

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
[Docket No. FR-5500-N-32]

**Notice of Fiscal Year (FY) 2011 Opportunity to Register and Other Important Information
for Electronic Application Submission for the Continuum of Care (CoC) Homeless
Assistance Competition**

AGENCY: Office of Community Planning and Development (CPD), HUD.

ACTION: Notice.

SUMMARY: For Fiscal Year (FY) 2011, HUD requires each Continuum of Care (CoC) lead agency to register in advance of applying for the approximately \$1.60 billion of funding under the CoC Homeless Assistance Competition (Competition). Lead agencies (also referred to as CoC applicants) must complete the annual registration using *e-snaps*, a web-based portal accessible at <http://www.hud.gov/esnaps>. Registration and application for CoC homeless assistance funding will not be available at Grants.gov. The registration process described within this Notice does not apply to project applicants (entities requesting funding to operate a housing or service project). Also, HUD does not provide funding to private individuals. Therefore, such individuals should not attempt to complete the registration process, or apply for funding under the FY2011 Competition.

This Notice is intended to achieve three goals: (1) to provide CoC applicants with an outline of the functions and requirements of the annual registration in *e-snaps*; (2) to provide CoC applicants and project applicants with the major changes that HUD will make under the CoC Competition Notice of Funding Availability (NOFA) for FY2011; and (3) to familiarize CoC applicants and project applicants with HUD's plan to implement the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act.

Each CoC applicant must complete and submit its registration in *e-snaps*. Registration in *e-snaps* allows: (1) CoC applicants to validate their CoC and merger status and corresponding geographic jurisdiction; (2) HUD to apportion "Preliminary Pro Rata Need" (PPRN) dollars associated with the CoC's geographic jurisdiction; (3) CoCs to inventory grants requiring renewal funding in the FY2011 Competition and record their "Hold Harmless Need" amount; (4) HUD to compute the CoC's Final Pro Rata Need (FPRN) amount for the FY2011 Competition; and (5) CoC applicants to confirm their intent to submit an application in the FY2011 Competition.

As an alternative to the electronic registration in *e-snaps*, Section III.D. of this Notice provides specific instructions for CoCs: (1) located in one or more areas declared to be major disaster areas by President Obama under Title IV of the Robert T. Stafford Act; and (2) that intend to complete the FY2011 CoC application process, but do not have the ability to complete and submit the application in *e-snaps* by the deadline established in this NOFA.

HUD advises CoC applicants to immediately register in *e-snaps* after carefully reading this Notice in conjunction with the FY2011 General Section of HUD's FY2011 NOFAs for Discretionary Programs (referred to as the General Section), which was posted to Grants.gov on April 4, 2011. The General Section is available on HUD's website at

http://portal.hud.gov/portal/HUD?src=/program_offices/administration/grants/fundsavail.

Project applicants are also required to register with Dun and Bradstreet (DUNS) if they have not already, and to complete or renew their registration in the Central Contractor Registration (CCR). More information on DUNS numbers and CCR registration can be found at:

<http://portal.hud.gov/portal/page/portal/HUD/topics/grants>.

FOR FURTHER INFORMATION CONTACT: HUD staff will be available to provide general clarification on the content of this Notice, as well as the anticipated policies and requirements in the FY2011 CoC NOFA. HUD staff will not assist applicants in preparing their registrations or in preparing their applications to submit for funding.

A. Local HUD CPD Field Office. For further guidance on the registration submission requirements, including the Grant Inventory Worksheets, changes to the McKinney-Vento Act, as amended by the HEARTH Act, and the anticipated requirements and changes under the FY2011 CoC NOFA, as highlighted in this Notice, CoC applicants may contact the HUD CPD field office serving their area, at the telephone number listed at:

<http://www.hud.gov/offices/cpd/about/staff/fodirectors>.

B. The HUD HRE Virtual Help Desk. CoC applicants that require information and technical support concerning this Notice and the registration in *e-snaps* may submit an electronic inquiry via the HUD Homelessness Resource Exchange (HRE) Virtual Help Desk (VHD) at <http://www.hudhre.info/helpdesk>. The VHD is accessible 24 hours each day; however, responses to questions are typically issued between the hours of 8:00 a.m. and 5:00 p.m. eastern time, starting on the date that this Notice is published. Starting on the day prior to the registration deadline, the VHD will respond to emergency technical support questions only up to the deadline.

DATES: The registration deadline is 7:59:59 p.m. eastern time on July 25, 2011. Registration submissions must be received in *e-snaps* on or before the registration deadline. Late registration submissions will not be accepted. HUD will begin assessing each timely registration submission in *e-snaps* on or after the registration deadline. CoC applicants that receive HUD approval of their registration submission must acknowledge that approval in *e-snaps*. CoC applicants that do not receive HUD approval of their registration submissions will be notified via *e-snaps* and will not be permitted to submit an application under the FY2011 CoC NOFA. HUD will inform and remind CoC applicants of the registration deadline through its websites located at

<http://www.hud.gov> and <http://www.hudhre.info> and via the HUD Homeless Assistance email-based listserv. Visit the following website to join the listserv:

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

FULL TEXT OF ANNOUNCEMENT

This Notice is divided into five sections. Section I provides background information on the implementation of the McKinney-Vento Act, as amended by the HEARTH Act, and an overview of the Continuum of Care (CoC) planning process. Section II contains key terms used throughout this Notice and the registration process. Section III provides detailed information on completing the CoC registration process in *e-snaps*, including steps to renew/update an existing registration. Section IV provides information about the major changes that HUD will adopt for the FY2011 CoC Homeless Assistance Competition. This should assist CoC applicants to better plan for the development of their FY2011 application. Section V provides a list of registration resources to help CoC applicants successfully complete the registration process and to prepare for submission.

