Project Eligibility Threshold

*Project Eligibility Threshold.* HUD will review all projects to determine if they meet the following eligibility threshold requirements on a pass/fail standard. If HUD determines that the applicable standards are not met for a project, the project will be rejected from the competition. Any project requesting renewal funding will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received (i.e., monitoring findings, results from investigations by the Office of Inspector General, etc). Approval of renewal projects is not a determination by the Department that a recipient is in compliance with applicable fair housing and civil rights requirements.

(1) Project applicants and potential subrecipients must meet the eligibility requirements of the CoC program as described in the interim rule and provide evidence of eligibility required in the application (e.g., nonprofit documentation).

(2) Project applicants and potential subrecipients must demonstrate the financial and management capacity and experience to carry out the project as detailed in the project application and to administer federal funds. Demonstrating capacity may include a description of the applicant/subrecipient’s experience with similar projects and with successful administration of other federal funds.

(3) Project applicants must submit the required certifications as specified in this NOFA.

(4) The population to be served must meet program eligibility requirements as described in the Act, and the project application must clearly establish eligibility of project applicants. This includes the following additional eligibility criteria for certain types of projects.

(a) The only persons who may be served by any permanent supportive housing projects are those who come from the streets, emergency shelters, safe havens, institutions, or transitional housing.

i. Persons coming from transitional housing must have originally come from the streets or emergency shelters.

ii. Disabled individuals and families who were fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking and are living in transitional housing are eligible for permanent supportive housing even if they did not live on the streets, emergency shelters, or safe havens prior to entry in the transitional housing. As participants leave currently operating projects, participants who meet this eligibility standard must replace them.

iii. Persons exiting institutions where they reside for 90 days or less and came from the streets, emergency shelter, or safe havens immediately prior to entering the institution are also eligible for permanent supportive housing.
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(b) Projects funded under the Permanent Housing Bonus must exclusively serve 100 percent chronically homeless individuals and families.

(c) Transitional housing and supportive services only projects may be eligible to use up to 10 percent of the total CoC funds to serve persons defined as homeless under other federal definitions. However, the CoC must be approved by HUD as outlined in Section V.A.2.l. of this NOFA.

(5) The project must be cost-effective, including costs of construction, operations, and supportive services with such costs not deviating substantially from the norm in that locale for the type of structure or kind of activity.

(6) Project applicants, except Collaborative Applicants that only receive awards for CoC planning costs, must agree to participate in a local HMIS system. However, project applicants that are victim service providers are prohibited from entering data into the local HMIS as required by the Violence Against Women Act of 2005 (H.R. 3402) and legal service providers may use a comparable database only when it is necessary to protect attorney-client privilege. These applicants must use a comparable database that meets the standards of the local HMIS.

e. Project Quality Threshold. HUD will review new project applications, including those requested as part of Reallocation, to determine if they meet the following project quality threshold requirements with clear and convincing evidence. Any project requesting renewal funding will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received; however, these projects will still be required to meet the requirements outlined in this section of the NOFA. The housing and services proposed must be appropriate to the needs of the program participants and the community.

(1) To be considered as meeting project quality threshold, new permanent and transitional housing project applications must receive at least 5 points, and Supportive Service Only projects must receive at least 4 points, based on the criteria below. Permanent and transitional housing projects that do not receive at least 5 points, and Supportive Service Only projects that do not receive at least 4 points, will be rejected.

(a) Whether the type, scale, and location of the housing fit the needs of the program participants (1 point);

(b) Whether the type, scale, and location of the supportive services fit the needs of the program participants and the mode of transportation to those services (1 point);

(c) Whether the specific plan for ensuring clients will be individually assisted to obtain the benefits of the mainstream health, social, and employment programs for
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which they are eligible to apply meets the needs of the program participants (1 point);

(d) Whether program participants are helped to obtain and remain in permanent housing in a manner that fits their needs (1 point);

(e) Whether program participants are assisted to both increase their incomes and live independently using mainstream housing and service programs in a manner that fits their needs (1 point);

(f) Whether at least 75 percent of the proposed program participants will come from the street or other locations not meant for human habitation, emergency shelters, safe havens, or transitional housing (if originally from the streets, emergency shelters, or safe havens) (1 point);

(g) Whether amenities (e.g., grocery stores, pharmacies, etc.) are accessible in the community (1 point); and

(h) Project applicants must administer their programs or activities in the most integrated setting appropriate to the needs of qualified persons with disabilities. This means that programs or activities must be offered in a setting that enables individuals with disabilities to interact with persons without disabilities to the fullest extent possible (1 point).

(2) To be considered as meeting project quality threshold, new HMIS projects must receive at least 5 points based on the criteria below. Projects that do not receive at least 5 points will be rejected.

