



## Summary of the 2008 HUD Continuum of Care Homeless Assistance Programs NOFA

### PLEASE NOTE:

CSH is offering the information in this Summary based on our current best understanding and interpretation of the *Notice of Funding Availability (NOFA) for the Continuum of Care Homeless Assistance Program* published in the Federal Register on July 10, 2008. This Summary is not meant to represent official advice under HUD authority, and every potential applicant should review the NOFA carefully. Readers who are not already familiar with the Continuum of Care programs and processes may also wish to review CSH's brief document [\*Overview of the Continuum of Care Grant Programs and Planning Processes\*](#), available within our Supportive Housing Financing Guide at [www.csh.org/financing](http://www.csh.org/financing). For more information about this year's Continuum of Care NOFA, visit HUD's website at <http://www.hud.gov/offices/adm/grants/nofa08/cocgrp.cfm>.

### RELEASE OF NOTICE OF FUNDING AVAILABILITY:

On Thursday, July 10, 2008, the U.S. Department of Housing and Urban Development (HUD) published the *Notice of Funding Availability (NOFA) for the Continuum of Care Homeless Assistance Program* as pages 39840 through 39855 within the Federal Register.<sup>1</sup> The NOFA can be accessed at <http://www.hud.gov/offices/adm/grants/nofa08/cocgrp.cfm> and establishes this year's funding criteria for the Continuum of Care (CoC) Homeless Assistance Programs (sometimes also referred to as the McKinney-Vento Homeless Assistance Act programs): the Supportive Housing Program (CFDA No. 14.235); the Shelter Plus Care Program (CFDA No. 14.238); and the Section 8 Moderate Rehabilitation Single Room Occupancy Program (CFDA No. 14.249).<sup>2</sup>

### FUNDS AVAILABLE:

Approximately \$1.42 billion is being made available for the CoC competition in FY 2008, up from approximately \$1.25 billion in FY 2007.

### DEADLINE AND FORMAT FOR APPLICATIONS:

As of the release of the CoC NOFA, HUD anticipates an ***approximate application due date of September 15, 2008***. CoCs and project applicants will be required to apply for the 2008 CoC competition electronically through HUD's *e-snaps* system at <http://www.hud.gov/esnaps>.<sup>3</sup> The application portion of the *e-snaps* system has not yet been launched. Therefore, HUD will announce the application due date through a separate Federal Register Notice once the *e-snaps* system is able to process funding applications, and the application due date will be at least 60 days from the publication date of that Notice. Any CoC that has not completed all the steps required for *e-snaps* registration must contact their HUD representative immediately as CoCs failing to complete all of the steps required will not be able to apply for the 2008 CoC Competition. As described on pages 39853-39854, HUD reserves the right to flexibly implement its authority to cure application deficiencies through callbacks and written inquiries, with responses generally required within 14 days of receiving a HUD request.

<sup>1</sup> All page references within this document refer to page numbers from the Federal Register notice.

<sup>2</sup> On March 19, 2008, HUD released the General Section of FY 2008 NOFAs for Discretionary Programs (General Section), available at <http://www.hud.gov/offices/adm/grants/nofa08/gensec.pdf>. CSH has previously released a [\*2008 HUD SuperNOFA General Section Summary\*](#) which highlights information from that document most relevant for CoCs.

<sup>3</sup> On April 30, 2008, HUD released information regarding the electronic registration and submission requirements for the Continuum of Care Homeless Assistance Programs. CSH has previously released a [\*Summary of HUD's April 30, 2008 Notice re: Continuum of Care Programs\*](#), which provides key information regarding the electronic registration and application process.

#### HIGHLIGHTS OF CHANGES FROM LAST YEAR:

On pages 39840- 39841, HUD summarizes major changes within this year's CoC NOFA, with more detailed information provided in other sections of the NOFA:

