How do applicants organize their application?**

**Response:** Assembly of the application can be found on page 21597 of the CoC application. If you have a SHP renewal project, then follow the instructions for SHP renewals and place the entire assembled renewal project into your larger application, if you are submitting a consolidated application. The assembled SHP renewal project will be placed in the #4 spot (i.e., "Project exhibits including ...") as indicated in the application.

**9. Question: Where does the Logic Model fit into the application process?**

**Response:** The Logic Model is not required in the Continuum of Care application process.

**Continuum of Care: Exhibit 1**

***PRO RATA NEED & THE PERMANENT HOUSING BONUS***

**1. Question: In determining the permanent housing bonus for our CoC, must we use the Preliminary Pro Rata Need or the Renewal Adjusted Pro Rata Need?**

**Response:** Every CoC must use the Preliminary Pro Rata Need for calculating the size of the permanent housing bonus they are eligible to apply for. Remember that only housing costs and administration qualify for the permanent housing bonus in the number one project.

**2. Question: Would HUD reserve the right to increase a CoC's Pro Rata Need to 25 % above the need amount? Is there a cutoff of this increase or is this a potential increase of Pro Rata Need for renewal entirely at the discretion of HUD?**

**Response:** No. HUD is bound by the rules for calculating PRN by the rules specified in the NOFA and the application materials. There is no limit on the renewal adjustment other than HUD will only provide a renewal adjustment for a one-year term on SHP projects eligible for renewal.

**3. Question: If your Pro Rata Need is \$250,000 and you have \$250,000 in renewals, and your first project is \$250,000 for only housing and administrative costs within a permanent housing project, so that you receive a \$250,000 bonus, does that mean that both projects can be funded?**

**Response:** The answer to this question is yes *IF* (1) the CoC's initial PRN is 250,000 **and** (2) all \$250,000 requested for the PH bonus is for housing activities (leasing, new construction, acquisition, rehabilitation, operations), rental assistance, and administration.

**4. Question: If we have two projects up for renewal and both go in for 2 years but that puts us over our Pro Rata Need, will the second project get full, partial or no funding?**

**Response:** Please carefully read the project selection criteria laid out in Section V, "Application Selection Process" at (A) (7) of the NOFA. Also, carefully review the step by step process of determining and applying PRN described in Section J of the Questions and Answers section of the CoC application Kit.

**5. Question: We have 2 projects that are up for their one-year renewal. Can a project apply for a multi-year renewal, when the original contract was only for one**

**year? How does a change in renewal year from 1-3, impact the jurisdictions ability to fund each renewal, as renewals exceed the pro rata need?**

**Response:** Yes. A project can apply for a multi-year renewal when the contract was only for one year. However, be aware of the impact such a change could have regarding the computation of Pro Rata Need, especially the renewal adjustment.

**6. Question: Several CoCs are considering “swapping” new housing project applications for existing supportive service only projects in order to increase their housing emphasis points. If renewal projects are deleted from the continuum, what consequence does it have on the Pro Rata Need, and especially the renewal adjustment bonus?**

**Response:** If an existing renewal project is deleted from the priority list entirely, then it cannot be utilized in calculating a possible renewal adjustment to Pro Rata Need. However, renewal projects could be placed below the Pro Rata Need line to permit their dollars to be counted for the renewal adjustment while still allowing their dollars to be used for a new project above the Pro Rata Need line.

**7. Question: When discussing the SHP Permanent Housing Bonus, you distinguished that operations costs are those eligible when connected with housing. Would the bonus cover costs of a permanent housing program director or a permanent housing program case management supervisor who might not be directly working with clients?**

**Response:** The project director or supervisor will likely have time split between the supervision of the supportive service providers and the maintenance staff of a facility. The time spent supervising the actual operations of the housing (maintenance, equipment, insurance, etc) can be allocated to the operations line item, but the time spent supervising the service providers would be included in the supportive services line item.

**8. Question: Are administrative costs included under housing activities for the purpose of the Permanent Housing Bonus?**

**Response:** Yes. SHP administrative costs for an eligible PH bonus project will be included together with all housing activities in determining what is countable towards the PH bonus. Housing activities include: rental assistance, acquisition, new construction, rehabilitation, leasing and operating costs.

