

1 **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

2 **[Docket No. FR- 5327-N-01]**

3 **Notice of Fiscal Year (FY) 2009 Opportunity to Register and Other Important Information**
4 **for Electronic Application Submission for Continuum of Care Homeless Assistance**
5 **Programs**
6

7 **AGENCY:** Office of Community Planning and Development, HUD

8 **ACTION:** Notice.

9 **SUMMARY:** This Notice provides instructions to potential Continuums of Care (CoCs)

10 applying for the approximately \$1.43 billion of funding under HUD’s Continuum of Care

11 Homeless Assistance Competition in FY2009. The CoC competition uses an electronic system

12 outside of grants.gov for CoC registration as well as for submission of the CoC application called

13 *e-snaps*. Notification of the availability of the 2009 CoC application will be released via HUD’s

14 Homeless Assistance listserv. To join HUD’s listserv, go to

15 <http://www.hud.gov/subscribe/maillinglist.cfm> and click on “Homeless Assistance Program.”

16 This Notice provides information to help applicants better understand the CoC

17 registration and electronic application submission process through *e-snaps*, which is located at

18 www.hud.gov/esnaps. Applicants for project funding are also required to register with Dun and

19 Bradstreet, if they have not already done so, and complete or renew their registration in the

20 Central Contractor Registration (CCR). More information on this can be found in the General

21 Section to HUD’s FY2009 NOFAs for Discretionary Programs published in the Federal Register

22 December 29, 2008 (73 FR 79548), as amended April 16, 2009 (73 FR 17685). In an effort to

23 streamline the renewal award process in 2009, HUD has modified the selection process. Eligible

24 Supportive Housing Program (SHP) and Shelter Plus Care (S+C) renewal projects will be

25 conditionally awarded as quickly as possible. New projects will be awarded after the project

1 threshold review and the scoring of the CoC application have been completed. A project
2 application must be submitted for each project that is eligible for renewal in the 2009
3 competition in order for it to be considered for funding,

4 Projects are considered eligible for renewal in the 2009 competition if they expire in
5 calendar year 2010 and have met all of the performance and capacity requirements that will be
6 outlined in the 2009 CoC Notice of Funding Availability (NOFA). HUD reserves the right to not
7 renew grants where the grantee has exhibited serious capacity issues in prior grants, including
8 performance and financial problems, or unresolved monitoring findings for which there is no
9 evidence that the grantee is working towards appropriate resolution. CoCs and project applicants
10 should read all sections of this Notice as well as the upcoming 2009 NOFA to help identify these
11 types of issues and work with their local field office to resolve the issues prior to the 2009 CoC
12 Application due date. Grantees and project sponsors are responsible for keeping grant files and
13 for knowing the beginning and ending dates of their grants. If a grantee fails to apply for a
14 renewal project in the appropriate year, the project will not be eligible for renewal in the next
15 funding competition. PLEASE NOTE: Under the 2002 and 2003 Appropriation Acts, funds for
16 all grants awarded in those years will be available for use until September 30, 2009 and
17 September 30, 2010 respectively. Projects that were awarded in 2002 and expire in 2009 were
18 required to apply for renewal in the 2008 competition and, therefore, will not be eligible for
19 renewal in the 2009 competition. Although the terms of all grants awarded in 2002 and
20 2003 should have expired before September 30, 2009 and September 30, 2010, respectively,
21 HUD has discovered that, due to delays in signing the grant agreements or extensions, some
22 grants have an expiration date in 2010 or later. Funds will not be available for expenditure after
23 September 30, 2009 and September 30, 2010, respectively, for these grants. Recipients may not

1 accelerate their spending rate. Field offices will monitor draws for affected grants to ensure that
2 funds will be drawn only to reimburse the affected recipients for actual costs incurred in
3 accordance with the project budget on, or before, funds are no longer available. Notwithstanding
4 the expiration date of your SHP or S+C grant, if the grant was awarded in 2002 or 2003, but has
5 an expiration date of 2010 or later, the applicant must apply for renewal in 2009.

