

Three County CoC 2024-2025 NOFO
Bidders Conference September 11 2024

Questions and Answers

UPDATED 9.20.24

**1. Can we use CoC funds to pay for extended stay hotel or motels for participants? -
UPDATED 9.20.24**

CoC Program funds may be used to help eligible program participants obtain or retain a stable housing situation, including renting a unit in a hotel or motel. HUD would permit a recipient or subrecipient to house a household in a hotel or motel so long as all CoC Program requirements are met. Some examples of requirements are for the motel to enter a lease with the participant, meet FMR and Rent Reasonableness and housing standards, as outlined below.

Leases - All program participants in permanent housing projects must be the tenant on a lease for a term of at least one year that is terminable only for cause and that can be renewed for terms that are a minimum of one month long. All program participants in transitional housing must have a signed lease, sublease, or occupancy agreement for a term of at least one month that ends in 24 months (see [section 578.3 of the CoC Program interim rule](#) for more information).

In our experience, most hotel/motel agreements do not meet this standard so be sure to check with your attorney to ensure the lease agreement for this household meets the CoC requirements and is a legal lease in your state and that the unit is subject to state landlord and tenant law.

FMR and Rent Reasonableness - All housing for which leasing or rental assistance payments are made must meet FMR and rent reasonableness standards. Rent reasonableness should be determined by considering the reasonableness of the rent in relation to rents being charged for comparable unassisted units, taking into account the location, quality, size, type, and age of unit, as well as any amenities, housing services, maintenance, and utilities provided by the owner. Reasonable rent may not exceed rents currently being charged by the same owner for comparable unassisted units.

Housing Standards - Section 578.75(b) of the CoC Program interim rule states that all housing that is leased with Continuum of Care program funds, or for which rental assistance payments are made with Continuum of Care program funds, must meet the applicable Housing Quality Standards (HQS) under 24 CFR 982.401 of this title, except that 24 CFR 982.401(j) applies only to housing occupied by program participants receiving tenant-based rental assistance.

HQS dictates that, at a minimum, the unit must have a living room, a kitchen, and a bathroom. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. The bathroom must be contained within the unit, afford privacy, and be for the exclusive use of the occupants. Additionally, the unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner. This includes a requirement for an oven and stove or range, a refrigerator of appropriate size for the family, and a kitchen sink with hot and cold running water. Hot plates are not acceptable substitutes for stoves or ranges. A microwave may be substituted for

an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished to both subsidized and unsubsidized tenants in the same building or premises. These rules apply to both single and multi-family dwelling units.

For more information about Housing Quality Standards, please refer to [Chapter 10](#) and [Chapter 17](#) of the HCVP Guidebook.

Written Standards for Administering Assistance - The recipient or subrecipient must follow the written standards for providing assistance under CoC Program in compliance with the written standards established by the CoC (see section 578.7(a)(9) of the CoC Program interim rule for more information).

Program Participant Eligibility- All individuals and families received assistance under the CoC Program must meet the eligibility requirements for the project in which they will be receiving assistance. This means that the individual or family must meet the definition of homeless set forth in section 578.3 of the CoC Program interim rule and meet any additional eligibility criteria set forth in the FY NOFA under which the project was funded.

CoC Program **Rental Assistance funds** may be used to pay for motel rooms, so long as the following requirements are met:

1. Each household being assisted with CoC Program tenant-based rental assistance must have their own **separate lease** with the property owner to be considered a separate household for the purposes of CoC Program eligibility.
2. As with all tenant-based rental assistance, it is up to the program participant to select a housing unit in which to live and the people with which they will share that housing (if any).
3. All housing assisted with leasing or rental assistance funds under the CoC Program must meet minimum Housing Quality Standards (HQS) as set forth in section [578.75\(b\)](#) of the CoC Program interim rule.
4. All housing for which leasing or rental assistance payments are made must meet FMR and rent reasonableness standards. Rent reasonableness should be determined by considering the reasonableness of the rent in relation to rents being charged for comparable unassisted units, taking into account the location, quality, size, type, and age of unit, as well as any amenities, housing services, maintenance, and utilities provided by the owner.
5. The FMR for shared housing is the lower of the FMR for the family unit size or the pro-rata share of the FMR for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit. For example, in the case of a single person household renting one room in a 4 bedroom house, the FMR used would be the lower of the 1-bedroom FMR or the pro-rata share of the 4-bedroom FMR (1/4 of the 4 bedroom FMR).
6. In projects using Rental Assistance funds, recipients may use CoC Program funds to pay above FMR as long as the unit is still found to be Rent Reasonable.

