

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
[Docket No. FR-5649-N-01]

**Notice of Fiscal Year (FY) 2012 Opportunity to Register and Other Important Information
for Electronic Application Submission for the Continuum of Care (CoC) Program
Competition**

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

ACTION: Notice.

SUMMARY: For Fiscal Year (FY) 2012, HUD requires each Continuum of Care (CoC) COLLABORATIVE APPLICANT (also known as the CoC applicant) to register in advance of applying for the approximately \$1.6 billion of funding under the CoC Program Competition (Competition). COLLABORATIVE 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 www.grants.gov.

This Notice is intended to achieve two goals: (1) to provide COLLABORATIVE APPLICANTS with an outline of the functions and requirements of the annual registration process in *e-snaps*, and (2) to provide the COLLABORATIVE APPLICANTS and project applicants with changes that will occur as a result of the amendments to the McKinney-Vento Act made by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. HUD strongly recommends reading the [CoC program interim rule](#) in conjunction with this Notice. The registration process described within this Notice applies only to COLLABORATIVE APPLICANTS. 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 FY2012 CoC Program Competition.

DATES: The registration deadline is 7:59:59 p.m. Eastern Time on **October 1, 2012**. Registration submission must be received in *e-snaps* on or before the registration deadline. HUD will not accept late registration submissions. HUD will begin assessing each timely registration submission in *e-snaps* after the registration deadline. COLLABORATIVE APPLICANTS that receive HUD approval of their registration submission must acknowledge that approval in *e-snaps*. COLLABORATIVE APPLICANTS that do not receive HUD approval of their registration submissions will be notified via *e-snaps* and will not be permitted to submit a CoC application in the FY2012 CoC Program competition. HUD will inform and remind CoC applicants of the registration deadline through its websites located at www.hud.gov and www.hudhare.info and via the HUD Homeless Assistance email-based listserv. Visit the following website to join the listserv: www.hudhare.info/index.cfm?do=viewJoin.

FOR FURTHER INFORMATION CONTACT: HUD staff will be available to provide general clarification on the content of this Notice, as well as the information regarding the HEARTH Act amendments to the McKinney-Vento Act (the Act). However, HUD staff are

prohibited from assisting applicants in preparing their registrations or applications to submit for funding.

A. Local HUD CPD Field Office. For further guidance on the registration submission requirements, including the FY2012 Grant Inventory Worksheet(s) (GIWs), and the requirements imposed under the Act, COLLABORATIVE APPLICANTS may contact the HUD CPD field office serving their area listed at: <http://www.hud.gov/offices/cpd/about/staff/fodirectors>.

B. Training and Resources. COLLABORATIVE APPLICANTS that need assistance completing the registration process in *e-snaps* or understanding the program requirements under the CoC Program may access the CoC Program interim regulations, training materials, and program resources via the HUD Homelessness Resource Exchange (HRE) at <http://www.hudhre.info/>.

C. The HUD HRE Virtual Help Desk. COLLABORATIVE APPLICANTS that require information and technical support concerning this Notice and the registration in *e-snaps* may submit an electronic inquiry via the HUD Virtual Help Desk (VHD) at <http://www.hudhre.info/helpdesk>. The VHD is accessible 24 hours daily. Starting on the day prior to the registration deadline, the VHD will respond only to emergency technical support questions up to the deadline.

Additionally, COLLABORATIVE APPLICANTS and project applicants that have questions about the CoC Program interim rule or the Act should submit these questions to the VHD.

D. HUD Homeless Assistance Listserv. Notification regarding the availability of the FY2012 CoC Program Competition NOFA and reminders about registration and application deadlines will be released via the HUD Homeless Assistance email-based mailing list. To join the mailing list, go to: <http://www.hud.gov/subscribe/mailinglist.cfm>.

FULL TEXT OF ANNOUNCEMENT

This Notice is divided into five sections. Section I provides background information on the implementation of the CoC Program and an overview of 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*. Section IV provides information about the major changes that HUD will adopt for the FY2012 CoC Program Competition. This should assist COLLABORATIVE APPLICANTS to better plan for the development of their FY2012 application. Section V provides a list of registration resources to help COLLABORATIVE APPLICANTS successfully complete the registration process and to prepare for submission.

I. OVERVIEW INFORMATION

A. Background

On July 31, 2012 HUD published the CoC Program interim rule (FR-5476-I-01) for effect and public comment in the *Federal Register*. The interim rule provides the requirements for implementation and administration of the CoC Program found in Subtitle C of the McKinney-Vento Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. This regulation will govern the FY2012 CoC Program Competition registration, CoC application, project application, and grant administration activities. The CoC Program essentially consolidates the Supportive Housing Program (SHP), Shelter Plus Care (S+C) program, and Section 8 Single Room Occupancy (SRO) program activities into a single grant program; therefore, the eligible activities from the prior programs remain largely unchanged. However, the consolidated program improves administrative efficiency, enhances coordination requirements to better address the needs of homeless persons, and formalizes the CoC and the CoC's planning process.

As FY2012 is the first year HUD's competitive homeless programs will be subject to new HEARTH Act requirements, it is imperative that COLLABORATIVE APPLICANTS and project applicants view HUD's upcoming broadcasts and webinars on the CoC Program where HUD will provide detailed information.

