

Changes and Highlights for FY2012

Changes and Highlights for FY2012: This list includes major changes included in the FY2012 CoC Program Competition NOFA in comparison to the FY2011 Homeless Assistance Grants NOFA.

1. Awards made under the Supportive Housing Program (SHP) and Shelter Plus Care Program (S+C) are renewable under the CoC Program Competition as set forth in 24 CFR 578.33 to continue ongoing leasing, operating, supportive services, rental assistance, HMIS, and project administration costs. See Section II.I.2.a. for more information.
2. Applicants that were eligible under the SHP and S+C programs but are no longer eligible under the CoC Program, will continue to be eligible for the renewal of leasing, operating, supportive services, rental assistance, HMIS, and project administration costs under 24 CFR 578.33(d)(1), so long as the recipient does not change the project. See Section II.I.2.a. for more information.
3. S+C rental assistance funds are included in the CoC's annual renewal demand. See Section I.D.3.a for more information.
4. Project applicants that were approved by HUD during the FY2012 CoC Registration process to change a project budget line item from leasing to rental assistance must provide a commitment letter from an entity eligible to administer rental assistance (a State, unit of general local government, or a public housing agency). Project applicants are encouraged to have the commitment letter by the application deadline and will be required to provide it to the local HUD CPD field office after announcement of the award and before the grant agreement is signed. If the applicant is unable to provide a commitment the applicant must agree to change the project back to leasing and comply with all of the requirements of leasing under the CoC Program or the grant will not be renewed.
5. Applicants may request funding for a 1-year grant term. The exception is that new projects requesting funds for acquisition, rehabilitation, or new construction are only eligible for a minimum of 3-year grant terms. Where a project application includes a request for funding for acquisition, rehabilitation, or new construction and a 1-year grant term is selected in *e-snaps*, HUD will automatically increase the grant term, if awarded, to 3 years, provided that the grant would still be feasible (e.g., would have enough funding for 1 unit of housing. Although the grant term may be increased, the funding request will remain the same. See section II.I.2.b for more information on grant terms.
6. HUD will limit renewal grants to 1 year of funding. Renewal project applications that request multiple years of funding will be reduced to 1-year grant amounts. See Section II.I.2.b for more information on grant terms.
7. A renewal project's demonstrated ability to drawdown and spend grant funds timely will be a factor in evaluating performance of each grant. Per 24 CFR 578.85, recipients will be required to draw project funds, at a minimum, on a quarterly basis if funded in the FY2012 CoC Program Competition. Any substantial performance issue, such as significant delays in drawing down funds, outstanding monitoring findings, or not serving or just beginning to serve program participants may result in a project not being funded in the FY2012 CoC

Changes and Highlights for FY2012

Program Competition. See Section III.E.2.f. for more information about threshold requirements for renewal projects requesting funding in the FY2012 CoC Program competition.

