

Basically CoC Training

2023 CPD All Grantee Conference for Continuum of Care
(CoC) Grantees



Introduction

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- Grazia Cortes - CPD Representative, Chicago Field Office

- Q&A – Please leave your questions in the TEAMS chat

- Slides will be made available!

Training Goal

- Training Topics:

1. Program Overview	6. Match
2. Program Components	7. Amendments
3. Eligible Participants	8. Record Keeping
4. Eligible Costs	9. Annual Performance Reports
5. Housing	10. Resources

- Training Goal:

Recipients and subrecipients will be able to better understand the CoC Program interim rule requirements and responsibilities related to project operation and grant administration

Housing First

- Housing first is a philosophy that homelessness can be most efficiently ended by providing someone with access to safe, decent and affordable housing
- Streamlining the entrance process



Housing First Implementation Resources

- <https://www.hudexchange.info/programs/coc/toolkit/responsibilities-and-duties/housing-first-implementation-resources/#housing-first-implementation>

Program Basics & Overview

Program Goal

- To end homelessness by providing funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families
 - Authority: McKinney-Vento Homeless Assistance Act
 - Regulations: 24 CFR 578

Operating Year

- The operating period is typically 12 months (exceptions include: construction/rehab projects, grant consolidations, extension requests)
- Renewal grants start the day after the end of the previous grant term
- Operating Start Date for consolidated grants must be the first day of the month following the renewal with the earliest start.
- HUD will allow new projects and YHDP Replacement projects requesting 1-year of funding a longer initial grant term not to exceed 18 months

HUD Systems for Grant Management

- Application submission



- Annual Performance Report (APR) submission



- Grant disbursement system



Baseline Grant Project Documentation

- Grant Agreement (HUD knows your project by the Grant Number)
- Detailed budget, submitted in Step c1.9 in eSNAPS
- Grant Application
- Any Grant Amendments
- HUD Regulations & Notices
- Be sure to subscribe to the listservs at HUDexchange.info

Secret Language of Grant Numbers

- Example Project Number IL0565L5T191603
 - IL= state abbreviation
 - 0565= project identification number (PIN)
 - L= applicant type
 - 5T= field office correspondence code
 - 19= last two digits of the CoC regional number
 - 16=year of funding
 - 03= renewal sequence number

Program Components

PH-PSH

Permanent Housing: Permanent Supportive Housing

PH-RRH

Permanent Housing: Rapid Re-Housing

TH

Transitional Housing

TH-RRH

Joint Transitional Housing and Rapid Re-Housing

SSO

Supportive Services Only

HMIS

Homeless Management Information System

Program Components

PH: Permanent Supportive Housing

PH-PSH

Permanent Supportive Housing

PH-RRH

- Long-term housing assistance with supportive services to assist homeless persons with a disability to live independently.

TH

- Families are eligible with qualifying head of household

Joint TH-RRH

- Serves chronically homeless and dedicated PLUS populations

SSO

- Lease must be for a least one year, renewable and terminable only for cause

HMIS

PH: Rapid Re-Housing

PH-PSH

Permanent Supportive Housing

PH-RRH

Rapid Re-Housing

TH

- Short-term (3 months) or medium-term (4-24 months) rental assistance with supportive services to assist homeless persons obtain permanent housing

Joint TH-RRH

SSO

- Lease must be for a least one year, renewable and terminable only for cause

HMIS

- Projects must follow CoC-determined, community-wide written policies related to determining eligibility, prioritizing assistance, and calculating the amount of rent that each participant is required to contribute to rental costs

TH: Transitional Housing

PH-PSH

Permanent Supportive Housing

PH-RRH

Rapid Re-Housing

TH

Transitional Housing

Joint TH-RRH

SSO

HMIS

- Temporary housing with supportive services to facilitate the participant's obtainment of permanent housing within 24 months
- Program participants must have a lease, sublease, or occupancy agreement for a term of at least one month and up to 24 months

TH/RRH: Transitional Housing and Rapid Re-Housing

PH-PSH

Permanent Housing: Permanent Supportive Housing

PH-RRH

Rapid Re-Housing

TH

Transitional Housing

Joint TH-RRH Joint Transitional Housing and Rapid Re-Housing

SSO

- Combines two component types (TH and RRH) into one project to provide flexibility to providers in moving participants to permanent housing.

HMIS

SSO: Social Services Only

PH-PSH	Permanent Supportive Housing
PH-RRH	Rapid Re-Housing
TH	Transitional Housing
Joint TH-RRH	Joint Transitional Housing/Rapid Re-Housing
SSO	Social Services Only
HMIS	<ul style="list-style-type: none">• Provides supportive services to unsheltered or sheltered homeless persons for whom the recipient is not providing housing or housing assistance (most commonly, for the operation of the coordinated entry system)

HMIS: Homeless Management Information System

PH-PSH

Permanent Supportive Housing

PH-RRH

Rapid Re-Housing

TH

Transitional Housing

Joint TH-RRH

Joint Transitional Housing and Rapid Re-Housing

SSO

Social Services Only

HMIS

Homeless Management Information System

- Only available to the HMIS Lead agency to cover items like operating, managing, and upgrading the CoC's HMIS
- Recipients funded under all other component types can request an HMIS budget line item for costs of contributing client-level data to the HMIS

Participant Eligibility

Categories of Homelessness

Category 1

Literally Homeless

Category 2

Imminent Risk of Homelessness

Category 3

Homeless Under Other Federal Statutes

Category 4

Fleeing/Attempting to Flee Domestic Violence

Literally Homeless

Category 1 Literally Homeless

Category 2

Category 3

Category 4

An individual or family who lacks a fixed, regular, and adequate nighttime residence. Three circumstances meet this definition:

- Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation; or
- Living in a shelter designated to provide temporary living arrangements; or
- Exiting an institution (e.g., jail, hospital) where they resided for 90 days or less and were residing in emergency shelter or place not meant for human habitation immediately before entering institution

Imminent Risk of Homelessness

Category 1

Literally Homeless

Category 2

Imminent Risk of Homelessness

Category 3

An individual or family who will imminently lose their primary nighttime residence, provided that:

Category 4

- Residence Lost Within 14 Days; and
- No Subsequent Residence; and
- Lack of Resources or Support Networks

Homelessness Under Other Federal Statutes

Category 1

Literally Homeless

Category 2

Imminent Risk of Homelessness

Category 3 Homeless Under Other Federal Statutes

Category 4

- CoCs may only serve people experiencing homelessness under Category 3 only if approved to do so by HUD. No CoC was approved to serve Category 3 in Illinois with CoC Program Funds.