I. Overview Information

A. Background. The McKinney-Vento Act, Public Law 100-77, and corresponding appropriations and authorizations fund a range of services to promote community-wide goals to end homelessness. McKinney-Vento also promotes access to and effective utilization of mainstream programs and supports projects that quickly re-house homeless individuals and families while minimizing trauma and dislocation to those persons, as well as projects that optimize self-sufficiency among individuals and families experiencing homelessness. Title IV of the Act specifically provides for the funding of the Supportive Housing Program (SHP), the Shelter Plus Care Program (S+C), and the Section 8 Moderate Rehabilitation for Single Room Occupancy Program (SRO).

The Homeless Emergency and Rapid Transition to Housing (HEARTH) Act, Public Law 111-22 amends Title IV of the McKinney-Vento Act. HUD is in the process of issuing regulations and developing requirements and parameters for the CoC program's implementation and administration. This implementation process includes, but is not limited to, the drafting of regulations outlining requirements for application eligibility, application review, award selection, grant agreement, eligible uses of award dollars and related funds, recipient reporting, and compliance monitoring. The regulations are being issued and implemented in several phases. On April 20, 2010, HUD released the first phase, which focused on proposed changes to HUD's definition of "homeless," "homeless individual," "homeless person," and "homeless individual with a disability." The proposed rule is available online at <http://edocket.access.gpo.gov/2010/pdf/2010-8835.pdf>. HUD anticipates issuing the remaining regulations for public comment in calendar year 2011. Until the final regulation for effect is published, the Continuum of Care program, created by the HEARTH Act, will not be implemented.

In FY2011, HUD will continue to competitively allocate annual funding for the SHP, S+C, and SRO homeless assistance programs under the current CoC planning process. To apply for the approximately \$1.60 billion of funding under HUD's FY2011 CoC Homeless Assistance Competition, the lead agency for each CoC is required to complete an annual registration in *e-snaps*. Registration must be completed and approved by HUD prior to the submission of the CoC's funding application. Sections I.B. and III of this Notice outline the current CoC planning process and the registration requirements that apply for funding in the FY2011 Homeless Assistance Competition. Section IV of this Notice highlights some of the major policies being

implemented for the FY2011 competition and certain requirements that CoC applicants and project applicants should consider in preparation for the full implementation of the changes to the McKinney-Vento Act, as amended by the HEARTH Act.

B. The CoC Planning Process. CoCs are encouraged to continue planning for the FY2011 CoC Homeless Assistance Competition in the same manner as in past years. The CoC Homeless Assistance Competition is the exclusive vehicle for obtaining HUD funding for renewal and new SHP and S+C Homeless Assistance projects.

CoCs must continue to develop planning systems using a comprehensive community-based or region-based approach to ending homelessness. The CoC's planning process must also continue to address the specific needs of all homeless subpopulations, including but not limited to veterans and their families; persons with serious mental illnesses; persons with substance abuse issues; persons with HIV/AIDS; persons with co-occurring diagnoses (these may include diagnoses of multiple physical disabilities or multiple mental disabilities or a combination of these two types); victims of domestic violence; unaccompanied youth; households with dependent children; and those experiencing chronic homelessness.

An effective CoC planning process includes a full range of community stakeholders, including nonprofit organizations, state and local government agencies, public housing agencies, community and faith-based organizations, other homeless providers, service providers, housing developers, private health care associations, law enforcement and corrections agencies, school systems, private funding providers, and homeless or formerly homeless persons. HUD encourages CoCs to integrate and align their strategic plans across state and local jurisdictions with the Federal Strategic Plan to Prevent and End Homelessness.

Each CoC application that is submitted to HUD will be evaluated based on the following categories: (1) CoC Housing, Services, and Structure; (2) Homeless Needs and Data Collection; (3) CoC Strategic Planning; (4) CoC Performance; and (5) Housing Emphasis. In FY2011, a greater effort will be made to target CoCs serving extremely high need communities, as defined in the NOFA, in order to meet the national strategic goals on ending homelessness. HUD will also give selection priority to and may award up to \$10 million to projects exclusively located and serving homeless persons in rural counties. A list of counties defined as rural will be included in the FY2011 CoC NOFA.

II. Key Terms Used as Part of the Registration Process

A. Definitions. The definitions contained in this Notice are important and relevant terms for CoC applicants to understand and complete the FY2011 registration in *e-snaps*. A more extensive list of definitions will be provided in the FY2011 CoC NOFA.