**9. Question: What part of the SHP administrative costs will be covered by the permanent housing bonus: 5% of the total project budget, or 5% of the housing costs only?**

**Response:** The total amount (the 5% included on the line item in the budget) will be counted toward the Permanent Housing bonus.

**10. Question: If I qualify for the \$750,000 new housing bonus money, is there a standard that HUD expects for the number of beds to be projected with that amount of money?**

**Response:** No. However, HUD would expect that the number of beds proposed would be cost effective when compared to the dollars requested.

### ***CONTINUUM OF CARE PLANNING***

**1. Question: In Section 2d of Exhibit 1 (the CoC organization chart), are we just to indicate subpopulations listed in the key or can we include other subpopulations that might be represented?**

**Response:** The key represents the major subpopulations served by the homeless programs. An organization/entity should only provide one or two subpopulation(s) that they primarily serve and whose interests they are specifically focused on representing.

**2. Question: What is the appropriate entry for a State and local governmental entities and businesses in the chart on community process concerning subpopulation representation when these entities serve all homeless?**

**Response:** The column does not need to be completed if the entity is generally representing all homeless persons. That CoC participant only uses the subpopulation to identify a specific claim of representation for one or more subpopulations.

### ***DISCHARGE PLANNING***

**1. Question: Can you provide examples of types of activities that are considered valid or useful in terms of addressing the plan for negotiating discharge planning activities with state and local government entities such as prisons and state mental institutions?**

**Response:** Several examples are discussed on page 21687, Section Q – “Strategies for Discharge Planning Policy”, in the Q & A section of the CoC Application Kit. Other activities and ideas are discussed in the State action plans generated during the Homeless Policy Academies: “Improving Access to Mainstream Resources” that have been jointly funded by HUD, HHS, and VA. The action plans are available on the Housing and Urban Development website: <http://www.hud.gov/offices/cpd/homeless/chronic.cfm>.

**2. Question: Could you please provide additional guidance on the discharge planning policy request? How detailed of a narrative does this need to be and what needs to be included in this piece?**

**Response:** HUD does not have any detailed guidance to provide concerning the discharge policy narrative other than what we request in the application. It is HUD’s intent to permit CoCs to have maximum flexibility to fashion an approach to this issue and describe that approach in the required narrative. Please note that HUD is not requesting that the communities Discharge Plan be submitted in response to this question.

### ***HOUSING ACTIVITY AND GAPS***

**1. Question: Regarding the chart identified as "Fundamental Components in CoC System – Housing Activity Chart": could you please clarify how to fill out the section entitled *bed capacity* under *families with children*. Do you use the number of beds occupied by the family members (such as 5 beds for a family of five) or do you use as your count one bed for the entire family of five? Which method is correct?**

**Response:** Capacity is measured for families with children by beds. The measure is the beds in the facility not the units in the facility. For example, a facility might have 10 family

units with a total of 40 beds. The 40 beds is the appropriate number for completing the families with children column.

**2. Question: In the instructions, it indicates that we should not count people who are doubled up in conventional housing. However, we have quite a few people that jump from one place to another and just happen to have shelter with friends on the night of the survey.**

**Response:** We are most interested in getting a point in time count of how the homeless service system is being utilized. In an effort to get this, we are only looking for data from a point in time: who is in an emergency shelter, transitional housing, or sleeping on the street at that given point in time. When we look at these numbers we understand that they are numbers from a point in time count and differ from the kind of results that we might see in a longer count done over several days or weeks. For our purposes, we are not looking for this count to cover those who are doubled up.

**3. Question: There are a few programs that were included on our Housing Activity Chart in 2002 that are not providing emergency and transitional housing in 2003. May we just eliminate them entirely from the chart, or should we list them for 2002, but not for 2003?**

**Response:** Please feel free to correct your base 2002 list. We are aware that many CoCs are revising their 2002 emergency, and permanent housing lists. Some communities made mistakes in listing certain programs that did not have beds or listed facilities that do not meet the 2003 directions. One balance of state CoC incorrectly listed every bed in the entire State including those that were listed in other CoCs. Please make these corrections in your base 2002 list. There is no penalty for correcting the 2002 list this year. The intent is to get as precise and correct inventory as possible and measure changes in it over time. Therefore, please do any "catch-up" corrections in one step this year in the 2002 list.