6 As stated previously, HUD will rate new project applications separately from renewal
7 project submissions. The determination of leveraging and housing emphasis scores in Exhibit 1
8 will only be calculated using data from new project applications. For more information on this
9 and other significant changes to the 2009 CoC competition, please see Section III of this Notice.
10 HUD advises potential applicants to read this Notice in its entirety and complete the training
11 offered at www.hudhre.info.

12 **FOR FURTHER INFORMATION CONTACT:** CoCs may contact the HUD Field Office
13 serving their area, at the telephone number shown in the General Section. In addition, applicants
14 are strongly encouraged to send questions regarding this Notice to the *e-snaps* Virtual Help Desk
15 at www.hudhre.info/helpdesk.

16 **FULL TEXT OF ANNOUNCEMENT**

17 This Notice is divided into three sections. Section I describes important information that
18 CoCs and project applicants should be familiar with prior to applying for 2009 Homeless
19 Assistance funding. This includes pertinent definitions and an overview of the necessary CoC
20 planning process. Section II provides detailed information on completing the CoC registration
21 process in *e-snaps*. Finally, Section III provides information about the major changes that HUD
22 will make to the 2009 CoC Homeless Assistance competition. HUD hopes that this will assist
23 CoCs in better planning their 2009 CoC application.

1 **I. OVERVIEW INFORMATION**

2 **A. Program Description**

3 Approximately \$1.43 billion is available for funding through the FY2009 CoC Homeless
4 Assistance Competition. Carried over or recaptured funds from previous fiscal years, if
5 available, may be added to this amount.

6 The purpose of the CoC Homeless Assistance Program is to reduce the incidence of
7 homelessness in CoC communities by assisting homeless individuals and families move to self-
8 sufficiency and permanent housing.

9 The 2009 CoC NOFA will be published separately in the Federal Register no earlier than
10 August 15, 2009.

11 **B. Definitions.**

12 The definitions contained in this Notice are only those that are necessary for CoCs to
13 understand in order complete the 2009 CoC registration process. A complete list of definitions
14 will be provided in the 2009 CoC NOFA.

15 1. *Annual Renewal Amount.* The maximum amount that an SHP grant can receive on an annual
16 basis when renewed. It includes funds for only those eligible activities (operating, supportive
17 services, leasing, HMIS, and administration) that were funded in the original grant (or the
18 original grant as amended), less the nonrenewable activities (acquisition, new construction, and
19 rehabilitation). It is used to calculate a CoC's "hold harmless" need amount.

20 To calculate the Annual Renewal Amount (ARA) for SHP grants, add up the amount of
21 the renewable budget line items (i.e., operating, supportive services, leasing, HMIS, and
22 administration) for all the years of the most recent grant, and divide by the number of years in
23 the grant term. Any funding for acquisition, rehabilitation, new construction—and any

1 administration costs related to those activities—is not renewable and, therefore, should not be
2 calculated in ARA. If the initial grant included these activities, administrative costs must be
3 recalculated and must not exceed 5 percent of the total of leasing, operating, HMIS, and
4 supportive services costs contained in the initial grant.

5 For example, if the initial three-year grant was for \$472,500 (\$150,000 for new
6 construction, \$150,000 for operating costs, \$150,000 for supportive services, and \$22,500 for
7 administration), the new construction costs, and any administration costs associated with it,
8 would not be eligible for renewal. Thus, the total renewable amount would be \$315,000
9 (\$150,000 for operating costs, \$150,000 for supportive services, and \$15,000 for administration)
10 and the ARA is \$105,000 (\$315,000 divided by the three-year grant term).

11 If the initial three-year grant was \$315,000 and did not include acquisition, rehabilitation,
12 or new construction costs, (\$150,000 for operating costs, \$150,000 for supportive services, and
13 \$15,000 for administration), the ARA would be \$105,000 (\$315,000 divided by the three-year
14 grant term).