8. CoCs may use the reallocation process to shift funds from existing renewal projects to new project applications without decreasing the CoC's annual renewal demand. The funds may be reallocated to develop new permanent supportive housing projects, new rapid re-housing projects, or new Homeless Management Information Systems (HMIS) projects. CoCs will be required to identify, in the CoC Application whether or not they intend to use the reallocation process. CoCs that indicate they will be using the reallocation process will be required to identify all projects being reduced or eliminated along with the new projects being created through reallocation. HUD strongly encourages CoCs to take advantage of this option. For more information about reallocation see Section I.D.3.d.
9. Additionally, CoCs may choose to reallocate all or a portion of one or more renewal Supportive Service Only (SSO) projects to create one new SSO project dedicated to the establishment and operation of a centralized or coordinated assessment system if one does not already exist in the CoC. For more information about centralized or coordinated assessment system requirements, see 24 CFR 578.7(a)(8). For more information about reallocation see Section I.D.3.d of this NOFA.
10. HUD will prioritize funding for CoCs serving communities that are identified as "Extreme High Needs". To ensure HUD is targeting its resources, the Department will designate 25 CoCs as "Extreme High Needs" based on the following criteria in the geographic area: (1) number of homeless persons; (2) unemployment; (3) the ratio of unsheltered to sheltered homeless persons; (4) foreclosures; (5) Preliminary Pro Rata Need (PPRN); and (6) the number of chronically homeless persons. For more information about this selection priority see Section V.B.1.b.
11. This year HUD is giving priority to the creation of new permanent supportive housing projects serving chronically homeless individuals and families, with priority on serving those with the longest histories of homelessness. CoCs may submit project applications for new permanent housing projects to serve chronically homeless individuals and families, which will be known as Permanent Housing Bonus projects. No CoC may request more than 10 percent of their PPRN for Permanent Housing Bonus projects. Eligible costs are limited to project administration, case management, and new construction, acquisition, rehabilitation, leasing, rental assistance, or operating costs. See Section II.I.3 of this NOFA for the limitation imposed on the percentage of the grant that may be used for case management. When HUD selects projects in accordance with Section V.B.1.b of this NOFA, Permanent Housing Bonus projects in CoCs with a score of 97 or above will be conditionally awarded funding before other types of new projects. For more information about the Permanent Housing Bonus projects, see Sections I.D.3.b and II.I.3 of this NOFA. For more information about the selection priorities that will determine the order in which HUD will fund projects, see Section V.B.1.b of this NOFA.
12. In accordance with *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*

Changes and Highlights for FY2012

(FSP), HUD's priority is to end chronic homelessness by the end of 2015. In order to reach this national goal, HUD strongly encourages CoCs to include this priority as part of their local planning process and HUD must prioritize funding targeted to this population. In the FY2012 CoC Program competition, HUD's priority is the development of new permanent supportive housing projects that propose to serve 100 percent chronic homeless individuals and families, particularly those who have the longest history of homelessness.

- 13.** CoCs were required to submit their FY2012 Housing Inventory Count (HIC) Data and Point-in-Time Data directly into the HUD Homelessness Data Exchange (HDX) website. The FY2012 submission deadline was April 30, 2012. CoCs that did not meet the established deadline will not receive the maximum number of points available as described in Sections V.A.3.e and V.A.6.a of this NOFA.
- 14.** In order to receive the maximum number of points available as described in Section V.A.3.c. of this NOFA, CoCs must (1) establish a deadline for project applications to be submitted to the CoC that is no later than 30 days before the application deadline and (2) notify, in writing, outside of *e-snaps*, all project applicants who submitted their project applications to the CoC by the CoC-established deadline whether their project application(s) will be accepted (and ranked on the Priority Listings) or rejected by the CoC within 15 days of the application deadline. Where a project is being rejected, the CoC must also indicate the reasons for the rejection. Per 24 CFR 578.35(b), project applicants that believe they were not allowed to participate in a fair and open process and that were rejected by the CoC may appeal the rejection directly with HUD by submitting as a Solo Application prior to the application deadline.
- 15.** HUD has revised the requirements detailed in Section IV.1 of the FY2012 CoC Registration Notice. Because it is possible that the national total of the Annual Renewal Demand (ARD) amounts (see Section I.D.3.a for more information) submitted by CoCs in the FY2012 CoC Registration exceeds the \$1.61 billion available under this NOFA, CoCs will be required to rank all projects applying for grant funds that it does not reject, new and renewal, in *e-snaps*.
- 16.** As described in Section I.C.15 above, it is possible that the total renewal demand for projects submitted in the FY2012 CoC Program Competition will exceed the \$1.61 billion available under this NOFA. To ensure that CoCs have the opportunity to prioritize their projects locally in the event that HUD is not able to fund all renewals, HUD is requiring that CoCs rank projects within 2 tiers in FY2012.

The tiers are financial thresholds. Tier 1 is equal to the CoC's Annual Renewal Demand (ARD) approved in the Registration process, less 3.5 percent. The national total for Tier 1 is \$1.61 Billion, the amount available under this NOFA before any available carryover or recaptured funds are added. Tier 2 is the amount between a CoC's Tier 1 and the CoC's FPRN and any approved amounts for CoC planning and the PH Bonus. Appendix A provides the exact amount available for Tier 1 projects and FPRN for each CoC.