**4. Question: May we use the old Gaps Analysis Chart from the 2002 competition?**

**Response:** You **must** complete the new Housing Activity Gaps Analysis Chart according to the instructions provided.

**5. Question: Please clarify where you would reflect the McKinney-Vento Act funds received by our community – if it is not shown as a Mainstream Resources, where do we show it?**

**Response:** There are several places in the Continuum of Care exhibit that will reflect your McKinney-Vento Act funds. The emergency shelters and services received from the ESG program will be listed on your "Housing Activity Chart" and your "Service Activity Chart." Projects receiving funds through the Supportive Housing Program, Shelter Plus Care, or Section 8 SRO program will report through their APR in the "Supplemental Resources" section. And permanent housing projects from these funding sources are included in the "Housing Activity Chart."

### ***HOMELESS POPULATIONS & SUBPOPULATIONS***

**1. Question: For the chart identified as "Continuum of Care: Homeless Population and Subpopulations Chart" could you please provide a definition and/or the method that should be used to fill out this chart for the count?**

**Response:** HUD has not specified a correct or preferred methodology for completing the chart. We obviously believe an actual count is the best data. You are required to both use the codes to describe the kind of data collection used to fill in each cell of the table and to describe your methods in a narrative section.

**2. Question: What is the difference between "Homeless Families with Children" and "Persons in Homeless Families with Children"?**

**Response:** The difference is between a "family household" and the "members of the family household." For example, the Nelson family (a count of "1" in the Homeless Families with Children) could have several persons in the Nelson family (father, mother, son, daughter) that would count as four persons in the "Persons in Homeless Families with Children".

**3. Question: Are youth the same as homeless children in Part II of the "Homeless Populations and Subpopulations" Chart?**

**Response:** For the purposes of this chart, "Youth" are considered to be *unaccompanied* persons less than 18 years of age. Children in families are not covered in this subpopulation.

**4. Question: How do we include those not living in emergency or transitional housing, but in rooming houses, etc?**

**Response:** We are only asking for the number of persons in emergency shelters and transitional housing. Our definition of homelessness does not cover those in other situations (e.g., doubled up, in rooming houses, etc).

**5. Question: Does Part II of the "Homeless Population and Subpopulation" Chart allow double counting among the Homeless Subpopulations?**

**Response:** Yes, double counting may occur when indicating the homeless subpopulations when completing Part 2 of this Chart.

### ***CHRONIC HOMELESSNESS***

**1. Question: How do you define "episode" in the definition of chronically homeless?**

**Response:** An episode is an event that is distinct and separate, although part of a larger series, occurring at usually irregular intervals. In this instance, episodic homelessness is two or more homeless events interspersed between or among periods of time when the individual lives in housing appropriate for human habitation. There is a space of time between events.

**2. Question: Why is the chronic homeless definition different than the definition in the chronic homeless NOFA (released in Jan.)? The chronic homeless NOFA's definition includes families where at least one of the adults are disabled.**

**Response:** The definitions of chronic homelessness are identical between the Chronic Homelessness Initiative NOFA and the CoC SuperNOFA. However, in addition to those who are chronically homeless, the Chronic Homelessness Initiative NOFA permits up to 10 % of available funds to be awarded to disabled families that are not chronically homeless.

**3. Question: You mentioned that we are to check the box for serving chronic homeless in Sec. L for SHP and in Sec. H for S+C and in Sec. G of Exhibit 4 (SRO). There is NO box to check for chronic homeless in those sections.**

**Response:** Exhibit 2 (Section L), Exhibit 3 (Section H), and Exhibit 4 (Section G) of the application kit requests additional information from applicants in regard to the subpopulations your project will serve or intends to serve. A check-off box is provided next to all subpopulations listed. One of the subpopulation choices is chronically homeless.

#### ***HOMELESS MANAGEMENT INFORMATION SYSTEM***

**1. Question: Can you specify where the requirement is for participating in the HMIS and what percentage of applicants must agree to meet the standard?**

**Response:** The NOFA sets conditions of project eligibility at Section V (A) (2) for accepting a project. The specific requirement for HMIS participation states: "...An applicant agrees to participate in a local HMIS system when implemented. The standards for participation in an HMIS will soon be published." HUD will include a provision in each grant agreement concerning this obligation. Thus, every grantee of 2003 CoC funding will be obligated to follow the HUD standards when their community implements an HMIS. The proposed HUD standards will provide for priority implementation of the HMIS among the various types of CoC grantees.