15 2. *Continuum of Care.* A collaborative funding and planning approach that helps communities
16 plan for and provide, as necessary, a full range of emergency, transitional, and permanent
17 housing and other service resources to address the various needs of homeless persons. HUD also
18 refers to the group of service providers involved in the decisionmaking processes as the
19 “Continuum of Care.”

20 3. *Continuum of Care Lead Agency.* Agency or organization designated by the CoC primary
21 decision making body to be the entity that submits the CoC application. The CoC lead agency
22 should be responsible for the coordination and oversight of the CoC planning efforts, and has the
23 authority to certify and submit the CoC homeless assistance funding application. A state

1 governmental entity is the only acceptable organization that may serve as the Lead Agency for
2 multiple CoCs, due to the level of involvement and possible conflict of interest that comes with
3 serving multiple CoCs. Under no other circumstance should one entity be identified as the Lead
4 Agency for multiple CoCs.

5 4. *Continuum of Care Lead Agency Contact.* Person(s) with the authority to submit the
6 Continuum of Care Homeless Assistance Grants Competition application on behalf of the CoC,
7 usually the Executive Director or CEO of the CoC Lead Agency.

8 5. *Continuum of Care Need Amounts*

9 a. *Continuum of Care Preliminary Pro Rata Need (PPRN).* Amount of funds a CoC could
10 receive based upon the geography that HUD approves as belonging to that CoC. To determine
11 the homeless assistance need of a particular jurisdiction, HUD will use nationally available data,
12 including the following factors as used in the Emergency Shelter Grants (ESG) program formula:
13 data on poverty, housing overcrowding, population, age of housing, and growth lag. Applying
14 those factors to a particular jurisdiction provides an estimate of the relative need index for that
15 jurisdiction compared to other jurisdictions applying for assistance under the 2009 CoC NOFA.
16 Each year, HUD publishes the PPRN for each jurisdiction. A CoC's PPRN is determined by
17 adding the published PPRN of each jurisdiction within the HUD-approved CoC.

18 b. *Continuum of Care Hold Harmless Need (HHN).* The amount of funds a CoC is eligible to
19 receive where the total ARA of all SHP grants expiring in that CoC during the period beginning
20 January 1, 2010, and ending December 31, 2010 exceeds the PPRN for that CoC. The HHN is
21 the amount needed to fund the expiring renewal grants for one year.

22 c. *Continuum of Care Final Pro Rata Need (FPRN).* The higher amount of: (1) PPRN or (2)
23 HHN. In the case of CoCs that are eligible and approved by HUD for CoC Hold Harmless

1 Merger, the FPRN will be based on the summation of the FPRN of each merging CoC. For more
2 information see Section I.B.5.d.

3 d. *Continuum of Care Hold Harmless Merger.* A process where two or more CoCs that
4 registered separately in the 2008 competition, at least one of which has a 2009 FPRN based on
5 HHN and another of which has a 2009 FPRN based on PPRN, register together in the 2009
6 competition. Under this process, HUD will calculate the newly merged CoC's FPRN based on
7 the higher FPRN for each CoC. This calculation is completed during CoC Registration. The
8 newly merged CoC may use this process for calculating FPRN for the 2009 competition only.

9 6. *Continuum of Care Primary Decision Making Group.* This group manages the overall
10 planning effort for the CoC, including, but not limited to, the following types of activities: setting
11 agendas for full Continuum of Care meetings, project monitoring, determining project priorities,
12 and providing final approval for the CoC application submission. This body is also responsible
13 for the implementation of the CoC's HMIS, either through direct oversight or through the
14 designation of an HMIS implementing agency. This group may be the CoC Lead Agency or
15 may authorize another entity to be the CoC Lead Agency under its direction.

16 7. *Continuum of Care Registration.* The initial step in the electronic application process
17 requires a CoC to claim geography and appoint a CoC Lead Agency that will be responsible for
18 the submission of the electronic application to HUD. This process establishes the CoC's FPRN
19 amount as well as the bonus amounts that CoCs are eligible to request.

