

HAMPDEN COUNTY CONTINUUM OF CARE

2014 Request for Proposals

Questions and Answers from the October 1 & 3, 2014 Bidders' Conference, Plus Answers to Questions Submitted in Writing

Available Funding

1. [Added 10/4/2014] **Q. How much money is available is the CoC competition (other than the funds for the Permanent Supportive Housing Bonus)?**
 - A. The total amount of funds that the CoC may be awarded in the regular competition is \$2,504,506. It is not possible to state how much funding will be dedicated to new projects this year through reallocation. The only “new” funds that become available in the regular competition come from the budgets of existing projects—either because the existing project is not renewed, or because the existing project’s budget is reduced. One renewal project has dropped out, and the renewal budget for that project was \$99,621. In addition, there are other projects which are funded for rental assistance and may choose to reduce budget amounts because the way that HUD structures rental assistance budgets automatically results in overfunding of rental assistance. Finally, the CoC Selection and Ranking Committee considers and ranks all projects—renewals, conversions, and new, and selects the best projects. This means that a new project may be included in the CoC application to HUD instead of a renewal application.

Opportunity to Ask Additional Questions

2. **Q. Will the CoC answer additional questions submitted in writing?**
 - A. Yes, the CoC will answer questions relating the FY2014 funding opportunity provided that they are submitted by email to gmccafferty@springfieldcityhall.com no later than 4:30 pm on October 9, 2014. Written answers to all questions will be made public on or before October 10, 2014.

Number of Applications Submitted By an Agency

3. **Q. Can an applicant submit more than one application for new projects?**
 - A. Yes, a single applicant may submit more than one new application. There are several categories in which an applicant may choose to apply: 1) Bonus Project; 2) New project to provide permanent supportive housing to chronically homeless individuals or families; and/or 3) New project to provide rapid rehousing to homeless families with children.

Amendments to Applications after the Due Date

4. [Added 10/4/2014] **Q. Project applications are due to the CoC by October 14, but will not be submitted to HUD until October 30. Is there any opportunity for changes—specifically budget changes—after a project is submitted to the CoC but before it is submitted to HUD?**
 - A. The CoC Selection and Ranking Committee will review, score, rank and select applications between October 14 and October 20, 2014. Following selection of projects to be included in the October 30 applications, approved applications may be amended by the applicant in order to improve the quality of the application, and some amendments may be required by the CoC Administrator (for example, to ensure consistency throughout the application or to ensure that the project complies with all CoC Program Rules). For new projects, amendments may include adjustments to the budget, as long as these adjustments do not change the total amount of funds allowed by the CoC for the project. (There is less flexibility for budget adjustments in renewal projects because budget line items for these projects must match the HUD-approved Grant Inventory Worksheet.) Amendments which would result in a project scoring lower than the original submission (based on the published objective scoring criteria) will not be permitted.

Esnaps

5. **Q. How does an applicant access *esnaps*?**
 - A. The applicant agency must designate a staff person to access *esnaps*. The designated individual must visit the *esnaps* site, www.esnaps.hud.gov, click the “Create Profile” button, and provide the required information. Following this step, the individual must send an email to Deborah Merkman, dmerkman@springfieldcityhall.com, and Gerry McCafferty, gmccafferty@springfieldcityhall.com and request that the individual be linked to the Hampden County CoC *esnaps* account. Ms. Merkman or Ms. McCafferty will send a response email conforming that the individual has been added. For additional information about accessing the applicant’s project in *esnaps*, please see the Request for Proposals.
6. **Q. Can agencies have more than one user in *esnaps*?**
 - A. Yes. It is discouraged, due to the possibility of people overwriting each other’s work, but if an agency has a real need for more than one person to access *esnaps* it will be granted.

Renewal Applications

- 7. Q. On Sept. 30, 2014, Gerry McCafferty sent an email to renewal applicants that referenced Section 4C. What is this section and where is it located?**
- A. Renewal applications in *esnaps* include a page which is labeled 4C: HMIS Participation. It is accessible from the navigation bar on the left hand side of the screen. The City of Springfield will complete this section for all renewal applications, based on project reports generated by HMIS. Applicants should not enter information into this section.

Reallocations and “Conversions”

- 8. Q. Are reallocations considered new projects?**
- A. Yes. An applicant seeking reallocation must complete a new project application for the project the applicant proposes.
- 9. Q. For a reallocation project, can an applicant request more funds than the project that the applicant is discontinuing? Is a reallocation applicant tied to the line items or budget amounts from the project that is being discontinued?**
- A. When an applicant submits a new application which seeks reallocation funds, the applicant is submitting an entirely new project. There are no requirements that the project link back to the project that is being discontinued. The applicant may submit a budget with any amount that is reasonable to operate the new program, which may be more than the budget for the previously operating program. The budget may contain any eligible costs, and is not limited to budget lines or amounts in the prior project.
- 10. Q. If a program converts from transitional housing to permanent supportive housing, can it accept a chronically homeless person to fill an opening in the month or so before the new project begins?**
- A. This question has been submitted to HUD’s Ask-a-Question portal, and an answer will be provided once HUD responds to the question.
- 11. Q. On page 1 of the HC CoC FY2014 Instructions for Reallocation, in the paragraph regarding HUD’s guidance it states “if a project converts from transitional housing to permanent supportive housing for chronically homeless, the program must stop providing housing to its transitional housing residents at the end of the program’s existing contract year.” If there is no housing available for all the participants to move into at the end of the contract year, is there a compliance issue for discharge to the shelters? To try and avoid that situation, all**

intakes will be stopped and any vacancies will remain unfilled. Will that impact any future performance scoring further jeopardizing the program's continued funding?