- CoCs may create multiple Samaritan Housing Initiative projects as long as the total amount of funding requested for all bonus projects does not exceed 15 percent of the CoC's Preliminary Pro Rata Need. (See the *SAMARITAN HOUSING INITIATIVE* section below.)
- HUD will continue to score CoC Homeless Assistance applications on a 100 point scale; however, the 40 need points previously allocated to projects will be redistributed into the existing point structure. (See the *Application Scoring Criteria* section below.)
- HUD is providing up to \$23.75 million in funding within the NOFA to implement a Rapid Re-Housing for Families Demonstration Program intended to serve homeless households with dependent children. (See the *RAPID RE-HOUSING FOR FAMILIES DEMONSTRATION PROGRAM* section below.)
- Safe Havens (SH) will no longer be given Transitional Housing or Permanent Housing classifications and the NOFA provides the opportunity for grantees seeking renewal to change the classification of their project without a grant amendment. Under the newly defined Safe Haven SHP program type, any chronically homeless person entering a Safe Haven will maintain his/her status as chronically homeless, and will therefore be eligible for entrance into Samaritan Housing Initiative projects. (See the *CHANGES REGARDING SAFE HAVENS* section below.)
- HUD reminds grantees and applicants that S+C and new SRO grants may not exceed 100 percent of the Fair Market Rent (FMR) for the Metropolitan Statistical Area (MSA) and unit size.
- CoCs that are in Hold Harmless Need status may seek to use the reallocation process to create new dedicated Homeless Management Information System (HMIS) projects. (See the *PRELIMINARY PRO-RATA NEED, HOLD HARMLESS NEED, AND HOLD HARMLESS REALLOCATION PROCESS* section below.)
- HUD will allow only one applicant for HMIS-dedicated grants within a CoC, and clarifies the eligible uses of HMIS funds contained in the Training and Technical Assistance line item of the HMIS budget on page 39841.
- HUD may, after selection and subject to funding availability and as supported by a lease or leases evidencing the rent increase, provide SHP renewal projects up to a 4% increase in the leasing line item not to exceed local FMR amounts.
- HUD will no longer require that applicants/grantees funded for Tenant-based Rental Assistance, Sponsor-based Rental Assistance, and Project-based Rental Assistance without rehabilitation begin rental assistance within twelve (12) months of the date of HUD's grant award letter. These applicants/grantees and all other applicants/grantees must continue to meet statutory deadlines regarding the obligation of grant funds as stated in the HUD Appropriations Act. (See the *ADDITIONAL GUIDANCE REGARDING THRESHOLD REQUIREMENTS AND TIMELINESS STANDARDS* section below.)

#### PRELIMINARY PRO-RATA NEED, HOLD HARMLESS NEED, AND HOLD HARMLESS REALLOCATION PROCESS:

As described on page 39842, each CoC is eligible to receive the greater of their Preliminary Pro-Rata Need (PPRN) or their Hold Harmless Need (HHN), which is the total one-year amount of all of a CoC's SHP projects eligible for renewal. HUD has communicated to all CoCs the process for confirming their HHN Amount and extended the deadline for confirming those Amounts until July 16, 2008. Confirming the HHN Amount is required in order to access Exhibit 1 of the application, when it becomes available via *e-snaps*. CoCs with questions regarding their HHN Amounts should contact their HUD Field Offices immediately.

Under the Hold Harmless Reallocation Process provisions, CoCs have, at their discretion, the ability to

reduce or eliminate SHP grants according to community priorities and needs.<sup>4</sup> Should a CoC determine that one or more renewal projects will be eliminated, or that one or more renewal project's funding requests will be reduced, the one-year funding amounts that these projects represented will still be counted as part of the HHN Amount. CoCs may reallocate the savings from the eliminations/reductions to create new permanent housing projects. When reducing project amounts, project sponsors should proportionally reduce the project scope and number of persons served when completing their Exhibit 2 submission. Important points to keep in mind include:

- Shelter Plus Care renewals do NOT count against a CoC's pro rata need.
- To qualify as an SHP renewal project, the contract must expire between January 1 and December 31, 2009.
- The elimination/reduction amounts are based on one year renewal funding, and the reallocation project(s) may be for SHP (1, 2, or 3 years), S+C (5 years), and Section 8 SRO (10 years) projects and their respective eligible activities.
- Funds cannot be reallocated to proposed Samaritan Housing Initiative projects or Rapid Re-Housing for Families Demonstration projects.
- CoCs can use the process to create a dedicated SHP-HMIS project for one, two, or three years.
- If a SHP renewal is being eliminated and that project originally received funding for acquisition, rehabilitation, and/or construction, the 20-year "term of commitment" requirement remains in effect as stipulated under the statute (Section 423.b) and the grantee must continue to operate the housing for homeless persons for the remainder of that term.

Under the policies in place prior to 2007, a CoC risked losing the reallocated funds if the CoC did not score above the "full funding line" that made the CoC eligible for funding for any new projects. Starting with last year's NOFA, HUD changed the hold harmless provisions to provide greater flexibility and to facilitate a greater emphasis on permanent housing by allowing CoCs to eliminate or reduce renewal SHP projects in order to fund new permanent housing projects with minimized risk of losing any funding; HUD will treat a project funded through reallocation as a renewal, and new projects created through this process are subject to HUD's conditional renewal standards as described in Section 5.B.2.a(iii), on page 39846. CoCs that choose this reallocation option must explain the process they used to make these determinations in Exhibit 1 under the Priorities/Reallocation section. In addition to the narrative, a Reallocation Chart is typically part of the Exhibit, but final forms are not available at the time of this Summary.