20 8. *Funding Category.* A funding category is a project submission category subject to NOFA
21 selection priorities. There are four funding categories in the 2009 competition:

22 (1) The Shelter Plus Care Renewal Funding Category includes eligible S+C renewal projects.

1 (2) The Supportive Housing Program Renewal Funding Category includes eligible SHP
2 renewals approved by the CoC.

3 (3) The Permanent Housing Bonus Funding Category covers one or more new SHP, S+C,
4 and Section 8 SRO projects that, in total, may be no more than 15 percent of a CoC's
5 Preliminary Pro Rata Need.

6 (4) The Final Pro Rata Need (FPRN) Funding Category covers new SHP, Section 8 SRO,
7 and S+C projects submitted by CoCs that are in PPRN status and that have funds
8 available in their FPRN. A CoC in PPRN status will only be able to submit new projects
9 equal to the difference between the renewal amounts claimed in the SHP renewal funding
10 category (2) above and these CoCs' FPRN.

11 Projects that are submitted in the Permanent Housing Bonus and Final Pro Rata Need Funding
12 Categories that exceed the limits of the funding category in part will be reduced by HUD and
13 projects that are totally outside the funding category limit will be automatically rejected.

14 9. *Grant Inventory Worksheet.* An inventory of all grants that are eligible for renewal in a
15 particular year. In 2009, CoCs will be responsible for attaching the SHP and S+C grant
16 inventory worksheets into *e-snaps* during the CoC registration process. HUD will use the grant
17 inventories to determine the renewal projects that are eligible for award and the funding amount
18 that they are eligible to receive. Therefore, CoCs must work with their local HUD field office to
19 ensure that all eligible projects are included on these lists. For SHP projects, the correct annual
20 renewal amounts must be recorded. For S+C, the correct total number of units must be included.
21 CoCs will be asked to provide, at a minimum, the following information for each of its renewal
22 projects:

- 23 • Name of Project

- 1 • Project Number
- 2 • Grant Term
- 3 • Expiration Date
- 4 • Component Type
- 5 • Previously approved budget amounts by activity/ Unit Distribution (S+C)
- 6 • Annual Renewal Amount (SHP)/Total Number of Units (S+C)

7 **C. CoC Planning Process.** HUD will evaluate CoCs on the following criteria:

- 8 • CoC Housing, Services, and Structure;
- 9 • Homeless Needs and Data Collection;
- 10 • CoC Strategic Planning;
- 11 • CoC Performance; and
- 12 • Housing Emphasis.

13 There are several significant changes to these evaluation criteria from prior years. These
 14 changes are outlined in this Notice and will be discussed in detail in the 2009 NOFA. CoCs are
 15 encouraged to continue planning for the 2009 CoC Homeless Assistance competition in the same
 16 manner that they have in past years. This includes:

- 17 1. A CoC planning system is developed through a community-wide or region-wide process
 18 involving the coordination of nonprofit organizations (including those representing persons with
 19 disabilities), state and local government agencies, public housing agencies, community and faith-
 20 based organizations, other homeless providers, service providers, housing developers, private
 21 health care associations, law enforcement and corrections agencies, school systems, private
 22 funding providers, and homeless or formerly homeless persons to successfully address the
 23 complex and interrelated problems related to homelessness. As in the past, this year HUD

1 emphasizes its determination to integrate and align plans, including jurisdictional, state, and city
2 ten-year plans (jurisdictional ten-year plans) encouraged by the U.S. Interagency Council on
3 Homelessness and Consolidated Plans, into the CoC plans. These plans serve as a vehicle for a
4 community to comprehensively identify all of its needs and to coordinate a plan for addressing
5 them.

6 A CoC should address the specific needs of each homeless subpopulation: those experiencing
7 chronic homelessness, veterans, persons with serious mental illnesses, persons with substance
8 abuse issues, persons with HIV/AIDS, persons with co-occurring diagnoses (these may include
9 diagnoses of multiple physical disabilities or multiple mental disabilities or a combination of
10 these two types), victims of domestic violence, youth, and any others. To ensure that the CoC
11 system addresses the needs of homeless veterans, it is particularly important that CoCs involve
12 veteran service organizations with specific experience in serving homeless veterans.