(a) How the HMIS project will effectively integrate into the CoC-wide HMIS (1 point);

(b) The HMIS project implementation plan is described (1 point);

(c) Whether at least 50 percent of the beds on the Housing Inventory Count (HIC) are included in the CoC-wide HMIS (1 point);

(d) Whether the HMIS collects all Universal Data Elements as set forth in the HMIS Data Standards Notice (1 point);

(e) Whether the HMIS unduplicates client records (1 point); and

(f) Whether the HMIS produces all HUD-required reports and provides data as needed for HUD reporting (e.g., Annual Performance Reports, quarterly reports, data for CAPER/ESG reporting, etc.) (1 point).

(3) To be considered as meeting project quality threshold, the Collaborative
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Applicant’s application for CoC planning funds must receive at least 3 points based on the criteria below. Applications that do not receive at least 3 points will be rejected.

(a) That the proposed planning activities that will be carried out by the CoC with grant funds are compliant with the provisions of 24 CFR 578.7 (2 points); and

(b) How the funds requested will improve the CoC's ability to evaluate the outcome of both CoC-funded and ESG-funded projects (2 points).

(4) Additionally, HUD will assess all new projects for the following minimum project eligibility, capacity, timeliness, and performance standards. To be considered as meeting project quality threshold, all new projects must meet all of the following criteria:

(a) Project applicants and potential subrecipients must have satisfactory capacity, drawdowns, and performance for existing grant(s), as evidenced by timely reimbursement of subrecipients, regular drawdowns, and timely resolution of any monitoring findings;

(b) For expansion projects, project applicants must clearly articulate the part of the project that is the expansion. Additionally, the project applicants must clearly demonstrate that they are not replacing other funding sources; and

(c) Project applicants must demonstrate they will be able to meet all timeliness standards. (24 CFR 578.85) Project applicants with existing projects must be able to demonstrate they have met all project renewal threshold requirements of this NOFA. HUD reserves the right to deny the funding request for a new project, if the request is made by an existing recipient that is found to have significant issues related to capacity, performance, or unresolved audit/monitoring finding related to one or more existing grants. Additionally, HUD reserves the right to withdraw funds if no APR is submitted on the prior grant.

f. Project Renewal Threshold. A CoC must consider the need to continue funding for projects expiring in CY2013. It is important that renewal projects meet minimum project eligibility, capacity, timeliness, and performance standards identified in this NOFA or they will be rejected from consideration for funding. When considering renewal projects for award, HUD will review information in the Line of Credit Control System (LOCCS); Annual Performance Reports (APRs); and information provided from the local HUD/CPD Field Office, including monitoring reports and A-133 audit reports as applicable, as well as performance standards on prior grants, and assess a project on the following criteria using a pass/fail basis:

(1) The project applicant’s performance against plans and goals established in the initial application as amended;
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(2) Project applicants must demonstrate all timeliness standards for grants being renewed, including that standards for the expenditure of grant funds have been met;

(3) The project applicant’s performance in assisting program participants to achieve and maintain independent living and record of success, except HMIS-dedicated projects are not required to meet this standard; and

(4) Evidence that a project applicant has been unwilling to accept technical assistance, has a history of inadequate financial accounting practices, has indications of project mismanagement, has a drastic reduction in the population served, has made program changes without prior HUD approval, or has lost a project site may result in a rejection of the application from the competition. HUD reserves the right to reduce or reject a funding request from the project applicant for the following reasons:

(a) Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;

(b) Audit finding(s) for which a response is overdue or unsatisfactory;

(c) History of inadequate financial management accounting practices;

(d) Evidence of untimely expenditures on prior award;

(e) History of other major capacity issues that have significantly impacted the operation of the project and its performance;

(f) Timeliness in reimbursing subrecipients for eligible costs. HUD will consider a project applicant as meeting this standard if it has drawn down grant funds at least once per month; or

(g) History of serving ineligible persons, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

**g. Resolution of Outstanding Civil Rights Matters Threshold.** In order for a project application to be eligible for rating and ranking by HUD, the project applicant and the proposed subrecipient must meet the civil rights threshold requirements in Section III.C.2.d. of the FY2012 General Section.

**h. Certification of Consistency with the Consolidated Plan.** For each applicant that is not a state or unit of local government, the applicant must submit a certification by the jurisdiction in which the proposed project will be located that the applicant’s application for funding is consistent with the jurisdiction’s HUD-approved consolidated plan. The certification must be made in accordance with the provisions of the consolidated plan regulations at 24 CFR part 91, subpart F. Form HUD-2991 must be used and must list all new and renewal projects within the jurisdiction that
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are consistent with the Consolidated Plan.

For a project applicant that is a state or unit of local government, the jurisdiction must certify that it is following its HUD-approved Consolidated Plan. All completed forms, along with the Priority Listings, must be included with the CoC’s application in *e-snaps*. New or renewal projects requesting funds in FY2012 that are not included on the form HUD-2991 will not receive a conditional award.