



# Continuum of Care Foundations and HUD's Notice of Funding Opportunities

Tuesday, April 7

1:00-3:00 PM

Virtual Teams Meeting

# AGENDA

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- Overview of the Continuum of Care (CoC)
- Notice of Funding Opportunities
  - HUD Requirements
  - Local Competition
- Eligible Activities and Project Costs



# Overview of the Continuum of Care (CoC)

# Continuum of Care Program (CoC)

## (24 CFR part 578)

The CoC Program Codified with the passing of the [Hearth Act of 2009](#) and implemented through the CoC [Interim Rule 24 CFR 578 B](#).

The CoC is designed to:

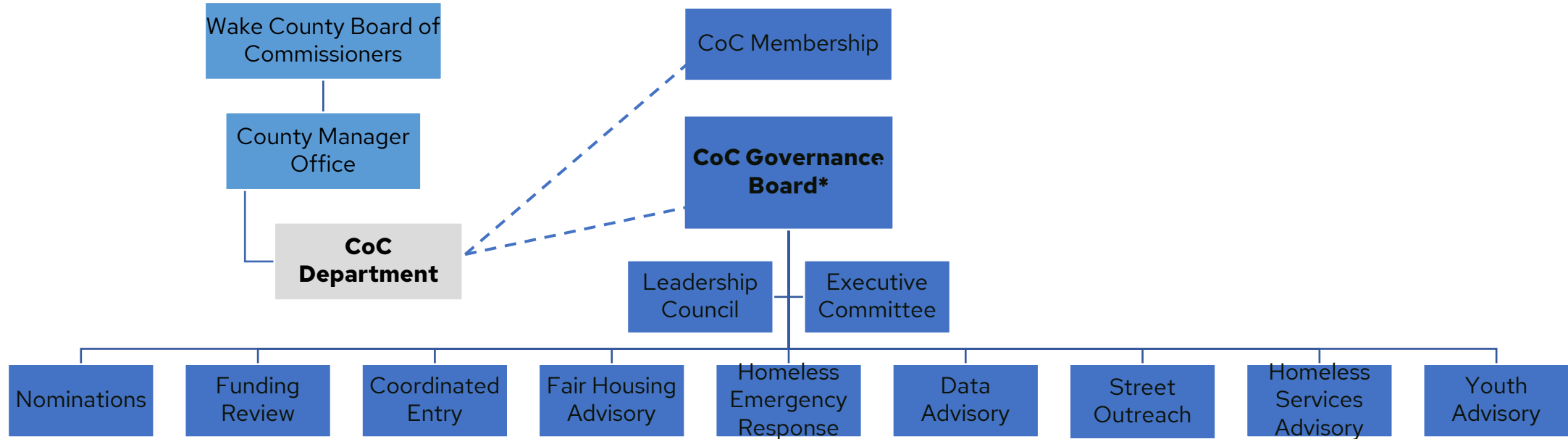
- Promote community-wide commitment to the goal of ending homelessness;
- Provide funding to nonprofit providers, States, and local governments to quickly re-house homeless individuals, families, persons fleeing domestic violence, and youth, while minimizing the trauma and dislocation caused by homelessness;
- Promote access to and effective utilization of mainstream programs by homeless individuals; and to optimize self-sufficiency among those experiencing homelessness.

# What is the Wake CoC?

## Key elements:

- The Wake CoC is the HUD approved geographic area and network of homeless services, housing providers, and stakeholders which are the “CoC Membership”;
- The Wake CoC applicant agencies may receive funding through HUD's Homeless Assistance Program NOFO;
- CoC's have a Lead Agency staff or team responsible for carrying out CoC duties detailed in the [Interim Rule](#) and a [Collaborative Applicant](#);
- Wake CoC's HUD designation is NC-507; and
- Wake County is the CoC Lead Agency and Collaborative Applicant for NC-507.

# Wake CoC (NC-507) Structure



\*CoC Board established in congruence with § [24 CFR 578](#): Establishing the Continuum of Care.

# Wake CoC Lead Agency Core Services

## Collaborative Applicant (CA)

- Coordination, collection, submission and monitoring of all CoC Program Competition components, including project applications and CoC planning funds.

## Homeless Management Information System (HMIS)

- Administration, management, and operation of the HMIS, including privacy, security, end user training and reporting requirements.

## Coordinated Entry System (CES)

- Administration, management, and operation of the process to standardize access, assessment, prioritization and referral to housing and services.

**Disclaimer:** *The CA does not have the ability to discuss funding strategies or certain inquiries during an active competition.*

# Who is eligible for Assistance?

Individuals and Families that meet the definition of Homeless or At-risk of Homelessness (24 CFR 578.3).

- Category 1 – Literally Homeless
- Category 2 – Imminent Risk of Homelessness
- Category 4 – Fleeing/Attempting to Flee Domestic Violence

**Note:** “Domestic Violence” includes dating violence, sexual assault, stalking, and other dangerous or life-threatening conditions that relate to violence against the individual or family member that either takes place in, or him or her afraid to return to, their primary nighttime residence (including human trafficking).

## Chronic Homelessness

- Long and repeated episodes of homelessness coupled with a disabling condition
  - Length of time: 12 months continuous homelessness or 3+ more episodes over the last 4 years adding up to 12 months or longer

# What is the HUD Homeless Assistance NOFO?

- The Department of Housing and Urban Development (HUD) solicits applications through the CoC for the NOFO from non-profits and local units of government who are interested in providing housing-related programs and services to individuals/families who are experiencing homelessness.
- The NOFO sets forth the competition rules and processes.
- Accepted applications are part of a Consolidated Application and Priority Listing for Homeless Assistance Funding, which will be submitted by the Wake CoC Collaborative Applicant, pursuant to the requirements of the applicable NOFO.