The total FY2012 appropriation for HUD's Homeless Assistance Grants is \$1.901 billion. At this level, HUD cannot fully fund all of the provisions included in the Act, nor can it meet all of its goals related to *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. While the Act and regulation authorize increases in project administrative costs, leasing, rental assistance, and operating funds for renewal projects, HUD will not fund all of these increases at the maximum authorized levels, as further described in Section IA of this Notice. Additionally, although the maximum amount authorized for CoC planning funds is 3 percent, HUD will allow applicants to apply for CoC planning costs at a level up to 1.25 percent of the FY2012 Final Pro Rata Need (FPRN) or \$250,000, whichever is less, in the FY2012 CoC Competition. For CoCs that had a FPRN in FY2011 that resulted in an eligible planning amount of less than \$10,000, HUD will allow the COLLABORATIVE APPLICANT to apply for planning costs up to \$10,000.

Each COLLABORATIVE APPLICANT must complete and submit a registration on behalf of the CoC in *e-snaps*. Registration in *e-snaps* allows: (1) COLLABORATIVE APPLICANTS to validate the CoC geographic area and merger status (if CoCs merged); (2) HUD to apportion "Preliminary Pro Rata Need" (PPRN) dollars associated with the CoC's geographic area; (3) CoC applicants to identify grants that are eligible for renewal funding in the FY2012 Competition and record the Annual Renewal Demand through the use of the Grant Inventory Worksheet (GIW); (4) COLLABORATIVE APPLICANTS to indicate intent to reallocate funds within the CoC and list the projects that are planned for reallocation during the CoC Program Competition through the GIW; (5) HUD to calculate the COLLABORATIVE APPLICANT'S FPRN amount for the FY2012 CoC Program Competition; (6) HUD to inform each CoC applicant of the eligible Permanent Housing Bonus amount available in the geographic area jurisdiction(s); (7) HUD to inform each CoC of the amount available for CoC Planning funds;

and (8) COLLABORATIVE APPLICANTS to confirm their intent to submit an application in the FY2012 Competition on behalf of the CoC.

HUD advises COLLABORATIVE APPLICANTS to immediately register in *e-snaps* after carefully reading this Notice in conjunction with the General Section of HUD's FY2012 NOFAs for Discretionary Programs (General Section), which was posted to www.grants.gov on September 19, 2011. The CoC Program interim regulation is posted on the HUD HRE. The General Section is available on HUD's website at http://portal.hud.gov/hudportal/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>. HUD encourages project applicants to immediately begin the process of verifying and updating information contained in the *e-snaps* Applicant Profile in order to be ready to apply for funding when the FY2012 Continuum of Care Program Competition NOFA is published and the application becomes available. The Applicant Profile is available for COLLABORATIVE APPLICANTS and project applicants in *e-snaps* both during and outside of the competition period.

As an alternative to the electronic registration in *e-snaps*, Section III.E of this Notice provides specific instructions for COLLABORATIVE APPLICANTS: (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 FY2012 CoC Program application process, but do not have the ability to complete and submit the registration in *e-snaps* by the deadline established in this Notice.

New terms from the CoC Program interim rule are capitalized throughout this Notice so that readers may easily identify them. Definitions of these terms can be found in Section II. HUD has also provided regulatory citations throughout the Notice so that readers can easily reference sections in the CoC Program interim rule for additional details.

A. CoC Program. The regulation includes detailed requirements for the CoC Program, including standards for application review, standards used in award selection, requirements for grant execution, eligible uses of award dollars and matching funds, recipient reporting requirements, and standards for compliance monitoring. The regulations will govern the FY2012 CoC Program Competition and the administration of all grants funded in the FY2012 CoC Program Competition.

FY2012 CoC funds may be used for projects under four program components: permanent housing, transitional housing, supportive services only, and Homeless Management Information System (HMIS). Homelessness prevention is an additional component to be included in future CoC competitions through the implementation of High Performing Communities (HPC), since only designated HPCs may carry out homelessness prevention activities through the CoC Program.

In FY 2012, project administrative costs up to 10 percent of the total project budget are eligible. However, bonus points will be awarded in the competition to Continuums that request no more than 7 percent for project administrative costs. To maximize its competitive advantage, a CoC should limit all project administrative costs requests to 7 percent. Because HUD anticipates CoCs will limit their total project administrative cost requests to 7 percent, and for calculating PPRN, the GIW caps project administrative cost requests at 7 percent. Nevertheless, at application a project applicant may apply to move an amount from another budget line item to project administrative costs. The sum of the amount moved plus the 7 percent project administrative costs may not exceed the 10 percent maximum. CoCs in which a project applicant applies to add funds to project administrative costs will not receive bonus points for limiting project administrative costs to 7 percent. Beginning with this competition, administrative costs for a project can only be used for the administration of the awarded grant as outlined in §578.59 of the regulation. Applicants are not permitted to reduce the administrative budget line item for use in another approved budget line item, e.g., supportive services budget, operations budget, leasing budget, etc. Additionally, CoCs will be able to request up to 1.25 percent or \$250,000, whichever is less, for CoC planning costs.

To apply for funding under HUD's FY2012 CoC Program Competition, the COLLABORATIVE APPLICANT for each CoC is required to complete and submit its GIW in *e-snaps*. Registration must be completed and approved by HUD in order for the COLLABORATIVE APPLICANT to gain access to the FY2012 CoC Program Competition application. Section III of this Notice outlines the current registration requirements that apply in the FY2012 CoC Program Competition and the CoC's planning process. Section IV of this Notice highlights the policies being implemented for the FY2012 Competition and certain requirements that all applicants should consider in preparation for the full implementation of the CoC Program.