#### **SAMARITAN HOUSING INITIATIVE:**

The Samaritan Housing Initiative remains largely unchanged from last year, with the exception of the significant change that CoCs may create multiple Samaritan Housing Initiative projects as long as the total amount of funding requested for all such projects does not exceed 15 percent of the PPRN.

- The project(s) seeking Samaritan Initiative funds must be permanent housing project(s) that will exclusively serve people meeting the definition of "chronic homelessness."<sup>5</sup>
- Such projects can be part of a larger project or building that serves other populations as well as long as other funding is used for costs associated with units serving people who are not chronically homeless.
- The amount of bonus funding available to each CoC under this Initiative is based on the same formula as 2006 and 2007 - up to 15% of its PPRN, with a cap of \$6 million. Excess PPRN funding can be added to a Samaritan Housing Initiative project; as noted above, reallocated HHN funding cannot.

---

<sup>4</sup> The Hold Harmless Reallocation Process is not available to CoCs in PPRN Status (i.e., PPRN is higher than HHN).

<sup>5</sup> Definition provided on page 39841: An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.

- Projects may be SHP, S+C, or SRO, with only housing activities counting toward the Samaritan Initiative bonus; SHP projects may use up to 20% of the funding for case-management costs.
- Safe Havens are not eligible project types for proposals under the Samaritan Housing Initiative.

#### **RAPID RE-HOUSING FOR FAMILIES DEMONSTRATION PROGRAM:**

The NOFA includes up to \$23.75 million in funding for a Rapid Re-Housing for Families Demonstration Program.<sup>6</sup> As described on pages 39843 and 39846, the program is designed to provide housing placement, short-term rental assistance, and case management and other support services for families with dependent children who have been living in emergency shelters or on the streets for at least seven days. Each CoC may only submit an application for one project, requesting up to the lesser of 30% of the CoC's PPRN or \$2 million. The grant term must be for three years, grants will be administered in accordance with the SHP program Transitional Housing component, and grantees are required to participate in the evaluation phase.

- Eligible activities are limited to administration (up to 5%), leasing (up to 18 months), and eligible supportive services (which can be up to 30% of the total eligible program activities [grant total minus administrative costs]).
- Eligible supportive services are defined within the NOFA, and are limited to housing placement, case management, legal assistance; literacy training, job training, mental health services, childcare services, and substance abuse services.
- The CoC in which the applicant is applying must have a centralized intake process for families with dependent children and use one assessment tool used to assess all families.
- Families "must be able to independently sustain housing at the end of the short-term housing assistance," and must have at least one "moderate barrier to housing," defined in the NOFA as including short term financial strain or unemployment, legal problems, poor credit or prior evictions, a history of substance abuse without any active use, or mental health diagnosis that does not greatly impact the household's ability to sustain housing. (See page 39846 for full list of barriers included within the definition.)
- The program is not intended to serve families with more substantial needs or barriers to housing. From CSH's perspective, some families with higher levels of need would be more appropriately served in permanent supportive housing, although supportive housing projects that serve families cannot be funded through the Samaritan Housing Initiative.
- HUD has developed a separate selection and scoring process that will be linked and combined with the CoC's overall score, as described on pages 39851 - 39852.

#### **CHANGES REGARDING SAFE HAVENS:**

As noted above, chronically homeless people who enter a Safe Haven project will now maintain their status as chronically homeless and therefore their eligibility for permanent supportive housing within Samaritan Housing Initiative projects. This change will allow Safe Havens projects to provide a pathway from the streets into permanent supportive housing for some of the most vulnerable chronically homeless people who are seriously mentally ill. In addition, Safe Haven projects will no longer be designated as transitional housing (SH-TH) or permanent housing (SH-PH) and grantees with renewal projects will be required to change the classification of their projects via the application and without a grant amendment. Depending

---

<sup>6</sup> On July 8, 2008, the National Alliance to End Homelessness published a brief description of [Rapid Re-Housing](#), including an overview of the demonstration program and description of typical services and strategies of such programs, available via [www.endhomelessness.org](http://www.endhomelessness.org), which may be helpful to prospective applicants.

on program design, these projects may be reclassified as transitional housing, as permanent housing, or as a Safe Haven, if the project meets specific criteria included in the NOFA on page 39843:

- A Safe Haven must be located in a facility and must provide low-demand services and referrals and 24-hour residence in private or semi-private accommodations for up to 25 eligible homeless people.
- Safe Havens must target homeless individuals with serious and persistent mental illness, primarily from the streets, and they must prohibit the use of illegal drugs in the facility.