# Who Are Eligible Project Applicants?

- State governments/County/City/Township governments;
- Special district governments;
- Native American tribal governments (Federally recognized);
- Public housing authorities/Indian housing authorities;
- Native American tribal organizations (other than Federally recognized tribal governments);
- Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education; or
- Others: Faith-based organizations may apply on the same basis as any other organization. (See 24 CFR 5.109)

*\* Individuals and For-profit entities are not eligible to apply for grants or to be subrecipients of grant funds.*

# How do You Register in E-SNAPS?

**Esnaps** - *e-snaps* is the electronic Continuum of Care (CoC) Program Application and Grants Management System that HUD's Office of Special Needs Assistance Programs (SNAPS) uses to support the CoC Program funding application and grant awards process for the CoC Program.

Grants.gov vs. E-snaps (must apply in e-snaps)

## **Competition information is available:**

- HUD's competition page
  - Notices, navigation guides, updated NOFO information, and official HUD publications
- Wake CoC's Local Competition page

## **E-snaps Information** <https://www.hudexchange.info/programs/e-snaps/>

- Creating an account and Applicant Profile in e-snaps
- Project applications created and renewed in e-snaps

# What Are Eligible Project Application Types?

## New

- Permanent Supportive Housing
- Rapid Rehousing
- Transitional Housing
- Joint TH/RRH
- HMIS
- Supportive Services Only including SSO, SSO-SO, SSO-CE

## Wake Renewals

- Permanent Supportive Housing
- Rapid Rehousing
- DV Bonus (restricted funding)
- HMIS
- Supportive Services Only-CE

\*Eligible Project Types Are Subject to Change Based on the NOFO and HUD Priorities.

# What Is Applicant and Project Threshold Review?

Each year, **all** projects must meet HUD's threshold eligibility criteria to receive funding. HUD assesses the extent in which the project applicants are eligible, have the financial and management capacity to carry out the project, have submitted all required certifications, will serve eligible program participants, and will agree to participate in HMIS/comparable.

- **Pass/fail standard**—project applications rejected if they do not meet threshold.
- **Renewal** projects are generally considered to have met these requirements **but**;

# Eligibility and Project Threshold Review (cont.)

Standard review of all **Renewal** projects assess the minimum eligibility under

Threshold review:

- Capacity;
  - Timeliness and spending; and
  - Performance standards identified in the NOFO.
- 
- **Pass/fail standard**—project applications may be rejected by HUD if the threshold is unmet.

\*Note: HUD reserves the right to reduce or reject a project application.

# How is Funding Determined for CoCs?

HUD outlines the amount of funding each CoC can apply for in its CoC Program NOFO each year. The amounts vary based on how much Congress appropriates and any additional requirements. The primary factor in determining how much a CoC can apply for is its Annual Renewal Demand (ARD).

- The ARD is based on the total funding amount of each current project in the CoC that is eligible to apply for funding again in the upcoming competition.
- HUD then compares the CoC's Preliminary Pro Rated Need (PPRN) and ARD and uses the higher of the two to determine a CoC's Final Pro Rata Need (FPRN).
- HUD uses the FPRN when it calculates additional types of funding—CoC Planning grant and CoC bonus grants.

# NC 507 Funding Availability FY2026

NC 507's **Preliminary Pro Rata Need (PPRN)** is established by HUD using the formula detailed in 24 CFR 578.17(a). The PPRN is amount released during the competition.

NC 507 **Annual Renewal Demand (ARD)** is based on the total amount of all the CoC's projects that will be eligible for renewal in the CoC Program Competition.

Additional funding:

- **DV Bonus** project(s) up to 15% of PPRN
- **CoC Bonus** project(s) amount is noted in each competition, if available.
- **CoC Planning** grant is up to 5% of Final Pro Rata Need (FPRN)

\* HUD releases an *estimated* amount at start of competition and then the *final* funding available for NC 507 for the competition. Always subject to change during competition/check regularly.

# NOFO Funding Tiers 1 and 2

- Applications are competitive except the CoC Planning grant and must be ranked in Tier 1 or Tier 2.
- Any eligible project types can be included in Tier 1 or 2: Transitional Housing, Rapid Rehousing, Permanent Supportive Housing, TH-RRH, and Supportive Services Only.
- Transition grants of Renewals are allowable, but the new applicant must match the current/renewing Grantee.

# NOFO Funding Tiers 1 and 2 (cont.)

## Tier 1

- The % of ARD allowed in Tier 1 is subject to change per the NOFO. The CoC's ARD is shown on the approved Grant Inventory Worksheet (GIW)
- Projects are considered safe in Tier 1—if Consolidated Application properly submitted and the project passes HUD's eligibility/quality threshold review.

## Tier 2

- Difference between Tier 1 and CoC's ARD plus any bonus project funding (excluding DV Bonus projects and before adjustments to PH Leasing, Operating, and Rental Assistance BLIs based on changes to FMR annually).
- ARD minus-Non-Competitive (if applicable)+ CoC Bonus- minus Tier 1.

**Non-Competitive (not included in any Tier) CoC Planning**

# FUNDING TIERS Under the NOFO



## Tier 1

% of Annual Renewal Demand set by NOFO in each competition

HUD selects all projects ranked in Tier 1 that pass project quality, project threshold, and risk review.

## Tier 2

The difference between Tier 1 and the total sum of the CoC's ARD, CoC Bonus, and DV Bonus Amount.

After selecting all approved Tier 1 projects, HUD will select projects ranked in Tier 2 using an assigned point value for each ranked project based on HUD's scoring matrix.

# HUD Requirements

# Overview of Applicant Requirements

## Pre-Application:

- Conflict of Interest/Code of Conduct on file with HUD
- Active in SAM.gov (System for Award Management) registration
  - cannot be suspended, inactive, or barred
  - Have a Unique Entity Identifier
- Drug Free Workplace policy

## If Awarded:

- HMIS or Comparable database usage/complete data entry for project
- Active participation in the CoC (membership, attendance requirements, etc.)
- Participation in Coordinated Entry (CE) system of CoC and CE policies
- Meet all Federal reporting requirements (Annual Performance Report, HIC/PIT)
- Must adhere to the HUD regulations and Wake CoC's Written Standards
- Have applicable Environmental Review completed before start of project.