Fleeing/Attempting to Flee Domestic Violence

Category 1

Literally Homeless

Category 2

Imminent Risk of Homelessness

Category 3

Homeless Under Other Federal Statutes

Category 4

Fleeing/Attempting to Flee Domestic Violence

An individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions; and
- Has no other residence; and
- Lacks resources/support networks to secure permanent housing

Chronically Homeless-Disability Definition

Chronically Homeless-Disability

A homeless individual (or families with an adult or minor head of household who meets the criteria)

- Meets the definition of Literally Homeless; and
- With a disability; and
- Has been homeless for at least 12 months

The individual or head of household with a disability that:

- Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury; or
- With a developmental disability; or,
- With HIV/AIDS

	PSH*		RRH	TH	SSO
	New ±	Renewal			
Category 1 <i>Literally Homeless</i>	X	X	X**	X	X
Category 2 <i>At Imminent Risk</i>				X	X
Category 3 <i>Homeless under other federal programs</i>	No CoC was approved to serve Category 3				
Category 4 <i>Fleeing domestic violence, etc.</i>	X	X	X	X	X

± Requires chronic homeless status

* Requires a disability

** Must be residing on the streets or in an emergency shelter

Eligibility Per Component Type



Third Party
Documentation



Intake Worker
Observations



Self-Certification from
Client

Preferred Order
of
Documentation

Category 1: Literally Homeless Documentation

Option 1: Place not meant for human habitation; One of the following:

- HMIS record of street outreach contacts
- Written referral by street outreach provider
- Written observation of an outreach worker of the living conditions
- Written observation by a community member of the living conditions
- Written observation by staff of the living conditions and explanation of attempts to secure third-party documentation
- Certification by the individual or head of household seeking assistance and explanation of attempts to secure third-party documentation

Category 1: Literally Homeless Documentation

Option 2: Temporary shelter; One of the following:

- HMIS record of stay
- Written referral from another housing or service provider
- Certification by staff and explanation of attempts to secure third-party documentation
- Certification by the individual or head of household seeking assistance and explanation of attempts to secure third-party documentation

Category 1: Literally Homeless Documentation

Option 3: Institutions; One of the following:

- HMIS record of shelter stay or street outreach contacts
- Written referral from another housing or service provider
- Certification by an outreach worker or emergency shelter staff
- Certification by staff and description of attempts to secure third-party documentation
- Certification by the individual/head of household and description of attempts to secure third-party documentation

Plus one of the following:

- Discharge paperwork from the institution (including dates)
- Referral from social worker, case manager, or other official (including dates)
- If not obtainable, a written record of intake worker's due diligence plus a certification by the individual seeking assistance that states they are existing or have just exited an institution where they resided for 90 days or fewer

Category 2: Imminent Risk of Homelessness Documentation

Element 1: Residence lost within 14 days; one of the following:

- HMIS Evidence that the household will be evicted by Court Order or similar state action within 14 days of the application date
- Evidence that the household will be unable to pay for additional nights within 14 days of the application date (for households whose primary nighttime residence is a hotel or motel)
- Oral statement by household member that the landlord will not let them stay – intake worker must record the statement and certify credibility by:
 - Verifying with the landlord and documenting in writing or by recording the landlord's oral statement; or,
 - If unable to contact the landlord, documenting due diligence to obtain verification and obtaining written certification by the household that the statement was true and complete

Category 2: Imminent Risk of Homelessness Documentation

Element 2: No subsequent residence;

- Certification by the individual or head of household that no subsequent residence has been identified

Category 2: Imminent Risk of Homelessness Documentation

Element 3: Lack of resources or support networks

- Certification by the individual or head of household or other written documentation that the household lacks the resources and support networks necessary to obtain other permanent housing

Category 4: Fleeing/Attempting to Flee DV

Element 1: Fleeing/Attempting to flee domestic violence

- Self-certification that the client is fleeing domestic violence (including each of the various types), that no subsequent residence has been identified, and that they lack the resources or support networks necessary to obtain new permanent housing
- If not a victim service provider and safety would not be jeopardized, the oral statement must be documented by:
 - Written observation by the intake worker verifying the condition client is fleeing; or
 - Written referral from an organization from whom the individual or head of household has sought assistance

Category 4: Fleeing/Attempting to Flee DV

Element 2: No subsequent residence;

- Certification by the individual or head of household that no subsequent residence has been identified

Category 4: Fleeing/Attempting to Flee DV

Element 3: Lack of resources or support networks;

- Certification by the individual or head of household or other written documentation that the household lacks the resources and support networks necessary to obtain other permanent housing

Chronically Homeless

Element 1: Current Homeless Status; one of the following:

- HMIS (or comparable database) record(s)
- Written referral by another housing or service provider
- Written physical observations of where the individual was or is currently living by staff and written record of reasonable efforts to obtain HMIS record or written referral
- Certification by the individual or head of household seeking assistance and written record of reasonable efforts to obtain HMIS record or written referral