#### ***PROJECT PRIORITIES***

**1. Question: Would SHP renewal projects be at risk if a Continuum includes new permanent housing projects before renewal non-permanent housing projects (after already putting one new permanent housing project at the top of the list) on the priority chart?**

**Response:** Yes. A community **may** put at risk funding of one or more SHP renewal projects if it puts one or more new projects of any type ahead of any of the SHP renewals. The only exception to this caution are the portions of a new permanent housing project placed in the number 1 priority position that are eligible for the permanent housing bonus.

Not every community will be in the position of potentially losing their SHP renewals under this scenario since many have initial pro rata need amounts that well exceed their one year SHP renewal total. Each community will need to assess its own situation. Also, please remember that HUD will **only** give credit for **one year** of SHP projects eligible for renewal, which are placed on the Continuum's priority list. You should look at Sections J and N in the Q & A section of the application for further guidance.

**2. Question: In our Continuum this year, we have a new permanent project, as well as 2 projects outside the pro-rata need. One of those outside the pro-rata need is a renewal and the other is new, with the renewal ranking last. If HUD can not consider the new project due to funding restrictions, will the renewal project be included in an effort to meet the renewal burden, even though it is falling outside the pro-rata in our priority ranking?**

**Response:** No. Once a Continuum's final pro rata need share is determined (see Section J, question 2, of Q & A's), any project, new or renewal, whose requested dollar amount does not fall within the final pro rata need amount (as defined in Section J) will not be considered

for funding (see section J, question 4, of Q & A's). Also, any new or renewal project rejected during the threshold review will not be funded.

**3. Question: It is our understanding that some communities have put more than one housing project (more than one site) in the number one permanent housing project bonus slot. If we have a lead agency that provides services to homeless families and residents of SROs, could we put a new permanent housing program for families and a SRO project application for rental assistance together for the bonus program if the lead agency will be providing services to both?**

**Response:** No. Only one project (the top priority project) is eligible for the permanent housing bonus. In addition, the Supportive Housing Program (SHP) and the Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) program are separate programs and can never be combined in one project. However, within the SHP/Permanent Housing component, one project may contain multiple sites with different size units including SRO units.

### ***MAINSTREAM RESOURCES AND PROJECT LEVERAGING***

**1. Question: Please explain the "Use of Other Mainstream Resources" chart.**

**Response:** The "Other Mainstream Resources" chart should be used to identify any projects specifically serving homeless persons or that are dedicated specifically for housing homeless persons that use funds from the mainstream resources listed in the application i.e., CDBG, HOME, etc. The use of the resources can include funds to support housing activities (rehab of units that will house homeless persons), funds for job training or employment services for homeless persons, acquisition of a building for housing homeless persons, etc., or supportive services that are used for homeless persons.

**2. Question: In Section 8 of Exhibit 1 (Supplemental Resources), the "Participation in Mainstream Programs and Employment Chart": Not all of the income sources from Question 11 on the APR are listed in the chart. Can we include all of the income sources from Question 11 or are we just to answer using the income sources listed? If we are only to use the income sources listed why are not all incomes included (i.e., child support, veterans benefits)?**

**Response:** In an effort to simplify the process and recognizing the work involved for the continuums we did not include all programs. In order to ensure consistent treatment, only the income sources identified in the chart should be reported. It should also be noted that the income sources identified in the application are the programs most targeted nationally.

**3. Question: Can McKinney-Vento dollars not directly appropriated to the locality be included in the list of mainstream resources if they are obtained for persons served by the Continuum? Specifically, can Department of Education funds provided to a State agency be shown as "other mainstream resources" if they can be apportioned to serve the homeless in a CoC?**

**Response:** If the Department of Education funds truly fit within the CoCs plan for assisting homeless persons within the HUD definition of homeless persons, then they may be included.