B. The CoC Planning Process. CoCs are encouraged to begin planning for the FY2012 CoC Program Competition as outlined in the CoC Program interim rule published July 31, 2012. This competition is the exclusive vehicle for obtaining HUD funding for renewal and new CoC projects.

The CoC Program interim rule sets forth requirements that formalize the structure of the CoC, including establishing a Board to act on behalf of the Continuum. These requirements can be found in §578.5 and §578.7. CoCs will be requested to provide information regarding the CoC's board structure, board members, capacity, and the COLLABORATIVE APPLICANT's ability to implement regulatory requirements during the registration process.

The CoC is responsible for developing a plan that coordinates the implementation of a housing and service system that meets the needs of homeless individuals and families within its geographic area (§578.7). While CoCs have been required to develop and implement a plan as part of the application process for many years, under the CoC Program this is now a regulatory requirement that HUD may now include as part of its monitoring protocol. The plan must be developed using a comprehensive community-based or region-based approach to ending homelessness. The CoC's plan must address the specific needs of all homeless subpopulations, including, but not limited to persons with substance abuse issues; persons with HIV/AIDS; veterans and their families; the chronically homeless; families with children; unaccompanied

youth; persons with serious mental illness; and victims of domestic violence, sexual assault, and stalking.

HUD has determined that an effective CoC planning process is developed with representation from a full range of community stakeholders, including: nonprofit homeless assistance providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve veterans; and homeless and formerly homeless individuals. While not required by regulation, HUD encourages CoCs to integrate and align their strategic plans across state and local jurisdictions with the *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*.

To determine the planning and effectiveness of CoCs in meeting the goals and requirements established in the Act and the interim rule, CoCs should review and address the following: (1) CoC Housing, Services, and Structure; (2) Homeless Needs and Data Collection; (3) CoC Strategic Planning; (4) CoC Performance; and (5) Housing Emphasis.

II. KEY TERMS USED AS PART OF THE REGISTRATION PROCESS.

A. Definitions. The key terms contained in this Notice are important and relevant for COLLABORATIVE APPLICANTS to understand and complete the FY2012 registration in *e-snaps* on behalf of the CoC. A more extensive list of definitions can be found in the CoC program interim rule (§578.3).

1. Annual Renewal Amount (§578.3). The amount that a grant can be awarded on an annual basis when renewed. It includes funds only for those eligible activities (operating, supportive services, leasing, rental assistance, HMIS and administration) that were funded in the original grant (or the original grant as amended), less the non-renewable activities (new construction, acquisition, rehabilitation and any administrative costs related to these activities).

2. Centralized or Coordinated Assessment System (§578.3). A centralized or coordinated process designed to coordinate program participant intake, assessment and provision of referrals. A CENTRALIZED OR COORDINATED ASSESSMENT SYSTEM covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.

3. Collaborative Applicant (§578.3). The entity designated by the CoC to submit the registration and application in the CoC Program Competition on behalf of the CoC. The COLLABORATIVE APPLICANT 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 COLLABORATIVE APPLICANT for multiple CoCs, due to the level of involvement and potential for conflict of interest when serving multiple CoCs. No other type of organization is

permitted to be designated as the COLLABORATIVE APPLICANT for multiple CoCs. This entity is also known as the CoC applicant, and was formerly referred to as the “lead agency”.

4. *Continuum of Care Applicant* (§578.9). See COLLABORATIVE APPLICANT.

5. *Continuum of Care Merger.* The Continuum of Care Merger is a process to merge two or more CoCs that registered separately in the FY2011 Competition. At least one CoC may have FPRN based on the RENEWAL DEMAND AMOUNT that exceeds the PPRN and at least one other CoC can have a FPRN based on PPRN. Under this process, HUD calculates the newly merged CoC’s FPRN based on the higher FPRN for each CoC that participates in a Merger. CoCs approved to merge under the CoC Merger process in FY2012 will be permitted to continue to use this process in FY2013. HUD continues to encourage CoCs to merge regardless of FPRN status to promote efficient use of funds and planning. CoCs that merged using the “Hold Harmless” merger process in FY2011 may continue to use this process in FY2012 to determine FPRN.

6. *Continuum of Care Primary Contact* (§578.3). Person(s) with the authority from the COLLABORATIVE APPLICANT to submit the CoC Program Competition application on behalf of the CoC are referred to as CoC Primary Contacts. The primary contact is usually the Executive Director or CEO of the COLLABORATIVE APPLICANT.

7. *Continuum of Care Pro Rata Need (PRN) Amounts* (§578.17). 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 grants.

a. *Annual Renewal Demand.* Used to calculate a COLLABORATIVE APPLICANT’S annual demand amount based on all projects that will be submitted for renewal in the FY2012 CoC Program Competition. The ANNUAL RENEWAL DEMAND is the sum of the amounts awarded to projects for eligible activities, (for first time renewals that were originally awarded for multiple years, divide the grant amount by the number of years in the original grant term to determine the ANNUAL RENEWAL AMOUNT). It incorporates funding for only eligible activities—operating, supportive services, leasing, rental assistance, Homeless Management Information Systems (HMIS), and project administrative costs—that were funded in the original grant (or the original grant as amended), less the non-renewable activities—new construction, acquisition, rehabilitation, and any administrative costs related to these activities.