Chronically Homeless

Element 2: Disability; one of the following:

- Written verification of from a professional licensed by the state to diagnose/treat the disability, including:
 - A diagnosis of a disabling condition, with a certification that the disability is expected to be of long-continuing or indefinite duration and substantially impedes the individual's ability to live independently
 - A diagnosis of a developmental disability (as defined in the CoC Interim Rule); or,
 - A diagnosis of HIV/AIDS
- Written verification from the Social Security Administration
- Receipt of a federal disability check (e.g., SSDI or Veteran Disability Compensation)
- Intake staff-recorded observation of a disability that, no later than 45 days from the application for assistance, is confirmed and accompanied by at least one other acceptable piece of evidence
- Other documentation approved by HUD

Chronically Homeless

Element 3: History of homelessness; Using a combination of evidence, must document each occasion and break in homeless with at least one of the following:

- HMIS (or comparable database) record(s)
- Written referral by another housing or service provider
- Written physical observation by community member of conditions where the household is living
- Written physical observation by staff of conditions where the household is living or certification by staff of encounter with client prior to intake
- Last Resort (Second-Party): Written certification of staff based on professional judgment at intake and written record of reasonable efforts to obtain HMIS record and written referral
- Last Resort (First-Party): Certification of individual or head of household seeking assistance providing specific months residing in place not meant for human habitation, emergency shelter, or safe haven and written record of reasonable efforts to obtain HMIS record and written referral

Eligible Costs

Cost
Requirements

Reasonable

Allowable

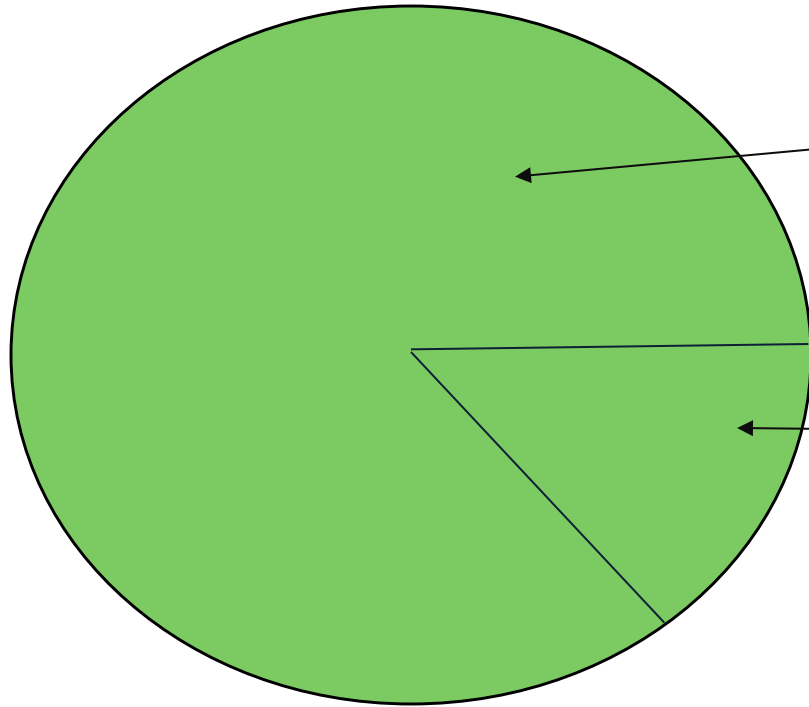
Documented

Allocable

Reimbursable

Eligible Costs*	PSH	RRH	TH	SSO	HMIS
Leasing	✓		✓	✓	
Rental Assistance	✓	✓	✓		
Supportive Services	✓	✓	✓	✓	
Operating	✓		✓		
HMIS	✓	✓	✓	✓	✓
Administration	✓	✓	✓	✓	✓

Eligible Costs



Eligible Costs: all costs included in the CoC Program interim rule.

Approved Costs: costs in your approved budget line item per the application you were awarded against

Eligible vs Approved Costs

- Up to 10 percent of any CoC project grant may be used for project administration
- Under the Project Administration program component, CoC recipients and subrecipients may use these funds to support:
 - General management, oversight, and coordination
 - Training on CoC requirements and attending HUD-sponsored CoC trainings
 - Carrying out environmental reviews

Program Administration

- Funds may be used to cover up to 100% of the costs to **lease structures or individual units** to provide housing or supportive services.
- Other uses of leasing funds:
 - Rent for the unit or structure
 - Security deposits for up to 2 months
 - First and last month's rent (up to one month each, allowed as an advanced payment)
 - Staff or related costs to carry out leasing activities including conducting Housing Quality Standards (HQS), paying landlords, etc.
 - Payments on unoccupied units while identifying a new program participant

Leasing

- Funds may be used to **pay part of the rent for a unit** in which a program participant will reside, (short-term (< 3 months), medium-term (4-24 months), or long-term (> 24 months)).
- Other uses for rental assistance funds:
 - Property damages
 - Vacancies (30 to 90 days depending upon the circumstances)
 - Security deposits and first and last month's rent
 - Rents above FMR that are within rent reasonableness
 - Adding participants and units in excess of the original proposal
- Rental assistance cannot be combined with operating costs

Rental Assistance

- Funds may be used to **pay for services** to assist homeless persons transition from homelessness to permanent housing.
- Supportive services funds **may only be used** for the eligible costs listed in the CoC Interim Rule:
 - Assessing service needs
 - Moving costs
 - Case management
 - Childcare
 - Education services
 - Employment assistance and job training
 - Food
 - Housing search and counseling services
 - Legal services
 - Life skills training
 - Mental health services
 - Outpatient health services
 - Outreach services
 - Substance abuse treatment services
 - Transportation
 - Utility Deposits

Supportive Services

- Funds may be used to **pay costs associated with the day-to-day physical operation** of a facility in which homeless persons are housed
- Operating funds may be used for:
 - The costs of maintenance and repair of housing not included in the lease
 - Property taxes and insurance
 - future replacement of major buildings systems.
 - Security for a housing program (if > 50 percent of the units are CoC-funded)
 - Utilities
 - Furniture (office/apartment) that remains with the project.
 - Equipment, including office equipment that remain with the project
 - Staff time spent carrying out the above eligible operating activities that are part of the approved grant.