13 Through the American Recovery and Reinvestment Act, Congress designated \$1.5 billion
14 for HUD's Homelessness Prevention and Rapid Re-housing Program (HPRP). Through this new
15 program, funds for prevention activities and rapid re-housing of individuals and families have
16 been made available to eligible grantees including states, territories, metropolitan cities, and
17 urban counties. HPRP Grantees are required to coordinate with CoCs in the development of
18 HPRP program and activities, including HMIS. CoCs will be required to describe the level of
19 coordination between HPRP grantees and CoC leadership and/or members.

20 2. *CoC Geographic Area.* In deciding what geographic area a CoC will cover as part of its CoC
21 strategy, CoCs should be aware that a key factor in being awarded funding will be the strength of
22 a CoC process when measured against the CoC rating factors described in the 2009 CoC NOFA.
23 When a CoC determines what jurisdictions to include in its CoC strategy area, it should include

1 only those jurisdictions that are fully involved in the development and implementation of the
2 CoC strategy.

3 The more jurisdictions a CoC includes in the CoC, the larger the pro rata need share that
4 will be allocated to the strategy area. If a CoC is located in a rural county, it may wish to
5 consider working with larger groups of contiguous counties to develop a regional or multi-
6 county CoC strategy covering the combined service areas of these counties. The boundaries of
7 identified CoC areas may not overlap.

8 HUD has determined that the merger of one or more existing CoCs into a new larger CoC
9 can result in improved coordination of services, effective HMIS implementation, more efficient
10 resource allocation and planning, and improved competitiveness for new resources. Merging
11 smaller CoCs into a larger CoC also reduces the administrative burden of applying for funding at
12 the local level and reviewing funding applications at the national level. HUD strongly
13 encourages CoCs to merge where it is appropriate.

14 In recognition of these advantages, HUD has adopted a new CoC Hold Harmless Merger
15 policy for calculating Final Pro Rata Need (FPRN) that ensures CoCs will not lose FPRN by
16 merging. Please note, where two or more CoCs that are in the same need status (i.e., both in
17 Hold Harmless Need status or both in Preliminary Pro Rata Need status) decide to merge, their
18 FPRN will be calculated on the sum of the FPRN for all.

19 The new CoC Hold Harmless Merger procedure is only applicable when two or more
20 CoCs registered in 2008 and whose 2009 FPRN separate calculation results in at least one CoC's
21 FPRN being based upon Preliminary Pro Rata Need (PPRN) and at least one CoCs FPRN being
22 based upon Hold Harmless Need (HHN). The following tables illustrate how FPRN would be
23 calculated for four CoCs merging before and after the introduction of the new CoC Hold

- 1 Harmless Merger policy. The new calculation method would provide the newly merged CoCs
- 2 with additional funds in their FPRN to create new projects.

TABLE A			
CoC Consolidation WITHOUT Hold Harmless Merger Concept (FPRN= the greater of: (1) the CoC's combined PPRN or (2) the CoC's combined HHN)			
Individual Continuums	2009 Hold Harmless Need Amount	2009 Preliminary Program Rata Need Amount	
I	100,000	150,000	
II	50,000	200,000	
III	350,000	150,000	
IV	750,000	250,000	
Merged CoC Total (I-II-III-IV)	\$1,250,000	\$750,000	
Step 1: Total all of the original CoC's 2009 HHN Amounts			
Step 2: Total all of the original CoC's 2009 PPRN Amounts			
Step 3: The higher amount from Step 1 and Step 2 becomes the FPRN for the Merged CoC			
TABLE B			
CoC Consolidation WITH Hold Harmless Merger Concept (FPRN=the combined CoC's FPRN amounts)			
Individual Continuums	2009 Hold Harmless Need Amount	2009 Preliminary Pro Rata Need Amount	2009 Final Pro Rata Need Amount
I	100,000	150,000	150,000
II	50,000	200,000	200,000
III	350,000	150,000	350,000
IV	750,000	250,000	750,000
Merged CoC Total (I-II-III-IV)	\$1,250,000	\$750,000	\$1,450,000
Step 1: Identify the original CoC's FPRN (the greater of PPRN or HHN)			
Step 2: Total the original CoC's FPRNs			
Step 3: The total of the original CoC's FPRNs becomes the FPRN for the Merged CoC			