Any funding for new construction, acquisition, or rehabilitation, and any administration costs related to those activities, is not renewable and; therefore, should not be calculated in the project ANNUAL RENEWAL AMOUNT. If the grant being renewed includes these non-renewable activities, administrative costs must be recalculated to reduce the amount for such related activities. Administrative costs must not exceed 10 percent, of the total dollar amount of eligible activities—operating, supportive services, leasing, rental assistance, HMIS, and project administrative costs—as contained in the grant being renewed.

b. Continuum of Care Preliminary Pro Rata Need (PPRN). The amount of funds a CoC could receive based upon the geographic areas HUD approves as included in the CoC. To determine the homeless assistance need of a particular jurisdiction, HUD will use the formula set forth in the CoC Program interim rule at §578.17(a). 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.

The calculation of PPRN for FY2012 **will be** affected by new factors, and HUD is establishing a new baseline of need. First, the amount upon which the allocation formula (§578.17) is calculated has been increased from \$900 to \$1.24 billion because this formula previously only accounted for SHP renewal projects. This may result in an increase in the PPRN of all geographies. Second, the S+C program and SHP program renewals are added together to establish a CoC's overall renewal demand. Third, the combination of the increase in PPRN and the addition of S+C renewals into CoC renewal burden will affect CoCs differently. For some CoCs, there will be substantially different amounts of PPRN available for new projects after renewal demand is established. For other CoCs, renewal demand will be more than PPRN and only the Permanent Housing Bonus may be a potential source of new funding. Due to budgetary constraints, it is unlikely that HUD will fund new projects outside of CoC planning, reallocation, and the Permanent Housing Bonus. COLLABORATIVE APPLICANTS should take this into account when preparing the CoC application. HUD will further expand on the PPRN calculation and its impact in upcoming broadcasts and webinars.

c. Continuum of Care Final Pro Rata Need (FPRN). The higher of PPRN or ANNUAL RENEWAL DEMAND for the CoC is the FPRN, which is the basis for the maximum award amount available for the CoC.

d. Establishing a Continuum of Care's Maximum Award. First, HUD will total the FPRN amounts for each metropolitan city, urban county, other county and insular area claimed by the COLLABORATIVE APPLICANT as part of its geographic area, plus any increases based on Fair Market Rents (FMR), Permanent Housing Bonus amount(s), and funds awarded to the CoC for planning costs or UNIFIED FUNDING AGENCY (UFA) costs. HUD continues to encourage CoCs that have not been competitively funded in the past to considering merging regardless of FPRN status. 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.

8. Continuum of Care Registration. The first step in the annual CoC Program application process requires that each CoC identify its geographic area(s) coverage, appoint a COLLABORATIVE APPLICANT that will be responsible for the submission of the electronic application to HUD, and attach its GIW that identifies the universe of projects that are eligible for renewal in the FY2012 CoC Program Competition. This process establishes the CoC's FPRN amount as well as the bonus amounts and CoC planning funds that CoCs are eligible to request. The process also confirms the COLLABORATIVE APPLICANT's intent to submit an application in the FY2012 Competition on behalf of the CoC.

9. Grant Inventory Worksheets (GIW). The GIW is an inventory of all projects within a CoC's geographic area eligible for renewal in a particular year. The GIW is reflected on a HUD-issued Excel spreadsheet and must be included in *e-snaps* with the CoC's registration. HUD uses the GIW to determine which projects are eligible to receive renewal funding and the level of funding for each project.

As part of the FY2012 Competition, HUD will use the GIWs to determine the CoC's ANNUAL RENEWAL DEMAND for FY2012. Therefore, for all projects, the correct ANNUAL RENEWAL AMOUNT must be recorded on the GIWs, and for rental assistance projects the correct number of units and sizes of the units must be identified. New in FY2012, the correct number of units and sizes of the units and/or structures funded through leasing dollars must be identified. Additionally, projects that are being reduced or eliminated under the reallocation process should also be indicated on the GIWs. However, the actual reallocation process will be completed during the competition.

It is the responsibility of the applicants to ensure that the renewal budget and total number of units for all renewal projects match the amounts and units approved by HUD on the GIW. HUD will apply all updates to the operating, leasing, and rental assistance line items after the competition closes, but before grants are conditionally awarded. As necessary, HUD will reduce the requested budgets and units to match the budgets and total number units on the CoC's HUD-approved GIW(s).

10. Homeless Management Information Systems (HMIS) (§578.3 and §578.57). An HMIS is a computerized data collection application designed to capture client-level information over time on the characteristics of housing and 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 only allow only one applicant as the HMIS dedicated grant within a CoC. This applicant must be the HMIS lead designated by the CoC.

11. Homeless Management Information Systems (HMIS) Lead (§578.3). The HMIS Lead is designated by the CoC as the responsible entity to manage the CoC's HMIS. The HMIS Lead is the only entity eligible to apply for dedicated HMIS funds including leasing a structure in which the HMIS is operated, use operating funds for a structure in which the HMIS is operated, and for HMIS costs related to establishing, operating, and customizing a CoC's HMIS.

12. Permanent Housing Bonus. Subject to funding availability, the Permanent Housing Bonus will be available to CoCs to apply for funding to create one or more new permanent supportive housing projects. Each CoC is eligible for a Permanent Housing Bonus amount up to 10 percent of the CoC's PPRN. The specific amount is calculated and displayed during the CoC registration process in *e-snaps*. The eligible participants include chronically homeless individuals and families. CoCs may use the Permanent Housing Bonus funds to serve chronically homeless individuals and families. Projects cannot further limit eligibility only to chronic homeless individuals and families with specific types of disabilities or diagnoses, however projects may limit admission or provide a preference for the housing to persons who need specialized

supportive services that are provided in the housing, consistent with §578.93(b)(7). Demonstrating progress in reducing the chronic homeless population will continue to be a scored item in the CoC application. PPRN funds cannot be added to new projects created using Permanent Housing Bonus funds.