Operating

- Funds may be used to **pay costs associated with HMIS data collection**. Certain HMIS costs are only available to the HMIS Lead for the CoC under that component.
- Eligible HMIS costs as a budget line item for all program components include:
 - Purchasing or leasing computer hardware, software, licenses, or equipment
 - Obtaining technical support
 - Leasing office space in which HMIS activities are conducted
 - Paying utilities necessary to operate or contribute data
 - Paying salaries for operating HMIS
 - Paying for travel to, and attending, approved trainings
 - Paying staff travel costs to conduct intake
 - Paying HMIS participation fees charged by the HMIS Lead

HMIS (All Components)

- Funds may be used to **pay costs associated with HMIS data collection**. Certain HMIS costs are only available to the HMIS Lead for the CoC under that component.
- Eligible costs under the HMIS program component:
 - Leasing/operating a structure in which the HMIS operates
 - Establishing, operating, and customizing a CoC's HMIS, including:
 - Hosting and maintaining HMIS software data
- Backing up, recovering, or repairing HMIS software or data
 - Upgrading, customizing, and enhancing the HMIS
 - Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients that use several software systems
 - Administering the HMIS
 - Reporting to service providers, the CoC, and HUD
 - Conducting training in use of the HMIS, including travel to the training

HMIS (HMIS Lead Only)

CoC Eligible Activities	
<input type="radio"/>	CoC Eligible Activities Overview ▶
<input type="radio"/>	Acq, Rehab, & New Construction ▶
<input type="radio"/>	Leasing ▶
<input type="radio"/>	Rental Assistance ▶
<input type="radio"/>	Supportive Services ▶
<input checked="" type="radio"/>	Operating Costs ▾
	Ineligible Costs
	Other Program Requirements
	Quiz
<input type="radio"/>	HMIS ▶
<input type="radio"/>	Project Administration ▶

Operating Costs

What can my program spend CoC operating funds on?

In general, the following costs are considered eligible:

- The costs of maintenance and repair of housing **not included in the lease** (§ 578.55(b)(1))
- Property taxes and insurance (§ 578.55(b)(2))
- Scheduled payments to a reserve fund for the future replacement of **major buildings systems**. Major building systems include structural support, roofing, cladding, weatherproofing, plumbing, electrical, heating, ventilation, and air conditioning (§ 578.55(b)(3))
- Security for a housing program if more than 50 percent of the units or building area are CoC-funded (§ 578.55(b)(4))
- Utilities including electricity, gas, heating oil or other heating/cooling costs, water, sewer, and trash removal (§ 578.55(b)(5))
- Furniture (office/apartment) that remains with the project. **Mattresses are also eligible costs, even if they remain with the program participant** (§ 578.55(b)(6))
- Equipment, including office equipment, appliances such as microwaves, refrigerators, stoves, washers and dryers, etc. **that remain with the project** (§ 578.55(b)(7))
- Staff time spent carrying out the above eligible operating activities that are part of the approved grant.

Looking for definitions of the common CoC and ESG Program terms referenced throughout the Virtual Binders?

[Virtual Binders Glossary](#)

What costs are included in maintenance and repair?

Summaries of eligible costs for many budget line items are available on HUD Exchange. If you have further questions about the eligibility of certain items, please connect with your CPD Rep for clarification.

Housing Requirements

Q: What are unit requirements?

A: Housing Quality Standards

- Units must be inspected for HQS, signed off by person completing the inspection and meet HQS and state and local codes **prior to expending CoC funds for rent (i.e. prior to move-in/start date of lease)**
- • HQS compliance must be documented – **initial lease up and ongoing, at minimum once a year**
- • No certifications required
- • Deficiencies must be addressed within 30 days

Housing Quality
Standards:
Inspection time

Housing Quality Standards: Inspection time

- **Timing:** Physically inspect all units prior to expending CoC funds, and annually
- **Inspector:** Inspectors do not need to be certified but must complete the [HUD Lead Based Paint Visual Assessment Training](#) and retain a copy of the certification. This may be requested during a monitoring.
- **Addressing Deficiencies:** The owner of the unit has 30 days to address and correct any deficiencies
- **Documentation:** Maintain documentation of compliance with HQS, including inspection reports

HQS – NSPIRE Standards

- On May 10th, 2023, HUD published updates to the standards that it will use to assess whether housing meets minimum quality standards and may be assisted with HUD funds. These standards are known as the National Standards for the Physical Inspection of Real Estate (NSPIRE).
- The minimum standards established in 24 CFR 5.703 of the Final Rule will apply to housing funded with CoC and ESG Program funds beginning on **October 1st, 2023**.
- CoC and ESG recipients should be aware that they will have to use the NSPIRE standards as of October 1st, 2023. HUD is working on additional guidance to assist CoC and ESG recipients in this transition, and in the meantime, CoC and ESG recipients may review the resources listed below.
- [NSPIRE Final Rule](#)
- [NSPIRE website](#)
- <https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards>

Lead-Based Paint: Leasing and Rental Assistance

	Leasing	Rental Assistance
Applicable Regulation(s)	24 CFR Part 35: <ul style="list-style-type: none">• Subpart A• Subpart B• Subpart H• Subpart R	24 CFR Part 35: <ul style="list-style-type: none">• Subpart A• Subpart B• Subpart K• Subpart R

Generally, recipients and subrecipients are expected to (A) screen for, (B) disclose the existence of, and (C) take reasonable precautions regarding the presence of lead-based paint in leased or assisted units constructed prior to 1978.