CoC Program **Leasing funds** may be used to pay for motel rooms, so long as the following requirements are met:

1. The recipient signs a year long lease with the hotel.
2. Each household being assisted with CoC Program leasing assistance must have their own separate sub-lease to be considered a separate household for the purposes of CoC Program eligibility. In projects with Leasing, the recipient or subrecipient is the direct lease holder with the landlord and must enter into subleases with program participants.
3. All housing assisted with leasing or rental assistance funds under the CoC Program must meet minimum Housing Quality Standards (HQS) as set forth in section [578.75\(b\)](#) of the CoC Program interim rule.
4. All housing for which leasing or rental assistance payments are made must meet FMR and rent reasonableness standards. Rent reasonableness should be determined by considering the reasonableness of the rent in relation to rents being charged for comparable unassisted units, taking into account the location, quality, size, type, and age of unit, as well as any amenities, housing services, maintenance, and utilities provided by the owner.
5. In Leasing, the FMR used is the FMR for the full unit size being leased by the recipient or subrecipient. For example, a two-bedroom unit would use the published FMR for a two-bedroom unit.
6. In projects using Leasing, CoC Program funds may not cover costs exceeding FMR, even if the unit's Rent Reasonableness amount is above FMR. In situations where a unit is found to be Rent Reasonable but the rent is above FMR, the recipient must use other funds, such as leverage (not Match), to cover those costs. You also cannot use program income to cover costs above FMR, even if reasonable.

2. Is our CoC eligible for Rural Cost funds?

HUD has determined that eligible activities paid for under the Rural costs category may be included in new project applications or added to eligible renewal projects through expansion. Costs covered are short term emergency lodging, repairs to units, training and skill development (in eligible rural and tribal areas ONLY). HUD will [publish a list](#) of CoCs located in rural areas as defined in section I.B.2.b.(26) of this NOFO. The only two counties on the list for Massachusetts are Dukes and Nantucket.

3. How do I apply for Bonus Funds to expand an existing project? Do I need to submit a new application?

From III.B.4.a.(6), page 43 of the NOFO:

Project applicants expanding an eligible CoC Renewal, or DV Renewal project must: (i.) submit the renewal project application that will be expanded **and** a new project application with expansion information; (ii.) in the new project application, enter the grant number of the eligible renewal project proposed for expansion; (iii.) indicate how the new project application will expand units, beds, services, persons served, or services provided to existing program participants, or in the case of HMIS or SSO-CE projects, how the current activities will be

expanded for the CoC's geographic area; (iv.) ensure the funding request for the expansion grant is within the funding parameters allowed under CoC Reallocation, CoC Bonus, DV Bonus, or DV Reallocation amounts available

4. There is question on Appendix F: New Project Application about moving people into housing in 30 days? Is that a requirement?

It is not a requirement to move program participants into housing within 30 days of enrolling in the program, but it is a local priority of the Three County CoC as part of the CoC's efforts to reduce the length of time people are experiencing homelessness. HUD recommends benchmarks of between 15-30 days on average to move someone into permanent housing and the CoC currently includes this measure as a monitoring and ranking factor for renewal programs with a goal of 30 days. This helps to ensure that programs are following housing first principles, that program participants spend less time in homelessness, and that the CoC is improving system performance overall for future funding competitions.

5. Can I use another contract we receive to meet the 25% match requirement?

Yes, as long as the contract can be used for eligible CoC expenses and the source is not match for any other grant. For example, if you have a DPH grant that covers the same kind of activities covered by the CoC grant, you can use that grant as match.

6. To receive points for the Healthcare Leverage, what needs to be included? Do I need an MOU?

From V.B.6 of the NOFO (page 106)

Points are available for CoCs that apply for at least one PSH or RRH project that utilizes healthcare resources to help individuals and families experiencing homelessness. Sources of health care resources include:

- Direct contributions from a public or private health insurance provider to the project (e.g., Medicaid), and
- Provision of health care services by a private or public organization (e.g., Ryan White funded organization) tailored to the program participants of the project. Eligibility for the project must comply with HUD program and fair housing requirements. Eligibility criteria cannot be restricted by the eligibility requirements of the health care service provider.

Collaborative Applicants must demonstrate through a written commitment from a health care organization that:

1. in the case of a substance use disorder treatment or recovery provider, it will provide access to treatment or recovery services for all program participants who qualify and choose those services; or
2. the value of assistance being provided is at least an amount that is equivalent to 25 percent of the funding being requested for the project, which will be covered by the healthcare organization.