**4. Question: In the chart identified as "Mainstream Resources" could you please clarify what you mean by ensuring that there is no overlap between the resource**



**funds listed on the project leveraging chart and the uses/projects described below? The clarification is needed because all of the listings for mainstream resources are the same eligible resources used in the leveraging chart how do you fill out this chart?**

**Response:** It is true that the same resources could potentially be used in either the Leveraging or Mainstream charts. However, resources can only be used for leveraging when they are directly related to the proposed project receiving HUD's CoC funds. If they are not related, they may potentially be used to fit the categories listed in the Mainstream Chart. The basic principal is that they cannot be counted twice.

**5. Question: The new chart on participation in mainstream programs for renewals requires information to be taken from the APR, question 11. Supportive Services Only projects do not answer this question according to supplemental guidance provided by HUD for SSO projects. How do we handle this?**

**Response:** You must provide a statement indicating that question #11 was not answered on your APR because of supplemental guidance provided by HUD regarding SSO projects.

**6. Question: In the "Use of Mainstream Resources" section, what is meant by "within the last two years? Can we use two years of data, or one year from within the past two years?**

**Response:** The data on the chart should come from 2001 and 2002, depending on the funding cycle. If data is available for 2003, then the community can use 2002 and 2003. Communities are not encouraged to use data from 2000 or earlier years.

**7. Question: In the "Use of Mainstream Resources" chart for the "Private" and "Foundations" category, can in-kind and volunteer hours be used, or is this only for cash? If yes, what type of valuation would be acceptable?**

**Response:** This chart reflects actual dollar amounts or numbers of units as indicated in the last column. If there are volunteer or in-kind hours being donated, these can be included on the Leveraging Chart.

**8. Question: In the Project Leveraging section, is the leveraging limited to the total project budget (the cash match that is included in the summary budget chart) or can in-kind donations and volunteers be included here even if they are not part of the cash match?**

**Response:** Leveraging can include in-kind and volunteer hours, and would be documented as indicated in the application.

**9. Question: We have not yet completed an APR for any of our projects. Exhibit 1, Question 8, Participation in Mainstream Programs and Employment Chart, requires information based on APR's of renewal projects. Although we have several renewals this year, none of them have been running long enough to complete an APR. How should we address this question? If we don't enter anything, will we lose points?**

**Response:** You should address the question by providing the chart using the most recent APR for all currently operating SHP and SPC projects in your continuum. A non-response

could possibly result in your Continuum losing points. See Question 8.C. of the application on page 21610.

**10. Question: I have already received the money for construction from other sources (foundations, other government). Do I need leveraging letters from them that conforms to the standards in the NOFA or can I provide you a statement on my letterhead to that effect? If not, what documentation would work instead?**

**Response:** Written commitment letters from the contributors are needed. The written commitment must be documented on letterhead stationery, signed by an authorized representative, dated and in your possession prior to the application submission date.

**11. Question: A McKinney-Vento funded supportive service program provides on-site health care assessment and medical prevention screening for a number of transitional programs. One of these transitional programs is also a McKinney-Vento funded program. Can this transitional program give the health care outreach project a leveraging letter for the space provided? Can the health project give the transitional program a leveraging letter for the medical in-kind services it provides to the transitional residents?**

**Response:** Leveraging is any additional resources that would be contributed to the homeless assistance project. The resource(s) being contributed can only be counted once. It may include: cash, buildings, equipment, materials and supportive services. Since we are looking for additional resources, you may include the value of the space or supportive service that is new and does not include the SHP-paid amount.

## **Exhibit 2 & 2R: Supportive Housing Program**

### ***PARTICIPANT ELIGIBILITY***

**1. Question: We are considering a project under SHP/permanent housing for people with disabilities which would use acquisition/new construction and supportive services funds to create new housing to be purchased by eligible families in transitional/supportive housing after they completed a home ownership program. Is this acceptable? Can property be turned over to a homeless owner once it has been acquired and built using HUD SHP funds?**

**Response:** No. Grantees receiving SHP assistance for acquisition, rehabilitation, or new construction must agree to operate the supportive housing or provide supportive services for a term of at least 20 years from the date of initial occupancy or the date of initial service provision.

**2. Question: Is a client who moved from homelessness to a HOPWA subsidized apartment eligible to move to an SHP program? Is HOPWA considered a supportive housing program for the purposes of defining a HOPWA client as fitting the HUD definition of homelessness?**

**Response:** No. Once a formerly homeless person receives permanent housing assistance, they no longer meet the definition of "homeless".