1. *Annual Renewal Amount (ARA)*. Used to calculate a CoC's annual Hold Harmless Need (HHN) amount, ARA is the maximum annual amount allowable for an SHP renewal grant. The ARA is the sum of the amount awarded for eligible activities, divided by the number of years in the original grant term. It incorporates funding for only those eligible activities—operating, supportive services, leasing, Homeless Management Information System (HMIS), and administration—that were funded in the original grant (or the original grant as amended), less the

non-renewable activities—acquisition, new construction, rehabilitation, and any administrative costs related to these activities.

Any funding for acquisition, rehabilitation, new construction—and any administration costs related to those activities—is not renewable and; therefore, should not be calculated in ARA. If the grant being renewed includes these non-renewable activities, administrative costs must be recalculated. The administrative costs must not exceed five percent of the total dollar amount of eligible activities—leasing, operating, HMIS, and supportive services costs—as contained in the grant being renewed. The following two (2) tables provide an example of the ARA calculation, for SHP grants being renewed that include and exclude non-renewable activities.

Example 1 (grants that include non-renewable activities)		
Budget Activities	Amount Previously Awarded (3 year grant term)	FY2011 Annual Renewal Amount (1 year grant term)
New Construction	\$150,000	\$0
Operating	\$150,000	\$50,000
Supportive Services	\$150,000	\$50,000
Subtotal	\$450,000	\$100,000
Admin. (max 5%)	\$22,500	\$5,000
Total Award	\$472,500	\$105,000

If, as in the above table, the grant being renewed includes a 3-year grant for \$472,500 (\$150,000 for new construction, \$150,000 for operating costs, \$150,000 for supportive services, and \$22,500 for administration), the new construction costs, and any administration costs associated with it, are not eligible for renewal. The original award for operating and supportive services costs are each divided by the three (e.g., the 3-year grant term). Accordingly, the 1-year funding amount for operating costs is \$50,000 and for supportive services is \$50,000. This is equal to a subtotal of \$100,000. The 1-year funding for administrative costs is, \$5,000, which is 5 percent of the subtotal. Thus, the total renewable amount for 1 year is \$105,000.

The next example applies to SHP projects that do not include acquisition, rehabilitation, or new construction costs in the current grant. In this example, the eligible renewable activities are operating and supportive services. Therefore, the ARA would be calculated at \$105,000, as illustrated below.

Example 2 (grants that do not include non-renewable activities)		
Budget Activities	Amount Previously Awarded (3 year grant term)	FY2011 Annual Renewal Amount (1 year grant term)
Operating	\$150,000	\$50,000
Supportive Services	\$150,000	\$50,000
Subtotal	\$300,000	\$100,000
Admin. (max. 5%)	\$15,000	\$5,000
Total Award	\$315,000	\$105,000

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

3. *Continuum of Care Applicant*. See *Continuum of Care Lead Agency*.

4. *Continuum of Care Lead Agency*. The entity designated by the CoC to submit the registration and application in the CoC Competition on behalf of the CoC. The CoC lead agency is responsible for the coordination and oversight of the CoC planning efforts, and has the authority to certify and submit the CoC homeless assistance funding application. A state governmental entity is the only type of organization that may serve as the lead agency for multiple CoCs, due to the level of involvement and possible conflict of interest that comes with serving multiple CoCs. No other type of organization is permitted to be designated as the lead agency for multiple CoCs.

5. *Continuum of Care Lead Agency Contact*. Person(s) with the authority to submit the CoC Homeless Assistance Grants Competition application on behalf of the CoC are referred to as CoC Lead Agency Contacts. The primary contact is usually the Executive Director or CEO of the CoC Lead Agency.

6. *Continuum of Care Registration*. A preliminary step in the annual CoC application process that requires each CoC applicant to identify its geographic area(s) coverage, appoint a CoC Lead Agency that will be responsible for the submission of the electronic application to HUD, and to attach its Grant Inventory Worksheet(s) that identifies the universe of SHP and S+C projects that are eligible for renewal in the FY2011 Competition. This process establishes the CoC’s “Final Pro Rata Need” amount as well as the bonus amounts that CoCs are eligible to request. The process also confirms the CoC’s intent to submit an application in the FY2011 Competition.

7. *Continuum of Care Pro Rata Need (PRN) Amounts*. HUD allocates to each geographic area an initial or preliminary “pro rata need” dollar amount relative to its homeless assistance need. The Pro Rata Need is adjusted to help communities meet the burden of renewing existing SHP grants.

a. *Continuum of Care Preliminary Pro Rata Need (PPRN)*. Amount of funds a CoC could receive based upon the pool of geographic areas that HUD approves as belonging to that CoC. To determine the homeless assistance need of a particular jurisdiction, HUD will use nationally available data, including the following factors as used in the FY2010 Emergency Shelter Grants (ESG) program formula: data on poverty, housing overcrowding, population, age of housing, and growth lag. Applying those factors to a particular jurisdiction provides an estimate of the relative need index for that jurisdiction compared to other jurisdictions applying for assistance under the FY2011 CoC NOFA. Each year, HUD publishes the PPRN for each jurisdiction. A CoC’s PPRN is determined by adding the published PPRN of each jurisdiction within the HUD-approved CoC.

b. *Continuum of Care Hold Harmless Need (HHN)*. HHN is the dollar amount needed to fund an expiring SHP renewal grants for 1 year. A CoC's HHN amount is calculated as the total ARA of all SHP grants eligible for renewal funding in FY2011, including grants expiring in that CoC during the period beginning January 1, 2012 and ending December 31, 2012.