Lead-Based Paint: Why do we have rules?

- Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992, also known as Title X, to protect families from exposure to lead from paint, dust, and soil. Section 1018 of this law directed HUD and EPA to require the disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978.
- The applicability of specific regulatory requirements depends on several housing factors including:
 - Age of the housing unit(s)
 - Property being disposed of or assisted by the federal government
 - Type and amount of HUD assistance
 - Whether the dwelling is rental or privately owned
 - Whether the dwelling is occupied by a child less than six years of age

Documenting Exemption

All projects receiving CoC funds should consistently and accurately assess units for the applicability of the Lead Safe Housing Rule and EPA's Renovation, Repair, and Painting (RRP) Rule

This assessment should be documented in the client's file.

A sample form of the Lead-Based Paint Screening Worksheet can be found here:

<https://www.hudexchange.info/resource/1205/hprp-lead-based-paint-screening-worksheet/>

Common Issues Found During Monitoring

Landowner/landlord remediation not completed where units failed inspection.

Agency must provide a completed lead disclosure form to occupants during lease-up or move-in along with any known records or reports regarding lead-based paint or lead hazards at the property. This must be evidenced in the tenant file.

Lead-based paint visual assessments were not conducted for ALL units receiving financial assistance if they were constructed before 1978 and will have a child under age 6 or a pregnant woman residing in a unit. – No exemption form in file.

Resources to use:

Lead Based Paint Exemption Form

Lead Based Paint Disclosure Form

Lead Based Paint Pamphlet(s)

Lead Safe Housing Rule Compliance Advisor

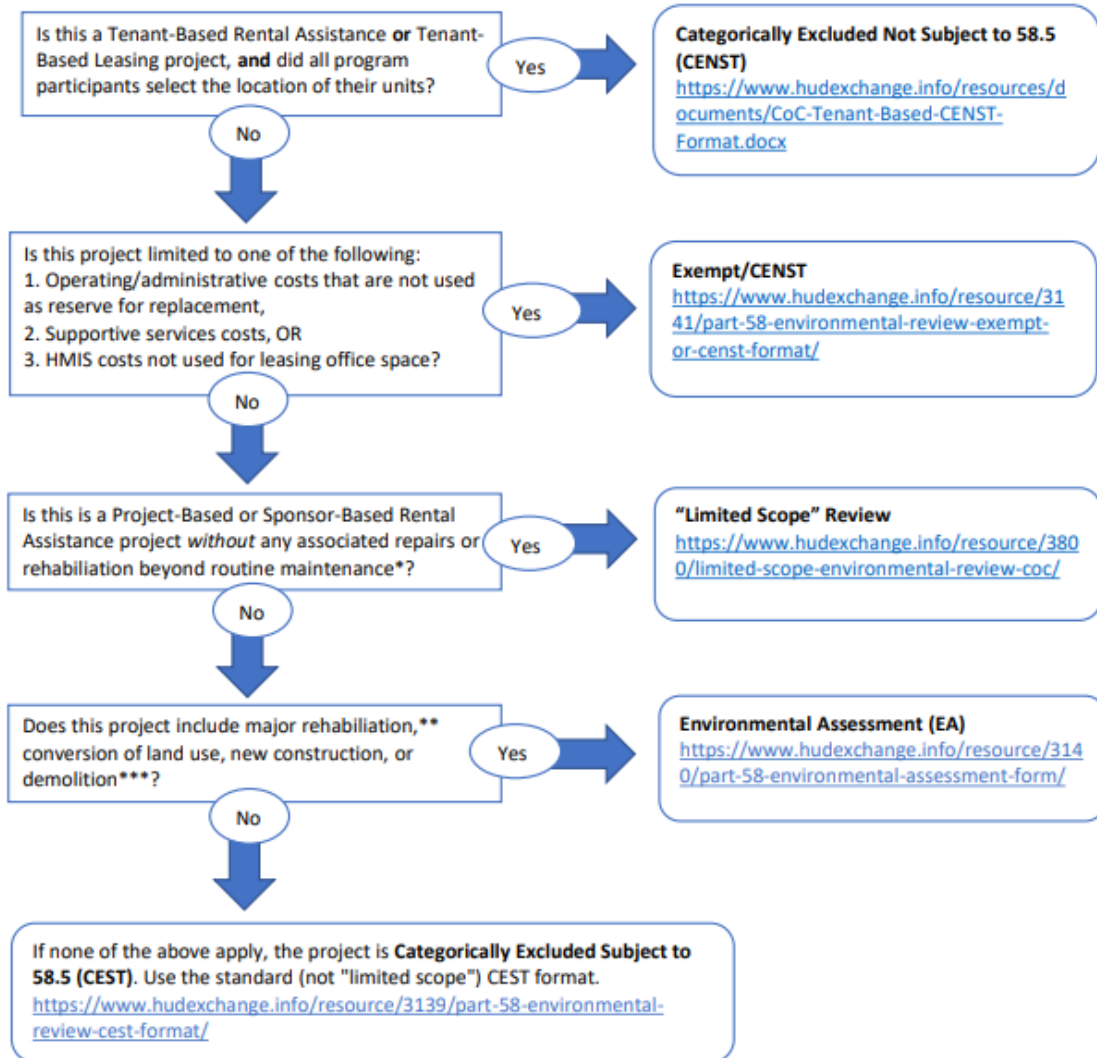
Lead Safe Housing Rule Resource Portal

All new and renewal projects receiving Federal funds (including all CoC Program activities) require an environmental review

- Environmental reviews must be conducted **BEFORE** funds are committed
- Activities under the CoC Program require environmental reviews completed by a Responsible Entity (RE) under **24 CFR 58**
- **Part 50** resources should be used when a CoC is **unable to work with a Responsible Entity**, resulting in HUD completing the environmental review
- HUD will complete ERs for CoC Program projects **only after getting written** confirmation from all potential Responsible Entities that they are not able to perform the ER (see 24 CFR 58.11(d))

Environmental Review

What level of review and which format should be used to complete environmental reviews for Continuum of Care (CoC) Program projects?