- 3
- 4 To determine whether CoCs may benefit from merging under this option, HUD will make
- 5 available a Worksheet and Guidance on CoC Hold Harmless Merger eligibility and procedures.
- 6 This guidance will be posted at www.hudhre.info.
- 7 3. *CoC Components*. A CoC system typically consists of five basic elements, as follows:

- 1 a. A system of outreach, engagement, and assessment for determining the needs and conditions
2 of individuals or families who are homeless, and necessary support to identify, prioritize, and
3 respond to persons who are chronically homeless;
 - 4 b. Emergency shelters with appropriate supportive services to help ensure that homeless
5 individuals and families receive adequate emergency shelter and referral to necessary service
6 providers or housing search counselors;
 - 7 c. Transitional housing with appropriate supportive services to help homeless individuals and
8 families prepare to make the transition to permanent housing and independent living;
 - 9 d. Permanent housing, or permanent supportive housing, to help meet the long-term needs of
10 homeless individuals and families; and,
 - 11 e. Prevention strategies, which play an integral role in a community's plan to eliminate
12 homelessness by effectively intervening for persons at risk of homelessness or those being
13 discharged from public systems—e.g., corrections, foster care, mental health, and other
14 institutions—so that they do not enter the homeless system. By law, prevention activities are
15 ineligible activities in the three programs included in this Notice but are eligible for funding
16 under the Emergency Shelter Grants (ESG) program, the new Homelessness Prevention and
17 Rapid Re-Housing Program, and other programs.
- 18 4. *CoC Lead Person*. Regardless of the CoC structure and planning process, the 2009 electronic
19 registration/application process will require that each CoC select two persons, from the CoC
20 Lead Agency, who are authorized to submit the CoC application and the project applications to
21 HUD.
 - 22 5. *CoC Award*. In recognition of the need to announce and process renewal awards as quickly
23 as possible to avoid hardship to grantees, HUD will implement a modified selection process.

1 Under the modified selection process the CoC will receive its renewal funding for all eligible
2 renewal projects shortly after the CoC application has been submitted to HUD in a two step
3 process. CoC scores will determine the new project applications to be selected for award. The
4 sum of funds awarded to a CoC renewal and new projects is the total amount of monies awarded
5 to a CoC's eligible projects.

6 **II. Completing the Registration Process for CoCs.** In order to be eligible to submit an
7 application in the FY2009 Homeless Assistance competition, CoCs must register in the
8 electronic database, *e-snaps*, prior to the beginning of the 2009 CoC competition. CoCs that
9 applied for funds in 2008 will only need to update registration information in *e-snaps*. The CoC
10 registration process will begin no earlier than July 21, 2009, and close no earlier than
11 August 31, 2009, at 4:00 p.m. ET. HUD will notify potential applicants of the exact registration
12 opening and closing dates via the HUD Homeless Assistance listserv and through its web sites
13 located at www.hud.gov and <http://www.hudhre.info>. During the registration phase, CoCs will
14 be asked to identify the CoC lead agency, contact information for lead agency staff, and the
15 geography that the CoC is claiming. CoCs will also be required to attach their SHP and S+C
16 grant inventory worksheets. This process will not be part of www.grants.gov. CoCs will receive
17 confirmation from HUD concerning claimed geography, PPRN and HHN Amounts.

18 Through the CoC Registration process, CoCs will use the SHP and S+C grant inventory
19 worksheets to establish those projects that are eligible for renewal in 2009. Projects will be
20 considered eligible for renewal in the 2009 CoC competition if they expire in calendar year 2010
21 and if they meet all other HUD requirements in regards to performance and capacity. It will be
22 at HUD's discretion to award or not award any renewal project that has any significant capacity
23 issues related to performance and/or financial problems or has unresolved monitoring findings.