8. *Continuum of Care Final Pro Rata Need (FPRN)*. The higher amount of: (1) PPRN or (2) HHN. In the case of CoCs that are eligible and approved by HUD for CoC Hold Harmless Merger, the FPRN will be based on the summation of the FPRN of each merging CoC. For more information see Section III.A.1. of this Notice.

9. *Continuum of Care Hold Harmless Merger*. A Continuum of Care Hold Harmless (HH) Merger is a process to merge two or more CoCs that registered separately in the FY2010 competition. At least one CoC must have a FY2011 FPRN based on HHN and at least one other CoC must have an FPRN based on PPRN. Under this process, HUD calculates the newly merged CoC's FPRN based on the higher FPRN for each CoC. This calculation is completed during the CoC registration in *e-snaps*. The newly merged CoC may use this process for calculating FPRN for FY2011, and should anticipate using this process in the FY2012 competition. HUD must approve an HH Merger prior to the FY2011 registration deadline. CoCs approved to merge under the HH Merger process in FY2010 are also permitted to continue to use this process in FY2011.

CoCs that have not been competitively funded in the past are strongly encouraged to consider merging. Merging promotes efficient integration and allocation of resources, improved planning and coordination of services, and more effective HMIS implementation. Merging also reduces the administrative burden of applying for funding at the local level.

10. *Continuum of Care Hold Harmless Need Reallocation*. A CoC with a FPRN based on its HHN amount, or which used the HH Merger process, may reallocate funds in whole or part from existing SHP renewal projects to create one or more new permanent housing projects. This HHN Reallocation process is not available to CoCs in PPRN status. Through this process, eligible CoCs retain the benefit of the HHN amount, and the new permanent housing projects being created through this process will be funded under the same selection criteria for renewals. The selection criteria will be described in FY2011 CoC NOFA. Like all projects submitted under the FY2011 CoC NOFA, these projects must meet eligibility and quality standards established by HUD in order to be conditionally selected for funding. These reallocated funds may not be used to supplement a new Permanent Housing Bonus project. In addition, CoCs may not reallocate funds from renewal S+C projects. Further, CoCs may create new HMIS projects using the HHN Reallocation process.

11. *Homeless Management Information Systems (HMIS)*. An HMIS is a computerized data collection application designed to capture client-level information over time on the characteristics of service needs of men, women, and children experiencing homelessness, while also protecting client confidentiality. An HMIS aggregates client-level data to generate an unduplicated count of clients served within a community's system of homeless services, and can provide data on client characteristics and service utilization. HUD will allow only one applicant for HMIS dedicated grants within a CoC.

12. *Project Applicant.* The entity that completes an Exhibit 2–project application for funding to operate a housing or service project for homeless individuals and families. Project applicants execute an agreement with HUD whereby the project applicants become a grantee responsible for the overall management of HUD grants, including drawing grant funds and distributing funds to the project sponsor(s), if applicable.

13. *Grant Inventory Worksheets (GIW).* An inventory of all SHP and S+C projects within a CoC’s jurisdiction which are eligible for renewal in a particular year. The inventory is reflected on HUD-issued Excel spreadsheets and must be included in *e-snaps* with the CoC’s registration. HUD uses the grant inventory to determine which SHP and S+C projects are eligible to receive renewal funding and the level of funding amount for each project. HUD will also use the SHP GIW to determine the CoC’s HHN amount for FY2011. Therefore, for each SHP project, the correct ARA must be recorded on the GIW, and for S+C projects the correct number of units must be identified. For FY2011, SHP projects that are being reduced or eliminated under the HHN reallocation process must also be indicated on the GIW. However, the actual HHN reallocation process will be completed during the competition.

It is expected that the renewal budget and units for each SHP and S+C project, respectively, will match the requested amounts for all project applications submitted in the FY2011 Competition. As necessary, HUD will reduce the requested budgets and units to match the budgets and units on the GIWs.

14. *Permanent Housing Bonus.* The Permanent Housing Bonus will be available to CoCs to apply for funding to create one or more new permanent housing projects. Each CoC shall be eligible for a Permanent Housing Bonus amount up to 15 percent of the CoC’s PPRN amount or \$6 million, whichever is less. The specific amount is calculated and displayed during the CoC registration process in *e-snaps*.

CoCs may use the Permanent Housing Bonus funds to serve homeless and disabled individuals and/or families, and/or chronically homeless individuals and families. While CoCs are no longer required to use bonus funds for projects that will exclusively serve 100 percent chronically homeless individuals, CoCs are encouraged to use bonus funds for this population whenever possible, as creating new beds for the chronically homeless remains a HUD priority. Demonstrating progress in reducing the chronic homeless population will continue to be a scored item in the CoC application.

To qualify for the Permanent Housing Bonus, each CoC must submit requests for one or more new permanent housing projects. Permanent Housing Bonus projects may be SHP, S+C, or SRO. Safe Havens do not qualify for the Permanent Housing Bonus. PPRN funds cannot be added to new projects created using Bonus funds.