**APPLICATION SCORING CRITERIA:**

HUD has significantly altered its allocation of points for the 2008 competition. As described on pages 39850 – 39852, HUD will continue to score CoC applications on a 100 point scale. In previous NOFAs, 40 ‘need points’ were allocated to project applications. But this is no longer the case under this year’s NOFA. These points have been redistributed into the existing point structure, resulting in changes in the emphases scoring categories carry within the total points available, as shown in the table below. There have been no changes to the criteria used for determining the score for each category.

Scoring Category	Points Available in 2007	Percentage of Total Points in 2007	Points Available in 2008	Percentage of Total Points in 2008	Percentage Increase (Decrease) 2007 vs. 2008
CoC Housing, Services, and Structure	8	13.33%	14	14.00%	5.00%
Homeless Needs / Data Collection*	12	20.00%	24	24.00%	20.00%
CoC Strategic Planning	10	16.67%	16	16.00%	(4.00%)
CoC Performance	18	30.00%	28	28.00%	(6.67%)
Emphasis on Housing Activities**	12	20.00%	18	18.00%	(10.00%)
TOTAL	60		100		

\*The NOFA does not provide guidance regarding how the points will be divided between Homeless Needs and Data Collection in the 2008 competition. In 2007, eight points were given to housing needs and five points to HMIS (Page 39851).

\*\*The NOFA does provide clarification that CoCs are not required to have 100 percent housing activities to receive full points in the Emphasis on Housing Activities category (Page 39851).

**ADDITIONAL GUIDANCE REGARDING THRESHOLD REQUIREMENTS AND TIMELINESS STANDARDS:**

- **Participant Eligibility:** It is important for all applicants to remember, as noted on page 39846, that the only persons who may be served by permanent housing projects are those who come from the streets, emergency shelters, safe havens, or transitional housing. Persons in transitional housing must have originally come from the streets or emergency shelter. As participants leave currently operating projects, participants who meet this eligibility standard must replace them. (Please see information about participant eligibility for Samaritan Housing Initiative projects in the *SAMARITAN HOUSING INITIATIVE* section above.)
- **Project Quality Thresholds:** In the 2008 NOFA, HUD articulates the seven project quality threshold requirements for all projects on pages 39846 - 39847. HUD states that it will evaluate all projects to

ensure that the housing and services are appropriate to the needs of the participants and community. Renewals are assumed to meet the threshold requirements unless otherwise notified. In addition, on page 39847, HUD defines additional project quality threshold standards for Rapid Re-Housing for Families Demonstration projects. (Please also see the *RAPID RE-HOUSING FOR FAMILIES DEMONSTRATION PROGRAM* section above.)

- **Rehabilitation of Leased Property:** New this year, as described on page 39848, HUD will award funds to rehabilitate leased property. However, certain conditions must be met during Technical Submission and, if they are not met, the award will be withdrawn. The recipient must have a lease for 25 or more years with a landowner that is not the applicant, the project sponsor, a parent or affiliated organization and must submit it to HUD for approval. The landowner must execute and record against the land the lease and the HUD form Use and Repayment Covenant. Under certain circumstances, where the useful life of the improvements is greater than 25 years, the recipient may be required to repay the residual value of the improvements.
- **Timeliness Standards:** On pages 39854 – 39855, HUD emphasizes the importance of meeting timeliness standards in the NOFA, and this section should be reviewed very carefully by all applicants. The timeliness standards include:
  - **SHP:** SHP grantees must demonstrate site control within 1 year of the grant award, must begin construction activities within 18 months of grant award, must complete construction activities within 36 months of the grant award. Activities that may proceed independent of construction (including HMIS and supportive services) must begin within 12 months of the grant award, and activities that cannot be started until after construction is completed (such as supportive services or operating activities that will be conducted within the building being rehabilitated or constructed) must start within 3 months of the completion of construction.
  - **S+C:** In a change in this year's NOFA, as described on page 39841, HUD will no longer require that applicants/grantees funded for Tenant-based Rental Assistance, Sponsor-based Rental Assistance, and Project-based Rental Assistance without rehabilitation begin rental assistance within twelve (12) months of the date of HUD's grant award letter. This change will allow these forms of rental assistance to be a more effective match for capital resources that can take longer than 12 months to assemble. However, grantees must continue to meet statutory deadlines regarding the obligation of grant funds as stated in the HUD Appropriations Act, which means that they must be obligated by HUD by September 30, 2010 and all such obligated funds will remain available for expenditure until September 30, 2015.

#### ARCHIVED SUPERNOFA WEBCASTS:

HUD has already held webcasts related to the SuperNOFA and the Continuum of Care programs. Archives of those webcasts are available at <http://www.hud.gov/webcasts/archives/supernofa08.cfm>. Archived webcasts that may be of special interest include:

- SuperNOFA Logic Model (Grantees), held on April 24, 2008
- SuperNOFA: Continuum of Care, held on April 22, 2008
- Continuum of Care, held on February 21, 2008