1 In 2009, CoCs will be required to verify that all renewals are correctly included on the grant
2 inventory worksheet, and will be required to add missing projects as needed. In 2009, it will be
3 critical for CoCs to pay close attention to any grants that were originally awarded in 2002 or
4 2003 that have not yet been renewed. As stated previously, the funds associated with these
5 grants will only be available for use through the end of Federal Fiscal Years 2009 and 2010
6 respectively. After that date, these funds will automatically be returned to the U.S. Treasury and
7 will no longer be available for expenditure, even if the end date established in the grant
8 agreement is later. More specific instructions will be provided to local HUD field offices for the
9 following situations:

- 10 • 2002 grant expires in 2009 but did not renew in 2008 competition and did not extend into
11 2010 or later–The grant will not be renewed.
- 12 • 2002 grant expires in, or has been extended to, 2010 or beyond–Renewal must be
13 requested in 2009. To be eligible for renewal this year, recipient must operate the grant
14 into 2010 using their own funds, until the renewal grant agreement is signed. Renewal
15 grant agreements must be signed no later than March 31, 2010 or the renewal award will
16 be deselected. The renewal grant will authorize reimbursement of the recipient's
17 expenditures for eligible costs incurred between September 30, 2009 and the date the
18 renewal grant agreement is signed. The Operating Start Date in LOCCS for each of these
19 renewal grant agreements will be adjusted to October 1, 2009.
- 20 • 2003 grant expires in, or has been extended to, 2010 or beyond–Renewal must be
21 requested in 2009. Renewal grant agreements must be signed no later than September 30,
22 2010 or the renewal award will be deselected. The Operating Start Date in LOCCS for
23 each of these renewal grant agreements will be adjusted to October 1, 2010.

1 It is imperative that grantees adhere to the time limitation on the funds contained in the law. No
2 extensions will be approved beyond the statutory availability of the funds for the grant.

3 In 2009, CoCs that are in PPRN status will be permitted to request one, two, or three
4 years of funding for SHP renewal projects up to the maximum amount of available pro rata need.
5 HUD reserves the right to not allow multi-year grant term requests for renewal projects in future
6 competitions; therefore, CoCs may want to consider moving to one-year renewals to maximize
7 funding.

8 HUD will hold a satellite broadcast regarding the CoC registration process on
9 July 15, 2009, from 2 p.m. to 4 p.m. Eastern Time. This broadcast may be viewed at
10 <http://www.hud.gov/webcasts>. This broadcast will also be archived on this website. On-line
11 training for CoC Registration may be accessed at www.hudhre.info.

12 HUD will post the HUD-defined CoC names and numbers as well as a list of each
13 geographical area with its Preliminary Pro-Rata Need amount on www.hud.gov and
14 <http://www.hudhre.info/index.cfm?do=viewCoCGrantMaterials>. Existing and proposed CoCs
15 must register their HUD-defined CoC and claimed geography with HUD through *e-snaps*. If a
16 CoC does not have a HUD-defined name, it should contact the HUD Field Office serving its
17 area.

18 In the instance that one or more CoC planning bodies claim one or more of the same
19 geographies, HUD shall determine which CoC has the best claim for the geography based upon
20 past experience as well as the participation and desires of the predominant number of homeless
21 service providers in the disputed geography. The HUD decision on allocating geography is final
22 and competing CoCs shall be notified of HUD's determination. If a CoC omits geography, HUD
23 will not add it back in.