# Local Competition Information

# Funding Review Committee (FRC)

- The Funding Review Committee makes recommendations to the Wake CoC Governing Board after reviewing and scoring applications submitted by qualified nonprofits or government agencies to fund programs serving the needs of Wake County residents.
- The Funding Review Committee develops a fair and transparent process for appeals related to grant funding decisions and processes and recommends the scoring and ranking criteria for projects eligible for funding under the Wake CoC Program to be approved by the Funding Review Committee. *Scoring and review committee members are approved by the Wake CoC Nominations Committee.*
- The FRC is supported by the Collaborative Applicant. *\*\*The CA does not have voting power and can only assist with acquiring necessary information for the FRC to make a thoughtful decision.\*\**

**Disclaimer:** *Nonprofits or government agencies applying for, or currently receiving, funds from the Wake CoC are prohibited from participating in the Funding Review Committee in compliance with the adopted Wake CoC Conflict of Interest Policy, attached hereto as Exhibit 3.*

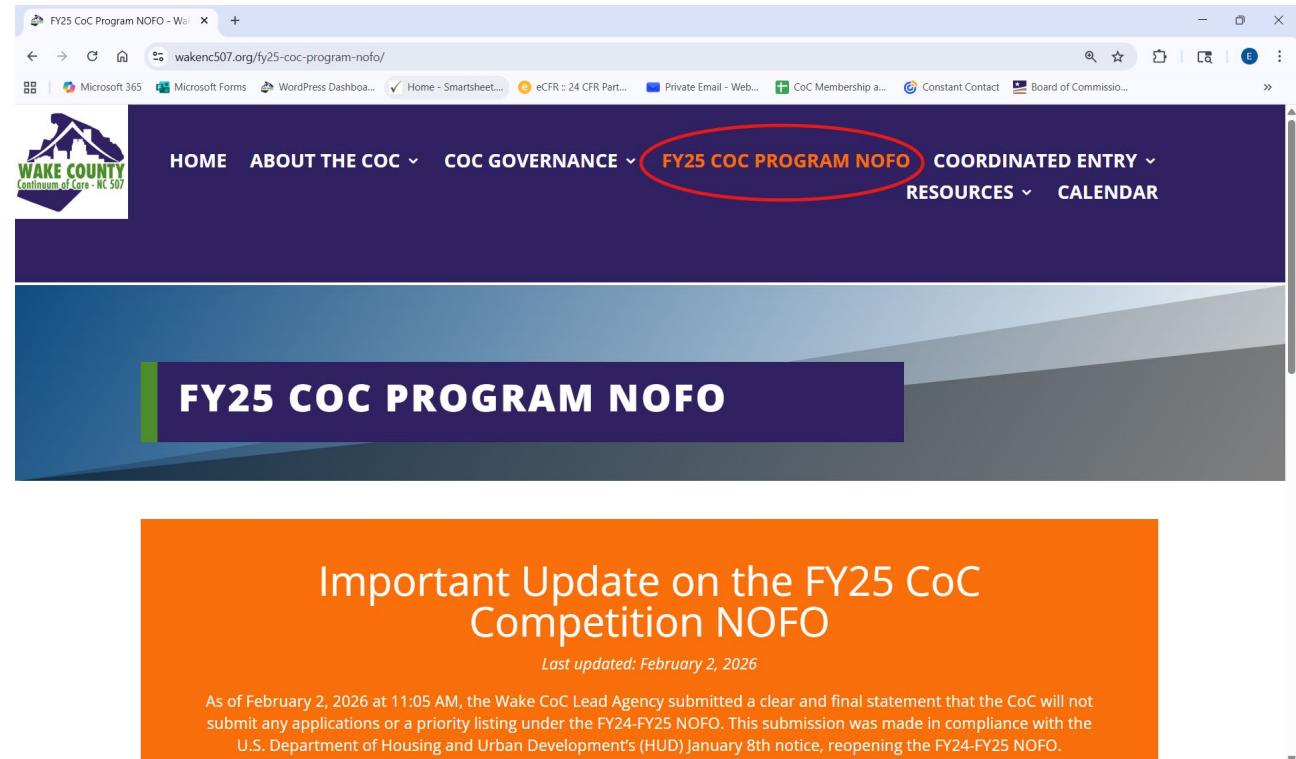
# NC 507 GUIDING DOCUMENTS

- NC 507 Competition Notice and Timeline
- Ranking and Review Policy and Procedures
- Appeals Policy and Procedure
- New and Renewal Scorecards- including all supplemental information

# Local Notice

Notice about the local competition are:

- Posted on the Wake CoC website
- Sent via weekly Wake CoC newsletter
- Sent directly to all members of the Wake CoC, including current grantees and interested applicants



WAKE COUNTY  
Continuum of Care - NC 507

HOME ABOUT THE COC ▾ COC GOVERNANCE ▾ **FY25 COC PROGRAM NOFO** COORDINATED ENTRY ▾  
RESOURCES ▾ CALENDAR

## FY25 COC PROGRAM NOFO

### Important Update on the FY25 CoC Competition NOFO

*Last updated: February 2, 2026*

As of February 2, 2026 at 11:05 AM, the Wake CoC Lead Agency submitted a clear and final statement that the CoC will not submit any applications or a priority listing under the FY24-FY25 NOFO. This submission was made in compliance with the U.S. Department of Housing and Urban Development's (HUD) January 8th notice, reopening the FY24-FY25 NOFO.