III. Completing the Registration Process.

Accessing and completing the registration process in *e-snaps* will include the following steps:

A. Step One: Obtain and complete the HUD-issued Grant Inventory Worksheet (GIW). Before beginning the registration process in *e-snaps*, CoC applicants must gather an inventory of SHP and S+C projects eligible for renewal funding in the FY2011 Competition. CoC applicants must reflect the inventory on the HUD-issued Excel spreadsheets (also referred to as Grant Inventory Worksheets or GIWs). HUD will email the GIWs to the appropriate CoC lead agency contacts. CoC applicants that did not complete the registration process in FY2010 should contact the local HUD CPD office to obtain GIWs.

HUD will use the completed GIWs to establish the CoC's FY2011 initial HHN amount and as a basis for award amounts for eligible renewal projects. CoC applicants are responsible for ensuring that their SHP and S+C GIWs accurately and completely list every project eligible for renewal funding in FY2011. The local HUD CPD office is available to assist with completing the inventory. To assist in this process, HUD has populated the GIWs with the SHP and S+C grants that received 1 year of funding in the FY2010 CoC Competition. However, this initial listing may not be complete. CoC applicants must ensure that the following eligible projects are included on the GIWs:

(1) Any SHP or S+C grant awarded in a preceding competition which expires in calendar year (CY) 2012—the period beginning on January 1, 2012 and ending on December 31, 2012.

(2) Any SHP grants that received 1 year of funding in the FY2010 Competition.

(3) Any S+C grant awarded prior to FY2002 for which funding is expected to run out in CY2012, and which has never received renewal funding.

(4) Any SHP or S+C grant originally awarded in the FY2005 Competition, that has funds expiring in CY2012 or later and has not been renewed in a previous competition. Funds for these grants will expire and will no longer be available after September 30, 2012. Therefore, renewal funding is imperative for continued project operations. Funds from these expiring grants will be recaptured and returned to the U.S. Treasury and will no longer be available for expenditure, even if the end date established in the grant agreement is beyond September 30, 2012.

Grants awarded in the 2005 competition are not eligible for renewal in the FY2011 competition if they expire in CY2011 (time period beginning January 1 and ending December 31, 2011), and were not renewed in a previous competition, or were not approved for extension into CY2012 or later.

As in FY2010, for project applicants of Tenant Based (TRA) and Sponsor Based (SRA) components of S+C that renew in the FY2011 Competition for the first time and request more units than approved in the original application, the number of renewable units is determined by the number of units under contract at the time of the submission of the GIW to HUD. To support

the additional units, the applicant must provide its local HUD CPD field office with copies of all executed leases at the time of submission of its GIW. HUD will consider the additional units under lease at the time of GIW submission the maximum number of units that can be renewed in FY2011.

Failure to include a project on the GIW(s) may prevent the project from obtaining renewal funding, regardless of whether the project is requesting renewal for the first time. Including a project on the GIW does not automatically guarantee that funding will be received in FY2011. Applicants must apply for renewal funding in the CoC competition. HUD retains the discretion to withhold funding, in whole or part, for any project that has significant capacity issues related to performance, financial management, or other unresolved audit or monitoring Findings.

1. *Special GIW instructions for CoC Hold Harmless Mergers and CoCs without expiring renewal grants.* In FY2011, HUD will continue its CoC Hold Harmless (HH) Merger policy for calculating FPRN that ensures CoCs will not lose FPRN by merging. The following instructions apply to CoCs approved by HUD to merge under the HH Merger policy: (1) a separate SHP and S+C GIW must be completed for each CoC included in the merger, and (2) the GIWs must not be combined into one GIW. HUD will combine the GIWs after the registration submission. CoC applicants that do not have any projects eligible for renewal funding in the FY2011 Competition and that will not request funding for new projects in FY2011 are not required to complete the registration. However, registration is strongly encouraged so that HUD is informed of the CoCs active status.

If a CoC has never received funding or has no renewals for SHP or S+C projects but plans to submit a request for funding under the FY2011 competition, the CoC must obtain a blank GIW from the local HUD CPD office. It must be noted on the GIW that the CoC has never received funding, or does not have renewals in FY2011 for SHP and/or S+C projects. The GIW must then be submitted in *e-snaps* along with the CoC's registration. Contact information for each CPD field office is available online at: <http://www.hud.gov/offices/cpd/about/staff/fodirectors>.

B. Step Two: Log in to *e-snaps* to access the registration forms. Any CoC lead agency contact person who has accessed the registration forms in *e-snaps* in previous competitions, is referred to by HUD as a returning *e-snaps* user. These users will have access to the FY2011 registration forms in *e-snaps*. For FY2011, returning users may use the same username and password previously created. First-time users of *e-snaps*, or persons that will use *e-snaps* for the first time in FY2011, must create an *e-snaps* user account by completing the *e-snaps* user profile information. Each person that creates a user account for the first time must be granted permission by the primary authorized *e-snaps* user of the CoC in order to access the FY2011 registration forms. The steps to complete this process are detailed in the *Adding and Deleting Users* job aid located online at: <http://esnaps.hudhre.info/referenceroom.cfm>. The HUD HRE VHD is also available to provide assistance with adding and deleting users in *e-snaps*. For instruction on contacting the VHD, see Section B. of the "FOR FURTHER INFORMATION CONTACT" section at the front of this Notice.