13. *Project Applicant.* The project applicant is the entity that completes a project application for funding to operate a housing or service project for homeless individuals and families.

14. *Rapid Re-housing (CoC Program).* Continuum of Care funds may provide supportive services (§578.53), and/or short-term (up to 3 months) and/or medium-term (for 4 to 24 months) of tenant-based rental assistance (§578.51(c)), as necessary to help a homeless individual or family move quickly into permanent housing and achieve stability in that housing. When providing short-term and/or medium-term rental assistance to program participants, the rental assistance is subject to §578.51 (a)(1), but not (i) and (ii); (a)(2); (c) and (f) through (i); and (m)(l).

15. *Rapid Re-housing for Families Demonstration Program.* This demonstration program was funded in the FY2008 CoC NOFA to target households with dependent children residing on the streets or in emergency shelters. Projects awarded funding under this demonstration grant were to administer the program in accordance with the requirements of the SHP program, Transitional Housing (TH) component. Eligible activities are limited to administration, leasing (up to 18 months), and supportive services; and the grantee must participate in the evaluation phase. Those projects that are renewing in FY2012 for the first time must renew under the TH component.

16. *Reallocation.* A CoC may reallocate funds in whole or part from existing renewal projects to create a dedicated HMIS project, one or more new permanent supportive housing projects, or RAPID RE-HOUSING (CoC) projects. All CoCs may use the reallocation process, regardless of their funding status. CoCs that choose to reallocate one or more renewal projects to create new permanent supportive housing projects, RAPID RE-HOUSING (CoC) projects, or HMIS projects may retain the reallocated amount, provided that the new proposed project(s) meets eligibility and quality thresholds established by HUD in order to be conditionally selected for funding. The selection criteria will be described in the FY2012 CoC Program Competition NOFA. Reallocated funds may not be used to supplement a new Permanent Housing Bonus project.

17. *Subrecipient (§578.3).* A subrecipient is a private nonprofit organization, State, local government, or instrumentality of State and local government that receives a sub-grant from the recipient to carry out a project.

18. *Unified Funding Agency (§578.3).* An eligible applicant selected by the Continuum of Care to apply for a grant for the entire Continuum, which has the capacity to carry out the duties in §578.11(b), which is approved by HUD and to which HUD awards a grant.

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).

1. Identifying Projects to be Included on the GIW. This is the first step in the CoC Program Competition. Before beginning the registration process in *e-snaps*, CoCs must produce an inventory of all projects eligible for renewal funding in the FY2012 CoC Program Competition. CoCs must reflect the inventory on the HUD-issued Excel spreadsheets (Grant Inventory Worksheets or GIWs). HUD will email the GIWs to the appropriate CoC contacts as listed in the CoC Applicant Profile in *e-snaps*. CoCs that did not complete the registration process in FY2011 should contact the local HUD CPD field office to obtain a blank GIW.

HUD will use the completed GIWs to establish the CoC's FY2012 ANNUAL RENEWAL DEMAND and as a basis for award amounts for all eligible renewal projects. The CoC's renewal demand is the sum of the ANNUAL RENEWAL AMOUNTS of all projects eligible within the CoC's geographic area(s) to apply for renewal in the FY2012 Competition, before any required adjustments to the rental assistance, leasing, and operating line items are made by HUD based on annual FMR amounts.

COLLABORATIVE APPLICANTS are responsible for ensuring that the GIW(s) accurately list all projects eligible for renewal funding in the FY2012 Competition. The local HUD CPD office is available to assist with completing the GIW. To assist in this process, HUD has pre-populated the GIWs with the grants that received 1 year of funding (renewal and new) in the FY2011 CoC Competition as well as grants that may not have been submitted for renewal funding yet from the FY2006 Competition. Per the FY2006 Appropriation, the funds for grants awarded in the FY2006 CoC Competition will not be available after September 30, 2013. To ensure continuation of funding for homeless projects awarded in FY2006, all projects must be renewed in the FY2012 CoC Program Competition. However, this initial listing may be incomplete. COLLABORATIVE APPLICANTS must ensure that the following eligible projects are included on the GIWs:

- a. Grants awarded in a preceding CoC Homeless Assistance Grants competition (i.e., an SHP or S+C grant) which expire in calendar year (CY) 2013—the period beginning on January 1, 2013, and ending on December 31, 2013.
- b. Any renewal grants that received 1 year of funding in the FY2011 CoC Homeless Assistance Grants Competition.
- c. Any new 1-year grants awarded under the FY2011 CoC Homeless Assistance Grants Competition that have an executed grant agreement at time of application submission, and that will expire in CY2013.
- d. Any S+C grants awarded prior to FY2002 for which funding is expected to run out in CY2013, and which has never received renewal funding.

e. Any grant originally awarded in the FY2006 CoC Homeless Assistance Grants Competition, that has funds expiring in CY2013 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, 2013. 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, 2013.

Grants awarded in the FY2006 CoC Homeless Assistance Grants Competition are not eligible for renewal in the FY2012 Competition if they expire in CY2012 (time period beginning January 1, 2012, and ending December 31, 2012), and were not renewed in a previous competition, or were not approved for extension into CY2013 or later.