# Wake CoC Local Competition Ranking and Review Policy and Procedure

**Ranking and Review Policy and Procedure** - Projects are ranked according to their assigned score in the Priority Listing in two Tiers. CoCs are limited by the % of ARD allowed in the NOFO for amount placed in Tier 1. To maximize funding received and/or create new projects, the Wake CoC may undertake Reallocation of Renewal projects. Project Ranking is then determined as outlined in the Ranking and Review policy:

- Tier 1 Project Ranking
- Tier 1 Tie-Breaking
- Tier 1/Tier 2 Straddling
- Tier 2 Project Ranking
- Tier 2 Tie-Breaking

# What is Reallocation?

- Reallocation is the process by which a CoC shifts funds in whole or in part from existing CoC funded projects that are eligible for renewal to create one or more new projects. CoCs can only pursue reallocations through the CoC Program Competition.
- CoCs can reallocate funding from eligible renewals in a competition year, with some restrictions. (\*DV-SSO-CE in 2025 could not be reallocated, DV Bonus is restricted, e.g.) The NOFO also dictates what types of new projects may be created through reallocation in the competition.
- HUD may limit what types of new projects may be created with reallocated funds however, it does not dictate to CoCs what types of renewal projects can be reallocated or how that process should occur.

# Reallocation (cont'd)

There are many combinations of funding for projects that can be involved in a reallocation.

## **Examples include:**

- Funding from one project (or partial funding from one project) can be reallocated into a new project operated by the same provider;
- Funding from one project (or partial funding from one project) can be reallocated into many new projects; or
- Funding from one project (or partial funding from one project) can be reallocated into a new project operated by a different provider.

## Reallocation (cont'd)

- Funding from many projects (or partial funding from many projects) can be reallocated into one new project; **and**
- Funding from many projects (or partial funding from many projects) can be reallocated into many new projects.

**Note:** Reallocations can only occur through the CoC Program competition.

# Reallocation (cont'd)

- The type of reallocations a CoC should pursue in a single competition depends on the CoC's individual circumstances.
- While reallocation can be complicated and does not come without risk, it is a necessary part of ensuring that a CoC's homeless assistance system meets the needs of people experiencing homelessness in the region.

# Wake CoC Reallocation Policy and Procedure

**Reallocation Policy** – Process to which voluntary and involuntary reallocation of funds can be determined.

- **Voluntary reallocation:** Providers are strongly encouraged to voluntarily reallocate funding from their existing projects that are not spending the full award, underutilizing beds, underperforming, not in alignment with Housing First principles and practices, and/or with significant, unresolved findings.
- **Involuntary reallocation:** Projects that are not fully expending funds or underspending grant awards at the expiration of their performance period that had recaptured funds are subject to the Wake CoC reallocation process. A one-year grace period may be extended to the providers who appeal the proposed reallocation with a corrective action plan that demonstrates that the grant's expenditure rate will be improved in the current program year. Projects that have under-expended their award in two consecutive program years may have their funding reduced through reallocation in the CoC NOFO competition or by the percentage limit on Tier 1 or 2 that would make it necessary to reallocate.

*Reallocated funds are used to for the creation of new projects and/or the expansion of existing renewal projects.*

# DV Reallocation

- DV Reallocation Projects are projects created from the reallocation of eligible DV Renewal projects.
- CoCs may reallocate eligible DV Renewal projects to create new DV Reallocation projects including expansion projects, so long as 100% of the population served by the new DV Reallocation project meet all the same requirements of a DV Bonus project.

## **The following restrictions also apply:**

- Reallocated DV Renewal funding cannot be used to expand a CoC Renewal grant.

# What is a Transition Grant?

- A Transition grant is an application to fund a new CoC project through the reallocation process to transition an eligible CoC renewal project from one program component to another eligible component over a 1-year period. The renewal project transitioning to a new component must be fully eliminated through reallocation.
- Transition grant applications awarded funds must fully transition to the new component by the end of the 1-year grant term and may only apply for renewal in the next CoC Program Competition under the component to which it transitioned.
- **Note:** *Transition Grant Restrictions are outlined and defined in the NOFO.*

# Transition Grants (cont'd)

- For a new project to be considered a transition grant, the new project applicant must be the recipient listed on the current grant agreement for the eligible renewal grant(s) being eliminated and must include the grant number(s) of the project(s) being eliminated to create the new project.
- The transition grant's operating start date will be the day after the end of the previous grant term for the expiring component.
  - For transition grants reallocated from more than one project, the operating start date of the transition grant will be the day after the end of the earliest expiring grant term.

# What is a Grant Consolidation?

- Applicants intending to use the consolidation process to combine two or more, but no more than 10, eligible renewal projects may do so through the renewal project application. The projects being combined continue uninterrupted. To be eligible for consolidation, the projects must have the same recipient and component type.
- Applicants electing Grant Consolidation must be in good standing with HUD, meaning none of the projects have: outstanding audit or monitoring findings, outstanding obligation to HUD that is in arrears, unresolved construction delays, a history of poor financial management/drawdown issues, history of low occupancy levels, or lack experience or capacity in administering the project type.

# What is an Expansion Project?

- Eligible renewal project applicants may add funds to an existing CoC Renewal, DV Renewal to expand its current operations either through reallocation, DV Bonus or a CoC Bonus project application. The new funding being added to the renewal must be submitted as a new project in e-snaps (i.e., the new expansion project).
- HUD will allow project applicants to apply for new expansion projects to expand existing renewal projects to increase the number of units, persons served, services provided to existing program participants, or to add additional activities to HMIS and SSO-CE projects.

# Expansion Project (cont'd)

- Project applicants expanding an eligible CoC Renewal or DV Renewal project must submit a separate renewal project application and the new project application with expansion information (both projects must be ranked by the CoC with unique rank numbers).
- CoCs must ensure the funding request for the expansion grant is within the funding parameters allowed under CoC Bonus, CoC Reallocation, DV Bonus, or DV Reallocation amounts available.
- If both the new expansion project and the renewal project it expands are conditionally selected for funding, one grant agreement incorporating both approved project applications will be executed.