**3. Question: When an individual is being released from incarceration, and they have been incarcerated a year or more, what determines their housing status? Can such a person be deemed homeless and go directly into supportive housing?**

**Response:** The HUD definition of a homeless person is found in the Glossary on page 21598 of the CoC Application Kit. A homeless person is a person sleeping in a place not meant for human habitation, in an emergency shelter, or in transitional housing for homeless persons who originally came from the street or from an emergency shelter. The programs covered by this competition are **not** for persons at risk of homelessness. If a person is incarcerated, they are **not** homeless. Incarcerated individuals may only be considered homeless at discharge **if they meet all of the following three requirements:** 1) they are being discharged within a week; 2) they have been incarcerated for more than 30 consecutive days with no subsequent residence identified; and, 3) they lack the resources and support networks needed to obtain housing. If the State or local government has a policy requiring housing as part of a Discharge Plan, HUD does not consider those people to be homeless since they will be placed in housing arranged by the State or local government. A further discussion may be found in Part C and Part Q of the Q&A Supplement.

**4. Question: Can a homeless individual be an alcoholic or addict not suffering from mental illness or other physical disabilities and still be eligible for permanent housing? Does substance abuse alone qualify as a disability?**

**Response:** A person must have a disability as defined by the Supportive Housing Program law. Disability is defined in Section 422 (2) of the McKinney-Vento Act in part as "...disability means (A) a disability as defined in section 223 of the Social Security Act, (B) to be determined to have a physical, mental, or emotional impairment which (i) is expected to be of long-continued and indefinite duration, (ii) substantially impedes an individual's ability to live independently, and (iii) of such a nature that such ability could be improved by more suitable housing conditions, (C) a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act, or (D) the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agency for acquired immunodeficiency syndrome."

**5. Question: Can a faith based, non-profit organization serve a population of one faith? For example, if there is an Orthodox Jewish community that has a Transitional Housing need, can the grant application specify that it serve just this community?**

**Response:** Per 24 CFR 583.150(b), Primarily religious organizations – (1) Provision of assistance. (i) HUD will provide assistance to a recipient that is a primarily religious organization if the organization agrees to provide housing and supportive services in a manner that is free from religious influences and in accordance with the following principles:

- (A) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
- (B) It will not discriminate against any person applying for housing or supportive services on the basis of religion and will not limit such housing or services or give preference to persons on the basis of religion;
- (C) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of housing and supportive services.

**6. Question: Can an HMIS application be submitted as a stand-alone application under SHP?**

**Response:** A dedicated HMIS application must be submitted as part of the CoC process. If you mean by "stand-alone" a solo application, it is nearly impossible for it to be funded.

**7. Question: What Sections of Exhibit 2R do we need to complete for an HMIS renewal?**

**Response:** If your HMIS renewal is a shared project you are to complete all of Sections A, B & C (as applicable to your renewal activity), and Section D. If your HMIS renewal is a dedicated project, you are to complete Section A (except number 2, items E through H are not applicable to dedicated projects) and Section D of exhibit 2R. *Carefully read Section D instructions.* These instructions differ depending if your renewal is a dedicated or shared project.

***BUDGET CHARTS***

**1. Question: For SHP renewals, can cost of living increases be included in the budget?**

**Response:** No, cost of living increases are not eligible for renewal projects.

**2. Question: At one point, it was stated that an applicant could change the SHP budgets by "up to 10%" without prior approval. Is that 10% of the actual budget category, such as supportive services, OR is that 10% of the total SHP budget, and would that be without administrative costs?**

**Response:** An applicant can shift up to 10 % of the amount of an approved SHP activity from that activity to another activity over the term of the grant, not including administrative costs, without prior approval.

***HMIS RENEWAL PROJECTS***

**1. Question: For renewal of a dedicated HMIS project, how do I shift costs to the new HMIS budget?**

**Response:** You submit the change as a part of the 2003 renewal application using the new forms. You do not need to do an amendment or get FO approval. You need to briefly describe the change in 3 (a) in Section A of Exhibit 2 R.