2. First Time TRA and SRA Renewals. For applicants with projects previously funded as Tenant Based (TRA) and Sponsor Based (SRA) components of S+C that renew in the FY2012 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 lease at the time of submission of the GIW to HUD. To support the addition of units beyond the initial award, 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 FY2012.

3. Failure to Include Renewal Projects on the GIW. Failure to include a project on the GIW could 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 it will receive funding in FY2012, as the project must meet the threshold requirements detailed in the NOFA. Applicants must apply for renewal funding in the CoC Program competition. HUD will not fund projects that fail to submit a project application by the competition deadline regardless of whether the project was included on the GIW. 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. COLLABORATIVE APPLICANTS and project applicants are encouraged to read the information released by the [Appropriations Committee](#) as it pertains to renewal projects.

4. Special Instructions CoCs without Expiring Renewal Grants. CoCs that do not have any projects within their geographic area that are eligible for renewal funding in the FY2012 CoC Program Competition and that **will not** request funding for new projects in FY2012 are not required to complete the registration. However, registration is strongly encouraged so that HUD is informed of the CoC's active status.

If a CoC has never received funding or has no renewals for projects within the geographic area **but plans to submit a request for funding under the FY2012 Competition**, the COLLABORATIVE APPLICANT must obtain a blank GIW from the local HUD CPD field office. The CoC must note on the GIW that it has never received funding, or does not have eligible renewal projects. The GIW must then be submitted in *e-snaps* by the

COLLABORATIVE APPLICANT along with the CoC's registration. Contact information for each CPD field office is available at: <http://www.hud.gov/offices/cpd/about/staff/fodirectors>.

5. *CoCs Merged via the HHN Merger Process in FY2011.* CoCs that merged using the "Hold Harmless" merger process in FY2011 are permitted to continue to use this process in FY2012 to determine FPRN.

6. *Special GIW Instructions for Reallocation.* In FY2012, CoCs that are planning to reallocate renewal projects, in whole or in part, are responsible for reflecting this information for the affected renewal project(s) on the GIW.

B. Step Two: Log in to e-snaps to Access the Registration Forms. Any COLLABORATIVE APPLICANT primary 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 FY2012 registration forms in *e-snaps*. For FY2012, returning users may use the same username and password previously created. First-time users of *e-snaps* must create an *e-snaps* user account by completing the *e-snaps* user profile information. Each person who creates a user account for the first time must be granted permission by the primary authorized *e-snaps* user of the COLLABORATIVE APPLICANT in order to access the FY2012 registration forms. The steps to complete this process are detailed in the *Adding and Deleting Users* resource document located online at: <http://esnaps.hudhre.info/referenceroom.cfm>. The VHD is also available to provide assistance with adding and deleting users in *e-snaps*. For instruction on contacting the VHD, see Section C. of the "FOR FURTHER INFORMATION CONTACT" section at the beginning of this Notice.

C. Step Three: Complete/Update Applicant Profile. The Applicant Profile allows CoCs and project applicants to update the contact information for the primary and alternate contacts to ensure that HUD has up-to-date information on file. The information in the Applicant Profile is available for updates throughout the year and applicants are strongly encouraged to keep the contact information updated as changes occur. Returning COLLABORATIVE APPLICANTS must complete, as needed, the CoC Applicant Profile in *e-snaps*. This will include any updates needed to the COLLABORATIVE APPLICANT Primary and Alternate contacts, HMIS Lead Agency and Contact Person, and Homeless Resources Contact Person. COLLABORATIVE APPLICANTS representing new CoCs must complete the Applicant Profile information in full. Information on how to complete or update the Applicant Profile can be found at: www.hudhre.info.

D. Step Four: Complete the Registration Forms. Because of requirements related to the implementation of the new CoC Program, all CoCs (returning and new) must fully complete the registration process in FY2012, which means that they must provide all requested information. COLLABORATIVE APPLICANTS representing returning CoCs that registered in FY2011 will not have the ability to transfer information into the FY2012 registration forms in *e-snaps*. Applicants must enter information in all forms as the ability to import data will not be available due to the changes required under the HEARTH Act. [The CoC Registration Training Guide](#) provides instructions on how to complete this process. The rest of this section highlights information that must be entered into *e-snaps* to complete and submit the registration.

1. CoC Type. CoC Applicants will have the option to register as a COLLABORATIVE APPLICANT (CA) or a UNIFIED FUNDING AGENCY (UFA) in the FY2012 CoC Program registration process. HUD will notify CoC Applicants of the final approved designation as CA or UFA during the CoC Registration process. CoC Applicants requesting UFA designation must be able to provide information as outlined in §578.11 of the CoC Program interim rule and clearly have financial systems that meet the standards set forth in 24 CFR art 84.21 (for nonprofit organizations) and 24 CFR part 85.20 (for States).

2. Identify CoC Mergers. For CoCs that are approved by HUD to merge before the end of the registration process, the FY2012 registration must capture the total ANNUAL RENEWAL DEMAND amount as well as the total FPRN of the merged CoCs. To determine these totals, HUD will make available guidance on eligibility and procedures via the *Worksheet and Guidance on CoC Merger*.