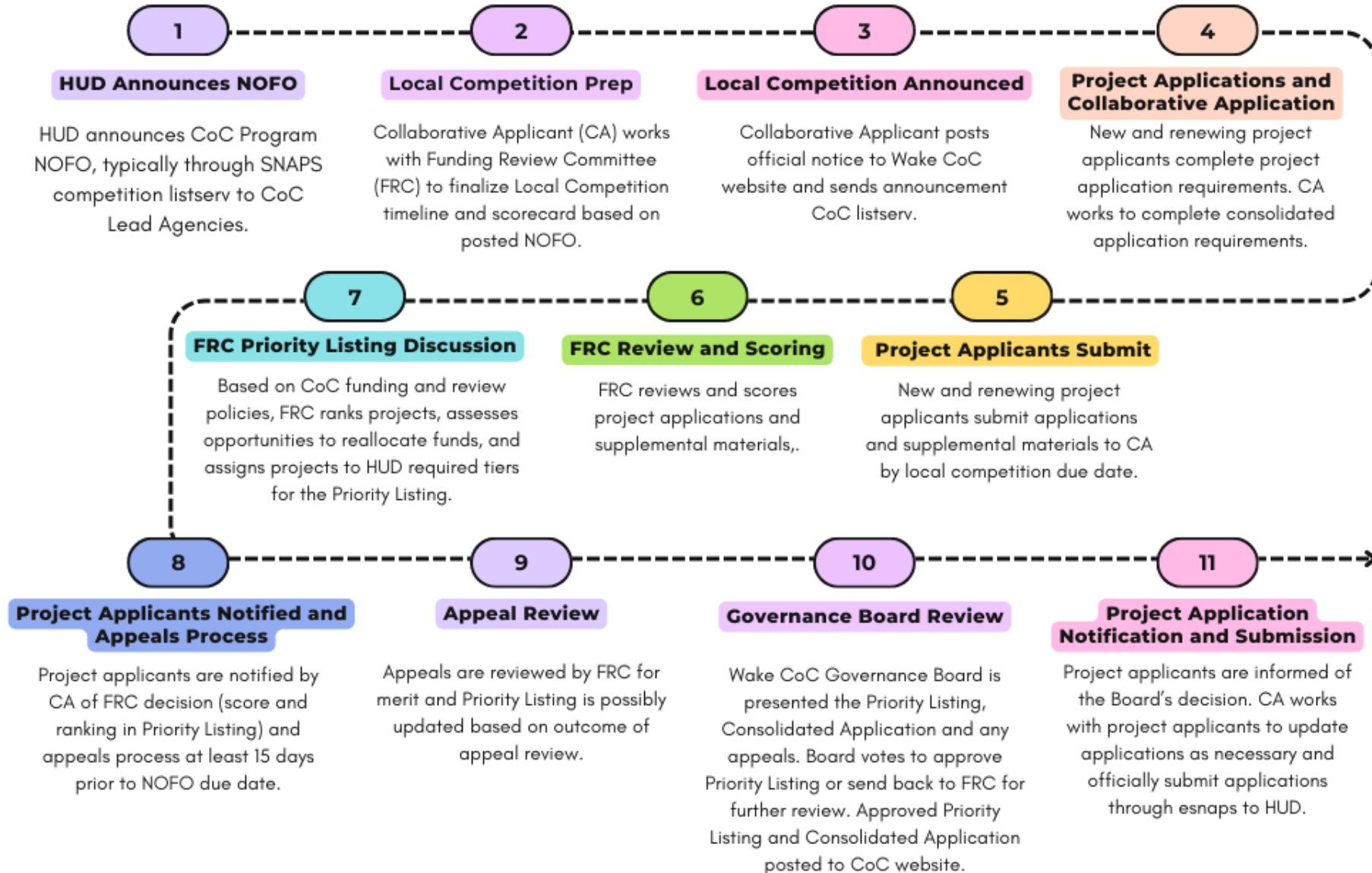
# Wake CoC Appeals Policy and Procedure

- **Appeals Policy and Procedure** – Project Applicants are given a chance to appeal the FRC’s decision once notified based on the following qualifications:
  - The FRC mistakenly used false or significantly incomplete information to make decisions and additional information presented as part of the appeal addresses the deficiencies in the application that affected the decision. Specifically, extenuating circumstances that will not affect long-term viability or performance of the project (i.e. a fire that prevented it from thoroughly completing the application).
  - A member of the FRC is shown to have a conflict of interest that affected the funding decision.
  - A member(s) of the FRC discriminated against the applicant due to the applicant’s race, ethnicity, religion, national origin, sex/gender, gender identity, disability, or familial status.