Acceptable forms of commitment are formal written agreements and must include:

- value of the commitment, and
- dates the healthcare resources will be provided. In-kind resources must be valued at the local rates consistent with the amount paid for services not supported by grant funds. CoCs can receive less than full points for demonstrating commitments less than the threshold described above.

7. Should we prepare a one-year or two-year budget? Will there be an opportunity to increase the budget for FY25 based on increases to the Fair Market Rent (FMR)?

Should I submit a 1-year or 2-year budget?

Section III.B. of the NOFO:

Page 56: HUD will allow new projects to request 1 year of funding with a longer initial grant term not to exceed 18 months. HUD has determined that most new projects requesting 1 year of funding normally take approximately 3 to 6 months to begin fully operating the new project (e.g., hiring staff, developing partnerships with landowners if leasing or renting). Therefore, a new project requesting 1 year of funding may request a grant term of 12 months to 18 months that will allow for the additional start-up process.

Page 43: Expansion Grants: HUD will not fund expansion applications that include requests for capital costs (i.e., new constructions, rehabilitation, or acquisition) and will only allow 1-year funding requests.

Page 55: CoC Program renewal, YHDP Renewal, and YHDP Replacement project applications submitted during the FY 2024 and FY 2025 CoC and YHDP Funding Processes are limited to a 1-year grant term with 1 year of funding. HUD may extend the grant term consistent with 2 CFR 200.308 and 2 CFR 200.309.

What happens in FY25 if the FMR goes up?

III.B.4.c - page 52 of the NOFO

Renewal Project Requirements. As set forth in 24 CFR 578.33, projects may renew under the FY 2024 – FY 2025 CoC Program Competition NOFO to continue ongoing leasing, operating, supportive services, rental assistance, HMIS, and project administrative costs. Awards HUD

made under the CoC Program and YHDP are eligible for renewal with FY 2024 CoC Program funds if they are currently operating and have an expiration date in CY 2025 (the period from January 1, 2025, through December 31, 2025). Therefore, project applications for grants previously awarded 1 year of funding, including projects awarded funding under the FY 2023 CoC Program Competition NOFO, are renewable for the FY 2024 CoC Program funding opportunity if they are currently operating and have an expiration date in CY 2025. **Awards made under the CoC Program and YHDP will be eligible for renewal with FY 2025 CoC Program funding subject to the FY 2025 HUD Appropriation and if they have a signed grant agreement with HUD that will expire in CY 2026 (January 1, 2026, and ending December 31, 2026). For awards made in FY 2024, HUD will make FY 2025 awards using the FY 2024 application, subject to any FMR and Cost of Living adjustments and FY 2025 appropriations.** Projects that did not meet the eligibility criteria to renew in FY 2024 but are eligible for FY 2025 renewal funding must submit a renewal application by the FY 2025 application submission deadline established in this NOFO.

Same is true for New Projects (page 56):

New Project Grant Terms. The initial grant term for new project applications may be 1- year, 2- years, 3-years, 4-years, 5-years, or 15-years. HUD may extend the grant consistent with 2 CFR 200.308 and 2 CFR 200.309. New projects awarded 1-year grants under the FY 2024 funding process will be eligible for renewal with FY 2025 CoC Program funds if they have a signed grant agreement with HUD that will expire in CY 2026 (January 1, 2026, and ending December 31, 2026). **HUD will make FY 2025 awards using the FY 2024 application, subject to any FMR adjustments and FY 2025 appropriations.** If a HUD conditionally selects a FY 2024 grant for renewal in FY 2025 that does not have an expiration date in CY 2026, HUD will withdraw any award conditionally selected for FY 2025 renewal funding.

8. How will the lack of FY23 funding impact ranking next year for monitoring?

The CoC Board of Directors and Ranking and Evaluation Committee will review the monitoring tool to determine if any scores need to be changed to hold harmless those projects that lost funding for FY23 which may have impacted some Systems Performance Measures.

9. RRH – what’s the best way to create a budget for new projects? Making assumptions based on current clients and what bedroom sizes they might need?

Yes, making some assumptions based on available program data. And, budgets can be amended during the contract year to make changes.

10. Can a subrecipients use indirect cost rates?

Yes. Here is the link to CoC eligible Activities – Indirect Cost Rates [CoC Eligible Activities - Indirect Cost Rates - HUD Exchange](#)