C. Step Three: Complete the registration forms. CoC applicants that completed the registration process in FY2010 will have the ability to transfer that information into the FY2011 registration forms in *e-snaps*. This *e-snaps* feature allows applicants to only update those portions of the FY2011 registration that have changed since FY2010. CoC applicants registering for the first time or applicants that did not complete the registration process in FY2010 will be required to input all information relevant to the FY2011 registration. The *CoC Registration Training Guide* provides instructions on how to complete this process (<http://esnaps.hudhre.info/files/M020.pdf>). The rest of this section highlights information that must be entered into *e-snaps* to complete and submit the registration.

1. *Identify the CoC's geographic area.* All CoC applicants must notify HUD of the geographic area(s) within the CoC's jurisdiction. This notification is executed in *e-snaps* during the registration. Each geographic area is associated with a relative need index that is quantified by a dollar amount. HUD has posted a list of each geographic area and the associated PRN amount at <http://www.hudhre.info>.

In FY2011, changes were made in the jurisdictions used in the PPRN calculations from FY2010. It is important that CoC applicants identify all areas within the CoC's jurisdiction during the registration process in *e-snaps*. The areas added to the PPRN calculation in FY2011 are: Thornton, Colorado; Sanford, Florida; Sebastian City, Florida; Manhattan City, Kansas; Revere, Massachusetts; Mankato City, Minnesota; North Mankato, Minnesota; Woodbury, Minnesota; Moore City, Oklahoma; Summerville, South Carolina; and East Wenatchee City, Washington. In FY2011, the previously named area Skagway Hoonah-Angoon Census Area split into two separate jurisdictions now known as Hoonah-Angoon Census Area, Alaska, and Skagway Municipality, Alaska. Finally, Hammonton, NJ was removed from the PPRN calculation.

Based on the geographic area(s) identified in the registration, the maximum dollar amount that the CoC applicant can request for one or more new projects under the Permanent Housing Bonus is calculated and communicated during registration. The dollar amount identified is calculated at 15 percent of the PPRN amount or \$6 million, whichever is less. This information is available for the CoC to assist in its annual planning process.

HUD will review the area(s) identified in *e-snaps* and resolve any issues related to two or more CoC applicants claiming the same geographic area. This determination will be based upon past experience and the participation and desires of the predominant number of homeless service providers in the disputed geographic area. HUD's decision on properly claimed geographic areas is final and the applicable CoCs will be notified. HUD will not add a geographic area that a CoC failed to claim. Therefore, it is important that CoC applicants verify the CoC's geographic areas before submitting the registration in *e-snaps*.

2. *Identify CoC Hold Harmless Mergers.* For CoC applicants that are approved by HUD to merge under the HH Merger process before the end of the registration, the FY2011 registration must capture the total HHN as well as the total FPRN. To determine these totals, HUD will make available guidance on eligibility and procedures via the *Worksheet and Guidance on CoC Hold Harmless Merger*. The *Worksheet* will also indicate whether a CoC may benefit from merging under the HH Merger option. The *Worksheet* will be posted at

<http://www.hudhre.info/esnaps>. In FY2011, the completed *Worksheet* must be attached in *e-snaps* to the CoC's registration submission. The *Worksheet* is not applicable where two or more of the merging CoCs are in the same need status (i.e., both in HHN status or both in PPRN status). The FPRN for these CoCs will be calculated on the sum of the FPRN for all CoCs.

The following tables illustrate how FPRN would be calculated for four CoCs merging before and after the introduction of the CoC Hold Harmless Merger policy. The new calculation method would provide the newly merged CoCs with additional funds in their FPRN to create new projects. As a further incentive to merging, HUD will permit CoCs using the Hold Harmless Merger process to use HHN Reallocation.

TABLE A			
CoC Consolidation Hold Harmless Merger Calculation (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			
2011 Hold Harmless Merger Calculation (FPRN=the combined CoC's FPRN amounts)			
Individual Continuums	2011 Hold Harmless Need Amount	2011 Preliminary Pro Rata Need Amount	2011 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) for 2011.			
Step 2: Total the original CoC's FPRNs for 2011.			
Step 3: The total of the original CoC's FPRNs becomes the FPRN for the Merged CoC for 2011.			

For additional guidance, please refer to the *Worksheet* posted at <http://www.hudhre.info/esnaps>.

3. *Enter the HHN and HH Merger amounts, and submit the Grant Inventory Worksheet.* For FY2011, each registration submission must include the CoC's FY2011 HHN amount. In general, the HHN amount is calculated in the SHP GIW. For CoC applicants without projects listed on their SHP GIW, the HHN amount must be entered as zero. New in FY2011, for CoCs approved to use the HH Merger process, the HHN amount entered in *e-snaps* must be equal to the FY2011 merged HHN amount calculated on the *Worksheet*. In FY2011, CoCs approved to use the HH Merger process must also enter in *e-snaps* the FY2011 merged FPRN amount, as calculated by the *Worksheet*.