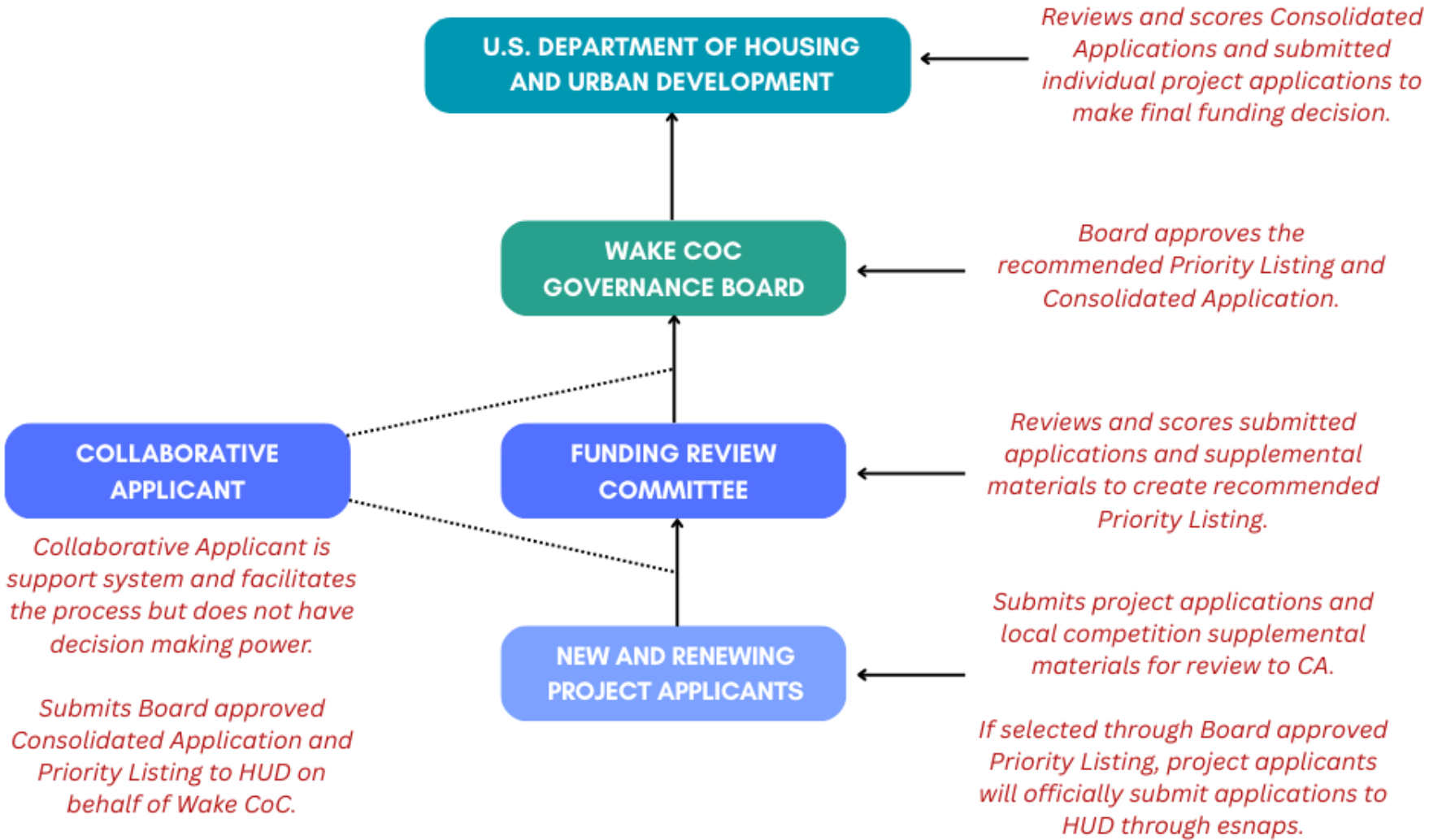
# e-snaps

- New and returning applicants will go through the steps to fill out the HUD project application located in e-snaps but **will not submit.**
- Applicants will download the completed application as a PDF to submit to the Wake CoC Collaborative Applicant to be given to the FRC for review and scoring.
- Once a project is selected from the FRC and CoC Board approval process, the Collaborative Applicant will work with the project applicant to make necessary updates prior to submission.
- Applications are submitted in e-snaps only once updates are made and approved by the Collaborative Applicant.