1 **III. Changes for 2009 CoC NOFA.** The following is a list of major changes to the 2009 CoC
2 NOFA:

- 3 1. In an effort to streamline the renewal award process in 2009, HUD has modified the selection
4 process so that eligible Supportive Housing Program (SHP) and Shelter Plus Care (S+C) renewal
5 projects will be awarded as quickly as possible. New projects will be awarded, after the project
6 threshold review and the scoring of the project application and the CoC application have been
7 completed. A project application will be required for new and renewal projects. However, for
8 renewal projects, applicants will only be verifying basic project and budget information,
9 selecting grant term request, and certifying request of renewal.
- 10 2. In 2009, CoCs in Hold Harmless Need (HHN) status will not be able to reallocate funds to
11 new projects. New project applications to be submitted must be either new projects within Final
12 Pro Rata Need (FPRN) for CoCs in Preliminary Pro Rata Need (PPRN) status or projects that
13 will be funded with permanent housing bonus funds. HUD reserves the right to allow Hold
14 Harmless Need Reallocation in future competitions (see Section I.B.5.d of this Notice for a
15 detailed explanation).
- 16 3. HUD has determined that the merger of one or more existing CoCs into a new merged, larger
17 CoC can result in effective and efficient planning, program delivery, HMIS implementation, and
18 CoC competitiveness. In recognition of these advantages, HUD has adopted a new CoC Hold
19 Harmless Merger policy for calculating Final Pro Rata Need that ensures CoCs will not lose
20 Final Pro Rata Need by merging (see Section I.B.5.d of this Notice).
- 21 4. The Certification of Consistency with the Consolidated Plan is a statutory form that must be
22 submitted as part of the application. Previously, project applicants were responsible for
23 submitting the associated Consolidated Plan certification along with their project application.

1 New this year, CoCs will be responsible for attaching the certification for all projects, new and
2 renewal, that are requesting funding to the CoC portion of the application. CoCs will attach a
3 signed form for each jurisdiction that includes the list of all associated new and renewal projects.

4 5. HUD encourages all projects to utilize Neighborhood Stabilization Program (NSP) and any
5 HUD-managed American Recovery and Reinvestment Act (ARRA) programs, i.e., Community
6 Development Block Grant-Recovery (CDBG-R), Tax Credit Assistance Program (TCAP), NSP1,
7 NSP2, etc., as a source of leveraging. CoCs that identify coordination with NSP and any HUD-
8 managed ARRA programs may receive extra points during the CoC application review process.

9 6. As part of the CoC application, CoCs will be required to address how they are participating in
10 the new Homeless Prevention and Rapid Re-housing Program (HPRP), as indicated in the
11 substantial amendment to the Consolidated Plan.

12 5. As a reminder, HUD will assess, as part of the project review process, applicant eligibility,
13 capacity, and quality. This review also considers an applicant's spending history on current
14 homeless assistance grants, if applicable. HUD expects that grantees should be making draw-
15 downs at least quarterly. HUD will be looking at this for both new project applications and as a
16 condition of renewal awards.

17 6. Also as a reminder, up to 8 percent of an S+C grant may be used for eligible incurred
18 administrative costs associated with administration of housing assistance. These funds must be
19 drawn down at least quarterly. Draws must be for eligible expenses already incurred in the
20 period immediately preceding the draw or to be incurred during the period immediately
21 following the draw. HUD will recapture all unspent funds at the end of the grant term. If
22 administrative costs exceed 8 percent, recipients must pay for these costs from another source.

1 7. Beginning in 2009, applicants for the Shelter Plus Care program will only be permitted to
2 apply for 100 percent of the FMR and will no longer be permitted to request any amount that is
3 greater or less than the local Fair Market Rent (FMR).

4 8. The calculation of housing emphasis and leveraging for the CoC score will be calculated
5 using only new project requests.

6 9. For 2009, the Samaritan Bonus Initiative will be replaced with a Permanent Housing Bonus.
7 CoCs will be able to use funds for homeless disabled individuals and families or for chronically
8 homeless individuals. As creating new permanent housing beds for chronically homeless
9 individuals is still a HUD priority, HUD strongly encourages CoCs to use at least a portion of
10 available bonus funds to create a project that will exclusively serve the chronically homeless.

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12 Dated: _____

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Nelson R. Bregón
General Deputy Assistant Secretary for
Community Planning and Development

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