All CoC applicants must submit their FY2011 SHP and S+C GIWs as finalized in consultation with the local HUD CPD field office with their registrations. GIWs can be uploaded in *e-snaps* in two formats: (1) Excel, or (2) Zip, for CoC applicants with multiple GIWs. For instructions on how to zip a file, refer to the *How to Zip a File* document located online at <http://esnaps.hudhre.info/referenceroom.cfm>. HUD will ensure that the GIWs included in the registration match the final GIWs that the CoC applicant reconciled with its respective HUD CPD field office.

D. Special registration instructions for CoCs in disaster areas as declared under Title IV of the Robert T. Stafford Act. CoCs located in areas declared to be major disaster areas by President Obama under Title IV of the Robert T. Stafford Act, may request that HUD submit their registration in *e-snaps* on their behalf, if the CoC's capacity to complete the annual registration process in *e-snaps* was degraded and/or destroyed, as a direct result of a major natural disaster. CoC applicants may send this request via the HUD HRE VHD at www.hudhre.info/helpdesk. CoC applicants must include the following information in the request:

(1) *Geographic areas to be claimed by the CoC.* List the geographic areas that are eligible to be covered by the CoC. If there are no changes in the CoCs geographic jurisdiction than what was approved by HUD in the FY2010 Competition, the CoC is only required to indicate that the geography is the same for FY2011.

(2) *Contact information.* Provide current contact information so that HUD may contact the CoC in regard to this request, as needed.

(3) *Grant Inventory.* As stated in Section III.A. of this Notice, HUD will email Excel spreadsheets to all CoC lead agency contacts, for the purpose of completing the GIWs. HUD will populate the GIWs with the SHP and S+C grants that received 1 year of funding in the FY2010 CoC Competition. This initial listing provided by HUD may not be a complete listing. Along with the request, disaster-impacted CoCs must confirm, to the best of their knowledge, that the information on the GIW is accurate. If the CoC is able to identify any additional renewal grants, they should provide the previous grant number of any such renewals so that HUD can add it to the list. HUD Headquarters will work with the local HUD field office to identify any additional grants not identified by the CoC.

IV. FY2011 CoC NOFA Highlights

The following list highlights some of the major policies being implemented under the FY2011 CoC NOFA, as well as requirements that CoCs should consider in preparation for the implementation of the McKinney-Vento Act, as amended by the HEARTH Act.

1. The HUD form-96010 (Program Outcome Logic Model) is not required as a part of the Exhibit 2–project application submission in *e-snaps*.
2. HUD and its federal partners, HHS and VA, have reached consensus on standardized data collection and reporting on homeless persons. The use of HMIS by the homeless programs administered by HUD, HHS, and VA is already impacting HMIS in many CoCs. In addition to increasing the number of service providers participating in HMIS, the McKinney-Vento Act as amended by the HEARTH Act specifies performance measures on which CoCs will be required to report. In acknowledgement of the increased use of HMIS, HUD may include HMIS funding incentives in the FY2011 CoC Homeless Assistance Competition.

HUD encourages each Continuum of Care, in collaboration with the HMIS Lead, to assess the adequacy of current funding and staffing for the HMIS. This strategic review should include a process for estimating costs associated with such items as:

(1) Increased participation of service providers in HMIS, either through direct data entry or by contributing data to the HMIS, including user licenses, software support, training, data quality analysis, etc.;

(2) Enhancements to current HMIS software;

(3) Compliance with HMIS Data Standards; and

(4) Assessing HMIS software functionality for capacity to generate data for HUD reporting (APR, AHAR, Pulse, HPRP, etc.).

3. HUD will allow new SHP projects to request 1 year of funding to facilitate implementation of CoC strategies to reduce gaps in permanent housing availability, to add to the total number of available permanent housing beds, and to help increase the number of persons moving into permanent housing. HUD will continue to limit the grant term for SHP and S+C renewal grants to 1 year of funding. Requests for multiple year funding will be reduced to 1-year amounts.

4. As in previous competitions, an applicant's demonstrated ability to timely draw and spend grant funds will be a factor in evaluating performance of each grant. Any substantial issues, including significant delays in drawing down funds or in beginning to serve project participants may result in a project not being funded in the FY2011 Competition and subsequent competitions.

5. HUD will continue the HHN Reallocation process. CoCs in HHN status, and those CoCs that used the Hold Harmless Merger process, will be able to reduce and eliminate funds

requested for SHP renewal projects in favor of new projects. CoCs that are in HHN status may seek to use the reallocation process to create new dedicated HMIS projects and new permanent housing projects. On the CoC's FY2011 SHP GIW, CoC applicants should identify all renewal SHP projects being reduced or eliminated through the HHN Reallocation process.

6. Project applicants selected for funding under the FY2011 CoC NOFA will be subject to reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (FFATA) (Public Law 109-282). The FY2011 CoC NOFA will include the specific reporting requirements related to FFATA. Additional information related to FFATA is available online at <https://www.fsr.gov>. The reporting requirements are contained in Section III.C.5.t. of the General Section.