The *Worksheet* will also indicate whether a CoC may benefit from merging under the CoC Merger option in FY2012. The *Worksheet* will be posted at <http://www.hudhre.info/esnaps>. In FY2012, the completed *Worksheet* must be attached in *e-snaps* to the CoC's registration submission. The *Worksheet* is not required where two or more of the merging CoCs are in the same need status (i.e., both where the renewal demand exceeds PPRN status or both in PPRN status). The FPRN for these CoCs will be calculated on the sum of the FPRN for all of the original CoCs. *Enter the Renewal Demand and Merger amounts, and submit the Grant Inventory Worksheet*. For FY2012, each registration submission must include the CoC's FY2012 renewal demand amount. The renewal demand amount is calculated in the GIW. In FY2012, CoCs approved to use the Merger process must also enter in *e-snaps* the FY2012 merged FPRN amount, as calculated by the *Worksheet*.

3. Identify the CoC's Geographic Area. All COLLABORATIVE APPLICANTS must notify HUD of the geographic area(s) included in the CoC. This notification is completed in *e-snaps* during registration. Each geographic area is associated with a PPRN amount. HUD has posted a list of each geographic area and the associated PPRN amount at <http://www.hudhre.info>.

In FY2012, HUD made changes to the jurisdictions used in the PPRN calculations from FY2011. It is important that COLLABORATIVE APPLICANTS identify all areas within the CoC's jurisdiction during the registration process in *e-snaps*. The areas added to the PPRN calculation in FY2012 are: Petersburg Census Area, Alaska; Bellevue, Nebraska; and Hammonton, New Jersey. In FY2012, the previously named area Prince of Wales-Outer Ketchikan and Wrangell-Petersburg Census, Alaska are now known as Prince of Wales-Hyper Census Area and Wrangell City and Borough, Alaska. Finally, Venice, Florida and St. Peters City, Missouri were removed from the PPRN calculation.

The geographic area(s) approved in the registration will determine the maximum dollar amount that the CoC can request for one or more new projects under the Permanent Housing Bonus. The dollar amount identified for CoC planning funds is calculated up to 1.25 percent of the FPRN amount or \$250,000, whichever is less. This information is available for the CoC to assist in its annual planning process.

The regulation states in §587.35(d) if more than one CoC claims the same geographic area, HUD will award funds to the COLLABORATIVE APPLICANT(S) whose application(s) have the highest total score. No projects will be funded from the lower scoring CoC. No projects that are submitted in two or more competing CoC applications will be funded. HUD will not correct errors made by COLLABORATIVE APPLICANTS that fail to claim a geographic area claimed in the past.

4. *CoC Board Information.* New in FY2012, CoCs may respond to a series of questions related to the CoC Board Structure and Board Members as outlined in §578.5(b), §578.7(a)(3), and §578.95(b). The purpose of these questions is to gather information about the current board structure for CoCs, if one exists, and to include information about the board members. CoCs must answer the questions in this section based on the current board structure and board member composition. This section is informational only for FY2012 and will not be assessed during the Registration process.

5. *Capacity.* COLLABORATIVE APPLICANTS are required to provide information concerning the current capacity of the CoC to measure performance and implement corrective measures to assist poor performing projects. COLLABORATIVE APPLICANTS must also provide information on how collaboration is addressed between public and private organizations to avoid duplication of services and to ensure that service and housing gaps are addressed.

6. *Submit Registration to HUD.* All CoC applicants must submit their FY2012 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.hudre.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.

E. 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. COLLABORATIVE APPLICANTS may send this request via the VHD at www.hudre.info/helpdesk. COLLABORATIVE 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.
- 2. *Contact information.*** Provide current contact information so that HUD may contact the CoC in regard to this request, as needed.

3. Grant Inventory Worksheet. 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 pre-populate the GIWs with the renewal grants that received 1 year of funding and 1-year new grants in the FY2011 CoC Competition. This initial listing provided by HUD may not be a complete listing. Along with the request, disaster-affected 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 COLLABORATIVE APPLICANT.

IV. FY2012 HEARTH HIGHLIGHTS

The following list highlights major policies being implemented under the FY2012 CoC Program Competition NOFA, as well as requirements that all applicants should consider to fully implement the CoC Program.

- a. The activities of the Supportive Housing Program (SHP) and Shelter Plus Care Program (S+C) have been consolidated into one program. To continue ongoing leasing, operations, supportive services, rental assistance, HMIS, and administration activities, SHP and S+C (now referred to as HUD's "legacy" Homeless Assistance Grants) projects are renewable under the CoC Program Competition as set forth in §578.33 of the interim rule.
- b. Projects and activities that were eligible under HUD's legacy Homeless Assistance Grants but are no longer eligible under the CoC Program (e.g., safe havens, projects limited to persons with specific disabilities or diagnoses), will continue to be eligible for renewal under the original grant terms as long as the recipient does not significantly change the project after submission of the FY2012 CoC Program application. HUD has determined that this protection is necessary to continue housing and services to vulnerable populations that will be at-risk if funding is withdrawn.
- c. Funds for rental assistance previously funded under the S+C program are now included in the CoC's Annual Renewal Demand (formerly called Hold Harmless Need).
- d. The CoC Program interim rule describes in detail the difference between costs used for leasing and those used for rental assistance (§578.44 and §578.51). Grants formerly funded under the SHP program that include a leasing budget line item will have the opportunity to change the budget funding type from leasing to rental assistance in FY2012 in accordance with the CoC Program interim rule. Recipients with grants that include a leasing budget should carefully review the nature of the project to determine if a change should be made from leasing to rental assistance for the project. Recipients with grants that include a leasing budget should carefully review the nature of the project to determine if a change should be made from leasing to rental assistance for the project. Leasing funds will be renewed as rental assistance if the funds are used to pay rent on units where **the lease is between the program participant and the landowner or sublessor (§578.48(b)(8)).** Under this type of agreement, the project applicant will be able to change the budget information from leasing to rental assistance and use

the area(s) Fair Market Rent (FMR) amount to determine the budget amount. Project applicants that are eligible to change the budget from leasing to rental assistance must provide copies of the tenant/landlord agreement.