**This document applies only to CoC program projects.
For more information on determining level of review, consult 24 CFR Part 58.**

Flowchart to determine what kind of Environmental Review your project should complete

Limited Scope Review

The Limited Scope Environmental Review Instructions and the Limited Scope Environmental Review Format provide guidance on how to complete a review. Certain grant types are required to ensure that the project site is free from any hazardous materials that could adversely affect the health and safety of occupants

A limited scope review is appropriate only if the project consists entirely of leasing or rental assistance activities in existing residential buildings without any associated physical impacts, including repairs, rehabilitation, or new construction.



U.S. Department of Housing and Urban
Development
451 Seventh Street, SW
Washington, DC 20410
www.hud.gov

espanol.hud.gov

Environmental Review for Continuum of Care Leasing or Rental Assistance Project that is Categorically Excluded Subject to Section 58.5

Pursuant to 24 CFR 58.35(a)(5)

Project Information

***Project Name:**

***Responsible Entity:**

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

***Preparer:**

***Certifying Officer Name and Title:**

Consultant (if applicable):

***Project Location:**

***Description of the Proposed Project** [24 CFR 58.32; 40 CFR 1508.25]:

Limited Scope Review: Now What?

A limited Scope Review was designed specifically for projects funded by the Continuum of Care (CoC) program.

- Projects that consist of leasing or rental assistance activities require only a "limited scope" environmental review.
- Once you have completed the Environmental Review and your Responsible Entity has signed off on the project for compliance, you will need to save the form in your applicable program file for future monitoring.
- Environmental Reviews must be conducted for every unit.
- Costs associated with performing an environmental review are an **eligible use of CoC administrative funds.**

If my Responsible Entity doesn't want to complete my ER...

- In Illinois there are only two CoC Jurisdictions (Responsible Entities) that have formally denied completion of the CoC Environmental Review (ER)
- Request a written denial from your Responsible Entity
- Use [Part 50 flowchart](#) to determine what ER your project should complete
- Part 50 form has all the instructions to follow
- **HUD WILL NOT complete Environmental Reviews that otherwise are the responsibility of the Responsible Entity (RE) just because the CoC doesn't know who the RE is**
- Reach out to your HUD Rep for further guidance

Important to Remember

- HUD has done a blanket “exempt” review for a series of projects to include the units selected by the clients.
- In general, CoC agencies should go first to their Units of General Local Government (UGLG) for assistance in completing the reviews that are not exempt. However, there are situations in which a UGLG might not be available or might not want to perform the Environmental Review. In that case, a written denial notice is needed and then the Agency can send the documents to HUD and we will do the ER.
- When we receive the paperwork, we will do our internal compliance review and send back the signed form. All documentation should be kept in the client’s file.

Determining Rental Amounts

- Using Continuum of care (CoC) Program funds for rental assistance and leasing requires an understanding of and adherence to rent reasonableness standards to determine whether a specific unit can be assisted.
- Recipients and subrecipients also need to understand the relationship between rent reasonableness and the Fair Market Rent (FMR).
 - Fair Market Rate (FMR)
 - Rent Reasonableness



Fair Market Rent

- **Definition:**
- **Fair Market Rents (FMRs) are an estimate of gross rent, considering both rent and the cost of certain utilities**
- **FMRs are calculated for 530 metropolitan areas and 2,045 non-metropolitan areas nationwide at**
- **<https://www.huduser.gov/portal/datasets/fmr.html>**
- **The FMR amount must be applicable to the geographic area in which the housing unit is located.**

IMPORTANT:A copy of the applicable FMR data should be placed in the program participant's case file to document the FMR for that program participant's unit size and geographic area.

Utilities:

- The FMR in each community assumes the provision of necessary utilities
- Eligible utilities include:
 - (1) gas/oil
 - (2) electricity
 - (3) water
 - (4) sewage
- Ineligible utilities include:
 - (1) telephone
 - (2) internet
 - (3) cable television

CPD Notice 17-11 covers determining a program participant's rent contribution, occupancy charge or utility reimbursement in the CoC program when the participant is responsible for utilities.



Rent Reasonableness

24 CFR 574.320(a)(3): The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units.

Recipients/subrecipients are responsible for determining what **documentation is required** in order to ensure that the rent reasonableness standard is met for a particular unit

- Rent reasonableness is designed to:
 - Ensure Fairness
 - Prevent Inflation

- Recipients/subrecipients of federal funds must offer reasonable rent in comparison to that paid for private units:
 - In a similar location
 - Of a similar size, quality, and age
 - Offering similar amenities and utilities



Documenting Rent Reasonableness

- A project can determine rent reasonableness via:
 - A market study of rents charged
 - A review of advertisements for comparable units
 - Written verification from a property owner or management company on letterhead affirming that the rent is comparable to that charged for similar unassisted units managed by the same owner
- Comparable rents vary over time, so ensure that the comparison is up-to-date and appropriate for each unit

Policies and Procedures for Documenting Rents

- ▶ Recipients and subrecipients must establish their own written policies and procedures for documenting comparable rents, including:
 - ▶ A methodology for documenting comparable rents
 - ▶ Case file checklists and forms
 - ▶ Standards for certifying comparable rents as reasonable
 - ▶ Staffing assignments
 - ▶ Strategies for addressing special circumstances
- ▶ Determination must be supported documentation in the case file

Rent Reasonableness: Leasing vs. Rental Assistance

Leasing	Rental Assistance
<ul style="list-style-type: none">• The amount of CoC Program funds used for leasing an individual unit may not exceed the current FMR for that unit size and location (even if an earlier FMR was used as the basis for the recipient's CoC Program grant).• FMRs do not impact the amount of funding used to lease a structure.	<ul style="list-style-type: none">• The amount of CoC Program funds used for rental assistance may exceed the current FMR for that unit size and location, as long as the contract rent is reasonable.• The amount of CoC Program funds used for rental assistance may not exceed rent reasonableness.