**2. Question: How do I shift *existing HMIS shared costs* from the current supportive services budget to the new HMIS budget?**

**Response:** 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 3(a) in Section A of Exhibit 2R.

**3. Question: 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.**

**Response:** 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 3 (a) in Section A of Exhibit 2 R.

**4. Question: 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?**

**Response:** Yes, SHP renewals seeking to add new HMIS shared costs can shift funds. If the renewal applicant merely wants to shift the existing supportive services and/or operations activities, Field Office approval is not needed if the amount is less than 10 percent of either the supportive services or operations activities. The change may be made in the application. If the amount exceeds 10 percent of either activity, then the Field Office must approve the change. In either case, the proposed change must be described in Question 3 of Exhibit 2R, Section A.3.

#### ***ACQUISITION, REHABILITATION, AND NEW CONSTRUCTION***

**1. Question: Can SHP funding pay for monthly mortgage payments for acquiring the building used for housing the homeless?**

**Response:** No. However, per 24 CFR 583.105(a)(1), SHP acquisition funds may be used for the repayment of an outstanding debt on a loan made to purchase a structure, which has not previously been used for supportive housing or supportive services.

**2. Question: If requesting acquisition or rehab funds, can leasing funds also be requested or are such requests exclusive of each other?**

**Response:** You cannot request leasing funds in conjunction with acquisition/rehabilitation funds for the same site. However, leasing can be requested if you propose to use leasing funds for other housing activities in a project that also includes acquisition or rehabilitation of units not being leased.

**3. Question: In the Supportive Housing Program Desk Guide, Section D, Eligible Activities, it states there is a limit on acquisition and rehabilitation of \$400,000 and the new construction is also limited to \$400,000. If permanent housing bonus projects can only pay for housing activities and the amount for the bonus is up to \$750,000, how can you use the entire \$750,000 if we are limited to \$400,000?**

**Response:** The limitation only refers to the amount that you can request per structure for development activities. The eligible housing activities for SHP are: acquisition, rehabilitation, new construction, leasing and housing operations. Administrative costs will also be counted towards the PH bonus.

### ***OPERATING COSTS***

**1. Question: Are operational expenses on a permanent housing (PH) project considered as part of PH activities or are they considered like supportive services, which are not counted as PH activities?**

**Response:** Housing operating costs are considered as housing activities when considering eligible costs countable toward the PH bonus. Please see page 21665 in the NOFA

### **Exhibit 3: Shelter Plus Care**

**1. Question: For Shelter Plus Care, there are some forms that are not needed.. Should we include these forms anyway?**

**Response:** Most of the forms that are required for the Continuum of Care program are found in the CoC Application Kit immediately following the Q&A Supplement. These include the HUD-424, Applicant Certification, Special Project Certifications for: (a) Coordination and Integration of Mainstream Programs and b) Discharge Policy Certification for all State and local governments. Additionally, the Consolidated Plan Certification, Disclosure of Lobbying Activities (as applicable), Applicant/Recipient Disclosure/Update Report (HUD-2880), Acknowledgement of Application Receipt (HUD-2993), Client Comments and Suggestions (HUD-2994) should also be included. The 2003 Application Summary Form is found on page 21599 of the application kit. Finally, although not a form, private nonprofit documentation for the SRA Component is required.

**2. Question: I understand that the number of units requested in the annual Shelter Plus Care renewal process must be the same as the previous year. However, can the bedroom size change? Some of our participants have obtained custody of their children and require 2-BR apts. instead of a 1-BR.**

**Response:** HUD recognizes the need for change in unit size under special circumstances, such as the case described. If the unit size has already changed and the larger (or smaller) unit is reflected in the lease at the time of renewal application, HUD will renew the unit at the adjusted bedroom size. Please note, however, that HUD will not approve prospective bedroom size changes as part of the renewal request, only those that have been made prior to application for good cause.

**3. Question: Shelter Plus Care uses the same FMR rate as our Public Housing Authority (PHA), which is 110 % of the published rate. Last year we attempted to obtain an exception letter from them so that we could be funded at the same rate. They told us that there was no letter for the 110 % payment standard. Do we need an exception letter and what would be the best way to get this letter?**

**Response:** A PHA is authorized to set their payment standard up to 110% of the published FMR, without approval from HUD. A letter from HUD would not be required; however, for the purposes of the competition, the PHA should confirm in writing that it has utilized its authority to exceed the FMR on this project. Exception rents from 110% - 120% of the FMR

must be approved in writing from the Field Office. Rents exceeding 120% must be approved in writing from HUD Headquarters.