# Local Competition Steps

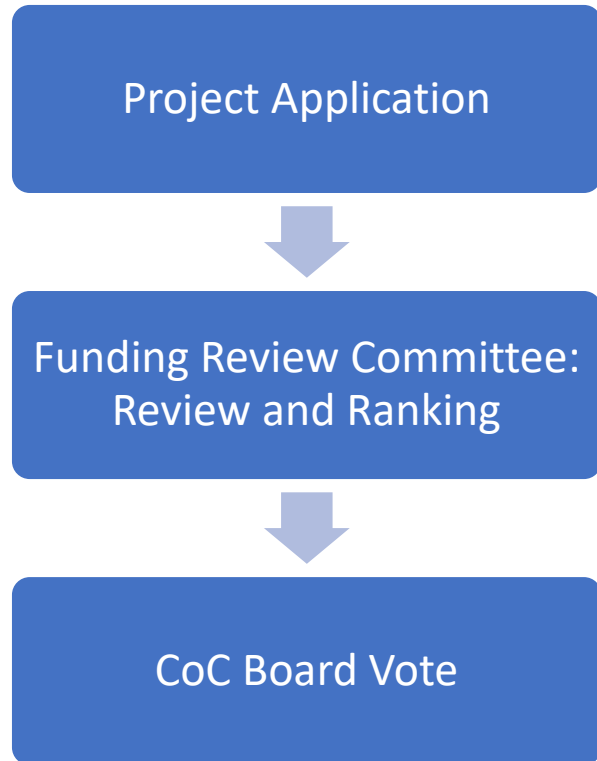


# DECISION STRUCTURE

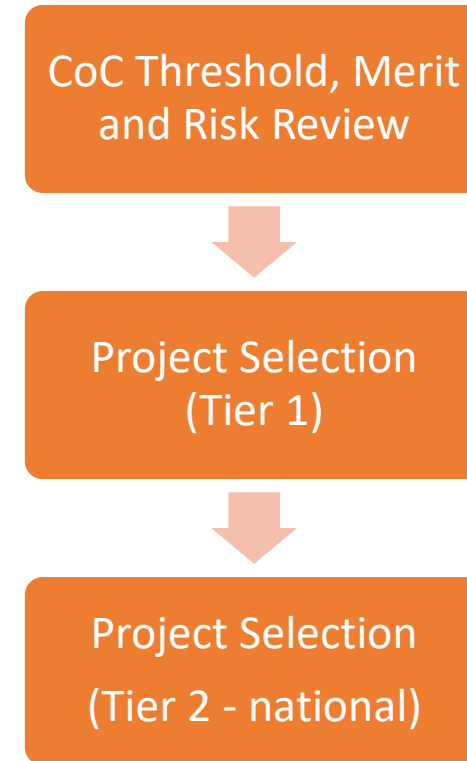


# Local and HUD Review & Award Making Process

## Local Competition



## HUD Review



# Priority Listing Demo



FY24 Competition				Based on HUD Rescinded FY25 Competition			
	Project	Amount	Project Component		Project	Amount	Project Component
Tier 1	A	90% of ARD	Renewals by performance based score	Tier 1	A	30% of ARD	Aim to preserve PH renewals, based on performance
	B				B		
	C				C		
	D				D		
	E			Straddle Project	\$1,756,907	Tier 1 ARD Subtotal + project spanning both tiers	E
	F						
	G						
	H						
	I						
Straddle Project	J	\$3,946,650	Tier 1 ARD Subtotal + project spanning both tiers	J	70% of ARD	renewals, new, reallocated and transition projects	
Tier 2	K	10% of ARD	Lower performing renewals	Tier 2			F
	L						G
		\$438,517	Tier 2 ARD Subtotal				H
	M	CoC Bonus	new, reallocated and transition projects				I
	N						J
	O						K
		\$776,216	CoC Bonus Amount				L
	P	\$970,271	DV Bonus Amount		M	CoC Bonus	new, reallocated and transition projects
Q	\$323,424	CoC Planning Amount	N				
	\$2,508,429	Tier 2 Subtotal	O	\$1,219,346	CoC Bonus Subtotal		
				P	\$609,673	DV Bonus Subtotal	
				Q	\$304,836	CoC Planning Amount	
					\$6,233,305	Tier 2 Subtotal	
Total Available to Apply		\$6,455,079	Tier 1 ARD + Tier 2 Subtotal	Total Available to Apply		\$7,990,212	24% increase in max funds eligible for Wake CoC to apply for

# Points to Remember

- Funding Review Committee considers the benefit of CoC system as a whole and how individual projects work to serve the homelessness response system and the persons needing to be served.
- The goal is to maximize resources, funding, produce outcomes and an optimal system.

# Current Status/Outlook of CoC NOFO

- As of April 1, Courts upheld the preliminary injunction on HUD's attempt to release an FY25 NOFO.
  - This means that HUD must process all FY25 renewal awards without additional competition.
- HUD has indicated they will release a new NOFO, presumably the FY26 NOFO, by or around June 1<sup>st</sup>.
  - The FRC is reviewing all applicable policies and procedures in preparation.
  - Potential for overlap of Emergency Solution Grant (ESG) and CoC NOFO competitions.

# Eligible Project Types, Costs, and Requirements

# Remember: Eligible Project Types

## **New**

- Permanent Supportive Housing
- Rapid ReHousing
- Transitional Housing
- Joint TH/RRH
- HMIS
- Supportive Services Only including SSO, SSO-SO, SSO-CE

## **Wake Renewals**

- Permanent Supportive Housing
- Rapid ReHousing
- DV Bonus (restricted funding)
- HMIS
- Supportive Services Only-CE

\*Eligible Project Types Are Subject to Change Based on the NOFO and HUD Priorities.

# What are Eligible Costs by Project Type?

Eligible Costs	Program Components				
	Permanent Housing		TH	SSO	HMIS
	PH:PSH	PH:RRH			
Leasing	X		X	X	
Rental Assistance	X	X	X		
Supportive Services	X	X	X	X	
Operating Costs	X		X		
HMIS	X	X	X	X	X
Project Administration	X	X	X	X	X

# Quick Glance at Project Type and Requirements



Component	Line Item	Lease Between Participant and Landowner	Lease Between Project and Landowner	Sublease or Occupancy Agreement Between Project and Participant
Permanent Supportive Housing	Rental Assistance	Not Allowed	Required	Not Allowed
	Leasing	Required	Not Allowed	Sublease Required
Rapid Rehousing	Rental Assistance	Not Allowed	Required	Not Allowed
Transitional Housing	Rental Assistance	Not Allowed	Required	Not Allowed
	Leasing	Required	Not Allowed	Required

# What are Eligible Costs: Leasing Costs

- Leasing funds may be used to **lease structures or individuals' units** to provide housing or supportive services.
- May be used to cover up to 100% of the cost of leasing the unit(s) or structure(s).
- May not be used to lease units or structures owned by the recipient, subrecipient, or any related organization.

- In addition to paying rent, leasing funds can be used for:
  - Security deposits (up to two months);
  - First/last month's rent (up to one month of each, allowed as advance payment);
  - Costs associated with conducting required unit inspections including Lead Based Paint;
  - Payments on unoccupied units while identifying a new program participant;
  - Costs associated with carrying out leasing activities, including processing lease payments, calculating program participant income and occupancy charges, making rent reasonableness determinations, inspecting units, and collecting/processing occupancy fees.

**\*Note:** Must still be able to fulfill the obligations of the grant (e.g., number of clients/units assisted).

# What are the Components of Leasing Costs?

- The project must lease the unit directly from the property owner or landlord (i.e., the recipient or subrecipient must be the entity that signs the lease) and, then, the project subleases the unit to the participant;
- The project can, but does not have to, charge the client rent/occupancy charges. Grantees must follow Written Standards if CoC requires.
  - If the project charges occupancy charges: The maximum amount is capped per HUD's rental calculation formula
  - The program is responsible for 100% of the lease to the landlord, even if the participant does not pay their portion of the rent in a given month
- The cost of the unit may be no higher than the lower of either Fair Market Rent (FMR) or reasonable rent (see Housing Assistance section);
- Leasing budgets are historical (with only some relatively minor adjustments from year-to-year), so program leasing budgets may be less than the FMR x the number of units x 12 months.

# What are Eligible Costs: Rental Assistance

- Rental assistance funds may be used to pay part of the rent for a unit in which a program participant will reside.
- Assistance may be short-term (less than 3 months), medium term (4-24) or long-term (more than 24 months).
- In very limited circumstances, rental assistance can be used in units/structure owned by a recipient/ subrecipient.
- Rental assistance cannot be combined with operating costs.