7. HUD has determined that geographic diversity is an appropriate consideration in selecting homeless assistance projects in the competition. HUD believes that geographic diversity can be achieved best by awarding grants to as many CoCs as possible. To this end, in FY2011, HUD will give selection priority to projects located in 100 percent rural areas. A list of counties defined as rural will be included in the FY2011 CoC NOFA. HUD may award up to \$10 million to projects in qualified areas in order to achieve greater geographic diversity.

8. HUD will make a greater effort to target CoCs serving extremely high need communities as defined in the NOFA, in order to meet its national strategic goals on ending homelessness.

9. There will be a Permanent Housing Bonus. The bonus amount will be 15 percent of a CoC's PPRN or \$6 million, whichever is less. CoCs will be able to use funds for projects that serve homeless and disabled families, or chronically homeless individuals and families.

10. As in the FY2010 competition, HUD will require education assurances as part of the FY2011 CoC NOFA.

a. The CoC will be required to demonstrate that it is collaborating with local education agencies to assist in the identification of homeless families as well as informing these homeless families and youth of their eligibility for McKinney-Vento education services;

b. The CoC will be required to demonstrate that it is considering the educational needs of children when families are placed in emergency or transitional shelter and is, to the maximum extent practicable, placing families with children as close as possible to their school of origin so as not to disrupt the children's education;

c. Project applicants must demonstrate that their programs are establishing policies and practices that are consistent with, and do not restrict the exercise of rights provided by the education subtitle of the McKinney-Vento Act, and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness; and,

d. Project applicants must demonstrate that programs that provide housing or services to families are designating a staff person to ensure that children are enrolled in school and connected to the appropriate services within the community, including early childhood programs

such as Head Start, Part C of the Individuals with Disabilities Education Act, and McKinney-Vento education services.

11. CoCs are required to submit their 2011 Housing Inventory Data and Point-in-Time Data directly into the HUD Homelessness Data Exchange (HDX) website. The FY2011 submission deadline was May 31, 2011.

12. As in the FY2010 competition, CoCs will not rank renewal projects in *e-snaps*. CoCs will only be required to accept or reject a renewal project. All new project applications must be ranked or rejected by the CoC. HUD will not review any project that is rejected by the CoC.

13. As in recent competitions, housing emphasis and leveraging will be calculated on eligible new projects only. HUD encourages all projects to utilize the Neighborhood Stabilization Program (NSP), HUD-VASH, and any HUD-managed American Recovery and Reinvestment Act (ARRA) programs, i.e., Community Development Block Grant-Recovery (CBDG-R), Tax Credit Assistance Program (TCAP), Homelessness Prevention and Rapid Re-Housing Program (HPRP), NSP2, etc., as a source of leveraging. CoCs that demonstrate coordination with NSP and any HUD-managed ARRA programs may receive extra points during the CoC application review process.

14. There will be a two-part selection and announcement process. Eligible SHP and S+C renewal projects will be awarded as quickly as possible. New projects will be awarded separately, after the project threshold review of the new project submissions and the scoring of the CoC application have been completed.

15. As part of the FY2011 CoC application, CoCs will be required to address how they are coordinating with the HPRP recipients' substantial amendment to the Consolidated Plan 2008 Action Plan.

16. The McKinney-Vento Act, as amended by the HEARTH Act, requires that all communities have an HMIS that has the capacity to collect unduplicated counts of individuals and families experiencing homelessness and provide information to project sponsors and applicants for needs analyses and funding priorities. Additionally, all Emergency Solutions Grant recipients must participate in the local HMIS. For many communities this will mean an increase in users that the HMIS must be able to accommodate. The HMIS lead should begin to consider any unique needs that the HMIS may be required to develop to accommodate these emergency shelter, street outreach, and homeless prevention programs.

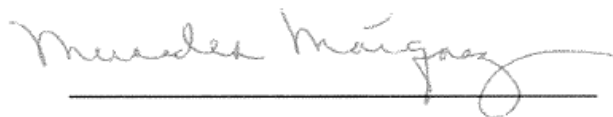
17. The McKinney-Vento Act, as amended by the HEARTH Act, has a focus on performance and outcomes, including measures that have not been reviewed by HUD under the current McKinney-Vento programs. HUD encourages CoCs to review the performance measures and begin to strategize about how the outcomes will be collected at the local level. HUD strongly encourages communities to consider HMIS capacity in collecting the information necessary to report on the defined selection criteria that will be applied in future competitions.

V. Getting Information and Assistance

A. HUD HRE Website. Prospective CoC applicants are advised to review the resources available online at <http://www.hudhre.info>, to help successfully complete the registration process and prepare for application submission. All Federal Register publications, user guides, and other resources related to the registration process, the FY2011 competition, and the CoC programs may be obtained from the HUD HRE website. HUD will also post on this website responses to frequently asked questions regarding the registration process. CoC applicants are advised to reference this site and its resources to all persons that will be working on the registration process or completing the CoC application.

B. HUD Homeless Assistance Listserv. Notification regarding the availability of the FY2011 CoC NOFA and reminders about registration and applications deadlines will be released via the HUD Homeless Assistance email-based mailing list. To join the mailing list, refer to the following web-site: <http://www.hud.gov/subscribe/maillinglist.cfm>.

Date: JUN 23 2011



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Planning and Development