**4. Question: I have heard that a 2 % buffer for potential increase in FMR is appropriate for Shelter Plus Care Projects. What do you recommend?**

**Response:** The annual increase (or decrease) in the published FMR varies greatly depending on your geographic location; therefore a national average increase is not necessarily reliable for any one area. For the 2003 CoC competition, use the FMRs published September 30, 2002 (with limited corrections published October 22, 2002).

**Exhibit 4: Section 8 Moderate Rehabilitation SRO Program**

**1. Question: The per-unit cost limitation of \$19,000 is low for our area. How is that calculated? Is it based on total project cost (including common areas?) or just the square footage of the units themselves?**

**Response:** HUD arrived at the per-unit costs of \$19,000 by taking the prior years' cost limitation and multiplying it by a cost factor. The cost limitation does include common areas but not fire and safety items. HUD is required to increase the per unit cost limit (an average increase of approximately \$500) each year to take into account increases in construction costs starting with assistance provided on or after October 1, 1988. It is based on total **eligible** project costs that may be amortized through the FMRs including common areas. There are applicable to certain high cost areas. Contact your Field Office for more information.

**Housing Emphasis**

**1. Question: Is there going to be a sliding scale for the "Housing Emphasis" score of 10 points. What is the threshold to score the 10 points?**

**Response:** The NOFA indicates that the scoring on the "Housing Emphasis" will be done on a sliding scale. The exact scale that will be used to rate Housing Emphasis is not yet determined.

**2. Question: Can you please review how the housing emphasis points will be assigned? 1) In terms of whether administrative costs are included as housing expenses for all projects, or just for the Permanent Housing bonus scenario; and 2) in terms of the number of points that are assigned for different ratios of housing to services. Any other guidance you can provide on Exhibit One scoring would also be appreciated.**

**Response:** The Housing Emphasis points are based upon the ratio of all requested costs for housing activities (rental assistance, acquisition, construction, leasing and housing operating costs) compared to all other requested costs in projects receiving 40 need points, except administration and HMIS costs which are not counted for the purpose of determining the Housing Emphasis points.

**3. Question: Since HUD will be awarding points for Housing Emphasis, can a renewal project propose changes in its renewal budget to move some supportive service funds to operating activities or housing activities?**

**Response:** Proposed changes in renewal projects must be legitimate and meet program requirements. Project activities should not be changed just to obtain bonus points for Housing Emphasis. However, shifts from services to housing activities that have a program basis may be made up to 10 percent of a line item without prior HUD approval during the renewal process or, if greater than 10 percent, with HUD Field Office approval prior to application submission.

### **Miscellaneous**

**1. Question: What does it mean for a Safe Haven to have the “characteristics of permanent housing” other than requiring clients to sign a lease, given that Safe Havens are, by definition, not permanent housing but a bridge to permanent housing? Also, are there requirements around the term of the lease?**

**Response:** Safe Havens can, in fact, be considered permanent housing. In addition to requiring participants to sign a lease, safe havens with the characteristics of permanent housing must meet the following criteria: (a) have no limit on length of stay; (b) serve hard-to-reach homeless persons who have severe mental illness, are on the streets, and have been unable or unwilling to participate in supportive services; (c) provide 24-hour residence for an unspecified duration; (d) provide private or semi-private accommodations; and (e) have overnight occupancy limited to 25 persons.

The intent of this type of supportive housing is to enable this special needs population to live as independently as possible in a permanent setting. Leasing terms are determined at the local level.

**2. Question: A new one-year supportive service grant used \$20,000 of the \$30,000 line item to purchase equipment. Can the renewal request this year be for the entire \$30,000, or is it limited to just \$10,000?**

**Response:** The renewal request for supportive services is the average annual amount (in this case, it would be for the \$30,000). However, this amount must reflect the same level of services as the previous grant, and can include an increase in the number of persons being served.

**3. Question: Does our renewal request have to be for the same amount of money as our original grant request?**

**Response:** See Questions & Answers [Renewals](#) question number 6, page 21682.

**4. Question: Our new 1-year term SHP project was awarded in December 2002 and has no APR. Should I leave the APR question blank?**

**Response:** Yes. However, grants awarded in December 2002 that were renewals of previous grants should respond by submitting their most recent APR.