A project application cannot include both leasing and rental assistance unless the project is paying for a structure to provide supportive services (i.e., leasing a structure for a case management office) in addition to units in which the program participants hold the lease with the landlord. HUD will provide training materials and conduct a broadcast to specifically address how current leasing projects will determine eligibility that will result in the change from leasing to rental assistance.

e. HUD will allow new projects to request funding for 1 year to facilitate implementation of CoC strategies to reduce gaps in permanent housing in an effort to increase the total number of available permanent housing beds and to increase the number of persons moving into permanent housing. Any new projects requesting capital costs (i.e., new construction, acquisition, or rehabilitation) are not eligible for 1 year requests and will be increased to 3-year grant terms if submitted for 1 year.

f. HUD will continue to limit the grant term for renewal grants to 1 year of funding. Requests for multiple years of funding will be reduced to 1-year amounts.

g. 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. Per the CoC Program interim rule, applicants will be required to draw project funds, at the minimum, on a quarterly basis if funded in the FY2012 CoC Program Competition. Any substantial performance issue may result in a project not being funded in the FY2012 CoC Program Competition and subsequent competitions such as significant delays in drawing down funds, outstanding monitoring findings, or not serving or just beginning to serve program participants.

h. HUD will continue the Reallocation process. All CoCs will have the ability to reduce and eliminate funds for renewal projects, including projects formerly funded under the S+C program, to develop new projects. CoCs may seek to use the reallocation process to create new dedicated HMIS projects, new permanent supportive housing projects, or RAPID RE-HOUSING projects. COLLABORATIVE APPLICANTS should identify all renewal projects being reduced or eliminated through the Reallocation process on the CoC's FY2012 GIW(s).

Additionally, CoCs will be able to reallocate Supportive Services Only (SSO) project(s) to create one new Supportive Services Only project dedicated to creation of a CENTRALIZED OR COORDINATED ASSESSMENT SYSTEM if one does not already exist in the CoC.

i. HUD will continue to target CoCs serving extremely high need communities to receive funding. To ensure HUD is targeting its resources, the Department will award additional points to CoCs based on the following criteria in the geographic area: (1) foreclosures; (2) number of homeless persons; (3) unemployment; (4) the ratio of unsheltered to sheltered homeless persons; (5) PPRN; and (6) the number of chronically homeless persons.

j. Subject to available funding, there will be a Permanent Housing Bonus. The bonus amount will be up to 10 percent of a CoC's PPRN. CoC project applicants will be able to use funds for projects that serve chronically homeless individuals and families.

k. COLLABORATIVE APPLICANTS were required to submit their FY2012 Housing Inventory Data and Point-in-Time Data directly into the HUD Homelessness Data Exchange (HDX) website on behalf of the CoC. The FY2012 submission deadline was April 30, 2012.

l. 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. The only exception for new projects is the CoC planning application that are either accepted or rejected by the CoC. Only one CoC planning application can be submitted per CoC, and it must be submitted by the COLLABORATIVE APPLICANT.

m. HUD will continue the two-step funding announcement process in FY2012. Funding for renewal applicants will be awarded first. All other projects, including reallocation projects and other new applications will be awarded at a later date.

n. The Act requires that CoCs consult with State and local government ESG recipients within the geographic area on the plan for allocating ESG funds and reporting on and evaluating the performance of ESG recipients and sub-recipients. CoCs should consider, if this is not already occurring, how coordination with ESG recipients will occur and what plan(s) are required to be in place at the CoC level to ensure this requirement is met.

o. The 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 analysis 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 continue to consider any unique needs that the HMIS may be required to address in order to accommodate these emergency shelter, street outreach, and homelessness prevention programs.

p. The Act and the interim rule have a focus on performance and outcomes, including measures that have not been reviewed by HUD under the legacy Homeless Assistance Grants. HUD encourages CoCs to review the performance measures and begin to strategize 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. HUD will not apply all performance criteria in the FY2012 CoC Program Competition since communities do not yet have applicable data available for measurement and scoring.

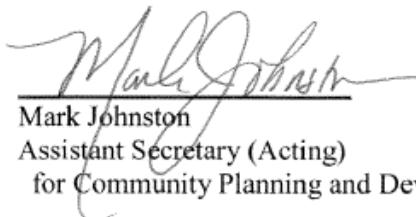
q. HUD continues to encourage each Continuum of Care, in collaboration with the HMIS Lead, to assess the adequacy of current funding and staffing for the HMIS. This strategic review should include a process for estimating costs associated with such items as:

- r. 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.;
 - i. Enhancements to current HMIS software;
 - ii. Compliance with HMIS Data Standards; and
 - iii. Assessing HMIS software functionality for capacity to generate data for HUD reporting (APR, AHAR, Pulse, HPRP, etc.).

V. GETTING INFORMATION AND ASSISTANCE

HUD HRE Website. Prospective COLLABORATIVE APPLICANTS are advised to review the resources available online at 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 FY2012 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.

Date: 8/30/12



Mark Johnston
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for Community Planning and Development

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