- In addition to paying rent, rental assistance funds can be used for:
  - Security deposits (up to two months)
  - Up to one month of first and/or last month's rent (allowed as advance payment)
  - Up to one month of rent for damages to property
  - Up to 30 days of vacancy payments
  - following the end of the month in which the unit is vacated by the program participant

**\*Note:** Must still be able to fulfill the obligations of the grant (e.g., number of clients/units assisted)

## What are the Components of Rental Assistance Costs?

- The tenant holds the lease directly with the property owner (the project can enter into a written agreement with the property owner for the payment of rental assistance, if it so desires)
- The tenant pays rent directly to the property owner in an amount determined through HUD's rental calculation formula (for RRH, the project must follow the CoC's Written Standards of tenant contribution and financial assistance if specified)
- Rental assistance payment amounts are the difference between the total rent and the amount paid by the client (tenant contribution)
- The cost of a unit may be higher than Fair Market Rent (FMR), so long as the rent is reasonable for rental assistance projects (RRH)
- Rental assistance budgets are adjusted annually so that the total amount equals the FMR x the number of units (taking into account the size of the units) x 12 months

# What are Eligible Costs: Operating

Operating 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:

- Maintenance and repair of housing;
- Building security for a housing program (where >50% of the units or building area is paid for with grant funds);
- Utilities, including: electricity, gas, heating oil or other heating/cooling costs, and water;
- Furniture (must be retained for use by the housing program);
- Equipment;
- Staff time and related overhead costs of carrying out operating activities.

# Common Mistakes with Operating Costs

Keep in mind that operating funds may not be used for:

- Operating costs of emergency shelters facilities
- Maintenance and repair of housing where those costs are included in the lease
- A structure or unit also subsidized by rental assistance funds
- Food

***Reminder: RRH, Supportive Services Only and HMIS projects are not eligible for Operating Costs.***

# What are Eligible Costs: Supportive Services

Supportive services funds may be used to **pay for services** to assist homeless persons transition from homelessness to permanent housing, including the costs of labor (salary and benefits) and supplies/materials directly related to providing the services.

Supportive services funds may only be used for the eligible costs listed in the CoC Interim Rule:

- Assessing service needs
- Moving costs
- Case management
- Child care
- 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

# Eligible Costs: HMIS or Comparable database

All projects may include an HMIS line item that may be used to pay costs associated with HMIS data collection – in addition, certain HMIS costs are only available to the HMIS Lead for the CoC, which is funded under the HMIS component.

## HMIS Budget Line Items (all projects)

HMIS funds may be used for:

- Purchasing/leasing hardware or software licenses
- Leasing office space or utilities for HMIS activities
- Salaries, operating costs, and duties as required to operate an HMIS
- HMIS trainings
- HMIS reporting to the CoC

## HMIS Component (HMIS Lead Only)

The HMIS lead can use HMIS funds for:

- Leasing/operating the HMIS facility
- Hosting and maintaining HMIS software and data
- Backing up, recovering, and/or repairing HMIS software or data
- Upgrading, customizing, and/or enhancing the HMIS
- Integrating and warehousing data
- Administering the system
- Reporting (providers, CoC, and HUD)
- Conducting HMIS training (incl. travel)

# What are Key Elements of Eligible Costs?

1

**Reasonable**

2

**Allowable**

3

**Documented**

4

**Allocable**

5

**Reimbursable**

# Key Elements (cont'd)

1

- Reasonable:** A cost is reasonable if it is necessary and directly related to the grant. To determine reasonableness, consider:
- Whether the expenditure is ordinary and necessary;
  - The cost of comparable goods and services; and
  - The benefit to program participants.

# Key Elements (cont'd)

2

- Allowable:** An expense is allowable if it is:
- An eligible cost within the CoC Program;
  - Expended (directly or indirectly) for the benefit of an eligible CoC Program participant;
  - In accordance with any limitations specified in the CoC grant agreement and the HUD-approved budget.

# Key Elements (cont'd)

3

**Documented:** An expense is documented if it is supported by materials backing up the expenditure, including:

- Voided checks
- Paid bills
- Certified payrolls
- Time and Effort attendance records
- Etc. (e.g. leases, HAP, mileage records)

# Key Elements (cont'd)

4

**Allocable:** An expense is allocable to federal grants in two circumstances:

- Incurred directly for the purposes of a specific grant, contract, or program; or,
- Benefits a grant, contract, or program/other costs objectives, and can be distributed among objectives in reasonable proportion to the benefits received.
- Note: Costs may be charged on a direct or indirect basis if an indirect cost rate elected.

# Key Elements (cont'd)

5

**Reimbursable:** An expense is reimbursable if it is made:

- In accordance with a HUD-approved budget and otherwise an allowable cost;
- Within the eligible timeframe (i.e., the grant term/performance period).

# What are Eligible vs. Approved Costs?

Recipients and subrecipients may use up to 10 percent of any grant, excluding the amount for CoC planning, established through the CoC Program NOFO for project administrative costs. These costs include expenses related to the overall administration of the grant (24 CFR part 578.59), such as management, coordination, monitoring, evaluation activities, and environmental review.

# What are Match Requirements?

- Grantees must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources.
- Written documentation of the donation of in-kind goods and/or equipment must be provided on the source agency's letterhead, signed, and dated by an authorized representative of the source agency.
- Match letters must, at a minimum, include the following: value, specific date goods and services will be available, and grant term match is being used allowable activities to be provided.

# What is Leveraging Project Resources?

- Leverage is the non-match cash or non-match in kind resources committed to making a CoC Project fully operational
- Including all resources in excess of the required 25% match as well as other resources that are used on cost that are ineligible in the CoC project.
- Documenting leverage within your projects shows the CoC's systemwide collaboration across housing, healthcare, behavioral health, workforce, youth, education, and other sectors.

# What are Project Administrative Cost?

Recipients and subrecipients may use up to 10 percent of any grant, excluding the amount for CoC planning, established through the CoC Program NOFO for project administrative costs. These costs include expenses related to the overall administration of the grant ([24 CFR part 578.59](#)), such as management, coordination, monitoring, evaluation activities, and environmental review.

# What are Eligible Administrative Costs?

- General management, oversight, and coordination;
- Salaries, wages, and related costs of recipient's staff, staff of subrecipients, or other staff engaged in project administration;
- Travel costs incurred for monitoring subrecipients;
- Administrative services performed under third-party contracts or agreements (general legal services, accounting services, or audit services);
- Other costs for goods and services required for administration of projects rental or purchase of equipment, insurance, utilities, office supplies, rental and maintenance – not purchase – of office space);
- Costs of training on CoC requirements/attending HUD-sponsored CoC trainings;
- Environmental review.

Questions?



# Contact

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