Rent Reasonableness: Leasing vs. Rental Assistance

Leasing	Rental Assistance
<ul style="list-style-type: none"><li data-bbox="417 436 1187 768">• In communities where the FMR exceeds the reasonable rent, the reasonable rent is the ceiling for the amount of CoC leasing funds that can be used on a single unit<li data-bbox="417 833 1187 1100">• Thus, use of CoC Program leasing funds is capped at the lower of rent reasonableness or FMR amounts	<p data-bbox="1223 436 1982 936">In communities where the reasonable rent is higher than the FMR, projects may use rental assistance funds to pay up to reasonable rent (so long as the project continues to serve the contracted number of participants for the remainder of the grant term).</p>

One last thought about Utilities now that we've discussed Rent...

If rent includes utilities...

- CoC leasing funds can be used to pay the entire rent up to the FMR
- A utility allowance must be applied to the occupancy charge calculation if participants are expected to pay for utilities

If rent does not include utilities...

- Operating funds or occupancy charges can be used to pay for utilities
- Participants can be required to pay for utilities
- A utility allowance may be applied to the occupancy charge calculation

Record Keeping

- Required for leasing and rental assistance projects
- Important to have both FMR and Rent Reasonableness
- Common findings or concerns:
 - Comparing units that are not similar
 - Incomplete forms

RENT REASONABLENESS CHECKLIST AND CERTIFICATION

	Proposed Unit	Unit #1	Unit #2	Unit #3
Address				
Number of Bedrooms				
Square Feet				
Type of Unit/Construction				
Housing Condition				
Location/Accessibility				
Amenities				
Unit:				
Site:				
Neighborhood:				
Age in Years				
Utilities (type)				
Unit Rent				
Utility Allowance				
Gross Rent				
Handicap Accessible?				

CERTIFICATION:

A. Compliance with Payment Standard

Proposed Contract Rent + Utility Allowance = Proposed Gross Rent

Approved rent does not exceed applicable Payment Standard of \$_____.

B. Rent Reasonableness

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit [] is [] is not reasonable.

Supporting documentation for comparable units attached.

Fair Market Rent: [HTTPS://WWW.HUDUSER.GOV/PORTAL/DATASETS/FMR.HTML](https://www.huduser.gov/portal/datasets/fmr.html)

DATA FOR FAIR MARKET RENT SHOULD BE OBTAINED FROM THE ABOVE WEBSITE.

County unit is located: _____ Year: _____

Unit size: _____ Posted FMR for unit size: _____ Proposed unit rent: _____

Based upon current FMR, the proposed unit [] meets or [] exceeds the payment standard amount.

Name:	Signature:	Date:
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Match



Definition of Match

To meet the **match requirement**, each recipient or subrecipient must:

- Match **all** grant funds (except for leasing funds)
- With **no less than 25%** of that funding
- In the form of **cash or in-kind contributions/services**
- On a **grant-by-grant basis**
- To be used on **eligible costs** of the project (as defined under Subpart D of the HEARTH Act)
 - The HEARTH Act (enacted in 2009) allows for a new, simplified match requirement

Calculating Match: Example

	Project A	Project B
Leasing	---	\$90,000
Rental Assistance	\$90,000	---
Supportive Services	\$10,000	\$10,000
Administration	\$10,000	\$10,000
Subtotal (for Match)	?	?
25% Match	?	?

Calculating Match: Example

	Project A	Project B
Leasing	---	\$90,000
Rental Assistance	\$90,000	---
Supportive Services	\$10,000	\$10,000
Administration	\$10,000	\$10,000
Subtotal (for Match)	\$110,000	\$110,000–Leasing= \$20,000
25% Match	\$27,500	\$5,000

Eligible and Ineligible Sources for Match

Eligible Sources	Ineligible Sources
<ul style="list-style-type: none">• A recipient or subrecipient may use funds from any source, including any other federal sources (except for CoC Program funds), as well as funding from State, local, and/or private sources• The funds must not be statutorily prohibited from being used as match (the recipient or subrecipient must ensure that the rules governing use of the funds source allow the funding to be used as match for the CoC Program)	<p>Resources already used as match for another grant (“double-dipping”)</p> <ul style="list-style-type: none">• Program participant resources (e.g., savings)• CoC Program funds• Funding sources that are prohibited from being used as match for the CoC Program

Cash Match

- **24 CFR 578.73(b)**
- Show proof that payment of funds was made to cover CoC cost
- Sources of cash that may be used as match include:
 - Grants from private, local, state, and federal resources (if not statutorily prohibited by source)
 - Cash resources
 - Revenues from fundraising efforts organized by the recipient or subrecipient
 - Recipient or subrecipient staff working on grant eligible activities who aren't paid from the CoC Program grant but are paid from other agency resources

In-Kind Match

- 24 CFR 578.73(c)
- A recipient or subrecipient **may use the value of any of the following** that are contributed to the project as match, provided that the costs would've been eligible under Subpart D of the HEARTH Act had the recipient or subrecipient had to pay for them with grant funds:
 - Real property
 - Equipment
 - Goods
 - Services (time, expertise, etc.)
- Note: In-kind match has special documentation requirements (discussed later)