Changes and Highlights for FY2012

CoCs must list all projects that they approved to submit project applications to HUD, in the order of priority to the CoC, on the Priority Listings. CoCs should place all new and renewal project applications the CoC determines are high priority, high performing, and meet the needs and gaps as identified by the CoC in Tier 1. The exact dollar amount in Tier 1 for each CoC is listed in Column C of Appendix A. HUD will select projects in Tier 1 as described in Section V.B.1.b. This means that lower ranked projects may be selected for funding above higher ranked projects, consistent with HUD's selection priorities. HUD will select all projects in Tier 1 before selecting any projects in Tier 2. Additionally, awards for all renewal projects ranked in Tier 1 will be announced first.

Tier 2 is the amount between a CoC's Tier 1 and the CoC's FPRN in addition to any amounts approved for CoC planning and the PH Bonus. The exact FPRN for each CoC is listed in Column D of Appendix A. CoCs will continue the priority ranking from Tier 1 (e.g., if a CoC has 15 projects in Tier 1, then the priority ranking for Tier 2 will begin with 16). CoCs should place projects that meet the needs and gaps of the CoC, but may be lower performing or of a lower priority to the CoC in Tier 2. HUD will only select projects from Tier 2 after all projects from Tier 1 have been selected. Then, HUD will select projects in Tier 2 as described in Section V.B.1.b. This means that lower ranked projects may be selected for funding above higher ranked projects, consistent with HUD's selection priorities. All projects ranked in Tier 2 will be announced second, including any renewals placed in Tier 2.

Projects placed fully outside of the CoC's maximum award amount will be reviewed by HUD only in accordance with 24 CFR 578.35 (Appeal).

17. In FY2012, the CoC Priority Listings will be a separate submission from the CoC Application; however, they are required to be submitted as part of the CoC Consolidated Application, which will not be considered complete unless the CoC Application, the Priority Listings, and the associated Project Applications are submitted by the application deadline. For more information about what constitutes a complete CoC Consolidated Application see Section IV.B.1 of this NOFA.

18. Only one CoC project application for CoC planning costs can be submitted per CoC. Only one project application for UFA costs can be submitted by HUD-approved UFAs. The planning and UFA applications must be submitted by the Collaborative Applicant.

19. The Act requires that CoCs consult with State and local government Emergency Solutions Grant (ESG) recipients within the geographic area on the plan for allocating ESG funds and reporting on and evaluating the performance of ESG recipients and subrecipients. Each CoC will be required to describe how it is coordinating, or if this is not already occurring, how coordination with ESG recipients will occur and what processes are required to be in place at the CoC level to ensure this requirement is met. See Section V.A for more information about scoring criteria related to coordinating with ESG recipients.

20. 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 subrecipients and applicants for needs analysis and funding priorities. Additionally, all CoC and ESG recipients must participate in the local HMIS. For many communities, the inclusion of ESG recipients and subrecipients in HMIS 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.

21. CoCs may request, in the CoC Application, up to 10 percent of the funding awarded under this NOFA to serve families with children and youth defined as homeless under other federal statutes (paragraph 3 of the definition of homeless found in 24 CFR 578.3). CoCs are limited to using only up to 10 percent of the total amount awarded to the CoC to serve this population, and must determine which projects will be permitted to

Changes and Highlights for FY2012

use some or all of their funding for this purpose. The only project types that can serve this population are transitional housing and supportive services only. For more information on this limitation, see 24 CFR 578.89 and Sections V.A.1.j and V.A.2.1 of this NOFA.

22. HUD continues to encourage each CoC, 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:

a. 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.;

b. Enhancements to current HMIS software;

c. Compliance with HMIS Data Standards; and

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

23. The Act and CoC Program interim rule have a focus on performance and outcomes, including measures that were not reviewed by HUD under previous competitions. HUD encourages CoCs to begin to strategize how the outcomes related to these new performance measures 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. See Section V.A.1. of this NOFA for details regarding performance reporting for this competition.