Documenting Match

- All match must be documented, with cash match and in-kind match having separate requirements:
- Cash match requires a written commitment
- In-kind match requires a Memorandum of Understanding (MOU) which contains (at a minimum):
 - The unconditional commitment (except for selection to receive a grant);
 - The name of the project and the organization to which the contribution will be given;
 - The name of the organization providing the contribution;
 - The date or time period that the services will be available (which should match the grant's operating year).
 - The specific service to be provided;
 - The profession of persons providing services;
 - The hourly cost of any services to be provided.
- Include a system to document the actual value of services provided during the grant term.
- Be signed and dated by an authorized representative of the match source (and his/her name and title are clearly stated)

Recordkeeping Requirements

Apart from documenting match prior to grant agreement:

- Must keep records of the source and use of contributions made to satisfy the match requirement (e.g., a general ledger), including that match was expended on eligible costs
- Indicate the grant and fiscal year for which each matching contribution is counted
- Show how the value placed on third-party in-kind contributions was determined:
 - To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs



Amendments



What's an Amendment?

- Whenever a change needs to be made to the CoC grant agreement, an amendment is triggered.
- Significant Changes such as a budget transfer of more than 10%, CoC grant administration transfer, and a CoC program component change all require the formal amendment process.
- Minor changes, such as a budget change of less than 10%, do not require the formal amendment process, however notification to HUD is required.
- Amendments should be submitted at least 90 days prior to the end of the grant performance period. (Chicago Field Office Policy)

Amendments: Significant changes

For significant changes, recipients should:

- Prepare a detailed, written request to the local HUD CPD Field Office
- Explain the reason for the change
- Justify same or better level of service will be provided
- Submit revised budgets as applicable
- Attach all relevant revised application and technical submission exhibits reflecting the proposed change(s)

Important tip: *It's also a good idea to discuss changes with your CoC*

Amendments: Minor changes

- For minor changes, the recipient must:
 - Fully document any changes
 - Notify the Field Office of the change so LOCCS and other reporting systems can be adjusted
 - Maintain documentation and make it available to HUD during monitoring and compliance reviews or upon request



Record Keeping

Reasons to Document

- **Reimbursement:** HUD will only reimburse projects for CoC funds spent on eligible activities for eligible persons
- **Reporting:** Proper documentation will help you with completing the Annual Performance Report due 90 days after operating period ends.
- **Monitoring:** HUD periodically monitors grantees to ensure compliance with applicable laws and regulations and to ensure program effectiveness and efficiency.



Record Keeping Requirements

- 24 CFR 578.103 is the primary source for record keeping requirements, as well as the NOFO that funded the project.
- Always keep clean and detailed records on the following topics:

Program Participants	Program Components	Eligible Costs
Project Progress	Match Documentation	Subrecipient Management
Recipient Management	Financial Management	Cost Allowability
Procurement	Equipment and Equipment Disposition	Other Federal Requirements

A close-up, slightly blurred photograph of a person's hands writing in a notebook with a silver pen. The person is wearing a white long-sleeved shirt. The notebook is open on a desk, and a smartphone is visible in the background. The image is positioned on the left side of the slide, partially overlapping the white background.

Grantee Responsibility

- Grantees must ensure that:
 - Funds are spent only on **eligible participants**
 - Funds are spent only for **eligible activities and allowable costs**
 - Funds are committed and **expended within prescribed deadlines**
 - The use of funds is supported by the **required documentation**
 - Policies and procedures are **consistent with all applicable federal, local, or grant-specific requirements**

Additional Considerations



Confidentiality:

- All records containing protected information must be kept secure and confidential
- The address or location of any program participant must not be made public



Record Retention:

- All non-construction records must be retained for at least 5 years
- Participant eligibility documentation must be retained for 5 years after final expenditure of relevant grant
- Acquisition, new construction, or rehabilitation records must be retained for 15 years after the date the project site is first occupied

Annual Performance Report

What HUD looks for:

An APR Submission needs to meeting the following requirements:

- **Timeliness**
 - Timely Submission (24 CFR 578.109) - 90 days after performance period has ended.
- **Bed/Unit Utilization Rate**
 - National Benchmark:
 - TH – 80%,
 - PSH & RRH – 85%
- **Program Eligibility**
 - Clients are eligible to receive assistance under HUD's definition of homelessness
- **Financial**
 - 25% match requirement met
 - LOCCS and APR column match

HUD Systems Access

- eSNAPS
 - Access is granted by an administrator at your organization
- Sage
 - Access is granted by an administrator at your organization
- LOCCS
 - Receive an ID number from Secure Systems
 - Complete a LOCCS systems access form
 - Must log in at least once every 90 days to maintain an active account. Failure to sign in every 90 days will result in the deactivating of your account.
- GDX
 - Must have an ID from Secure Systems
 - Access is granted by your CPD Rep on the HUD side of the system. Prior to your monitoring session, please connect with your CPD Rep to identify staff members who will need access to the system.

Q&A



When in doubt – contact your CPD Rep!

Additional Resources

- We will share a resource sheet!
- <https://www.ecfr.gov/>
 - <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-578>
- <https://www.hudexchange.info/>
 - <https://www.hudexchange.info/programs/coc/>
 - Take a look at the resources here
 - CoC Program Toolkit
 - Sage CoC Guidebook for CoC Grant-Funded Programs
 - Lots of virtual trainings and recordings
- SNAPs Office Hours – Fridays at 1:30 PM CDT
 - <https://www.hudexchange.info/news/office-hours-covid-19-planning-response-for-homeless-assistance-providers-fridays/>

THANK YOU!

- Resources, including this presentation, will be available shortly after the conclusion of the conference.