- A. In reallocation, a program is discontinued, and must wind down operations. The program should focus all efforts on assisting residents to transition to stable housing prior to the end of the program. However, there may be instances in which a person returns to homelessness as a result of the program's discontinuance. While this is an unfortunate situation, it does not constitute failure to comply with program requirements.

Although the CoC cannot guarantee how renewal applications will be considered and scored in future competitions, this year the CoC has recognized that it is unfair to penalize new programs for program performance by a different program. In addition, the CoC wants to reward applicants who have used reallocation opportunities to convert from another model to a best-practice model. As a result, in this year's competition, newly converted projects are being automatically prioritized for renewal.

12. [Added 10/4/2014] Q. Is there any other information available for programs that are transitioning from transitional housing to permanent supportive housing at a single location?

- A. The US Interagency Council on Homelessness has released a guide to CoC reallocation, available at http://usich.gov/resources/uploads/asset_library/FINAL_Reallocation_Tool_09_30_14.pdf. Pages 11-14 of the guide discuss issues relevant to conversion of transitional housing to permanent supportive housing.

Rapid Rehousing

13. [Added 10/4/2014] Q. Can Rapid Rehousing funds be used to pay for utility arrears, which may need to be paid in order for a household to establish utilities in a new unit?

- A. No. The only costs which are allowable are those listed in the CoC Interim Program Rule. 24 CFR 578.53(e)(16) lists payment of utility deposits as an allowable cost, but there is no provision for utility arrears.

14. [Added 10/4/2014] Q. What are the differences between the CoC Rapid Rehousing Program and the ESG rapid rehousing program?

- A. HUD has published a helpful guide which summarizes the overlap and differences between these two programs. The guide is located at https://www.hudexchange.info/resources/documents/Rapid_Re-Housing_ESG_vs_CoC.pdf

It is important to note that, while this guidance states that CoC Rapid Rehousing assistance may be provided to those who are at imminent risk of homelessness and those who do not

meet the HUD definition of homeless but meet the definition under other federal statutes, for this competition, HUD will only permit rapid rehousing assistance to be provided to families who are *literally homeless*.

15. [Added 10/4/2014] Q. The CoC Program requires that Rapid Rehousing providers funded with CoC grants follow the CoC's policies and procedures for prioritizing households for assistance and determining eligibility. Where are these policies and procedures located?

A. The CoC does not currently have any CoC Rapid Rehousing Programs, so it has not yet developed policies and procedures governing this program. However, the CoC's first Rapid Rehousing program, funded in the last CoC competition, will be starting in the next few months. The CoC will develop these policies and procedures prior to initiation of that program.

16. [Added 10/4/2014] Q. Can a CoC Rapid Rehousing project serve anyone in Hampden County, or is eligibility limited to residents of Springfield?

A. CoC programs are not limited to Springfield residents.

17. [Added 10/4/2014] Q. If funds made available for PSH are used to provide rental assistance to families being placed in the program, how does that assistance affect the family's eligibility for RAFT or HomeBASE?

A. Because neither the CoC nor the City of Springfield fund or regulate the RAFT and HomeBASE programs, the CoC is unable to answer this question. Please consult with the Department of Housing and Community Development for this guidance.

Chronic Homeless Definition

18. Q. If a person lives in transitional housing and met the chronic definition before entering transitional housing, can they become homeless for a few days and then again meet the definition of chronically homeless?

A. To meet the definition of chronically homeless, a person must be currently homeless; must meet the required length or repetition of homelessness (homeless for a year or longer of four or more times in the last three years); and must be disabled. If a person meets this definition, then it does not matter if at some time in the past the person resided in a transitional housing program. However, the time in the transitional housing program may interfere with a person's ability to meet length or repetition of homelessness requirements.

19. Q. Please clarify the definition of chronically homeless family—is the requirement that the head of household meet the definition of chronic, or any member of the household? Specifically, how does the rule apply when there is a head or household plus a co-housing adult, or where there are two heads of household coming together to co-house?

- A. The requirement is that there be one person who is designated as the head of household and meets the definition of chronically homeless. The HUD definition of “chronically homeless” is:
- (1) An individual who: (i) Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and (ii) Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years; and (iii) Can be diagnosed with one or more of the following conditions: substance abuse disorder, serious mental illness, developmental disability, post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability; or
 - (2) an individual who has been residing in an institutional care facility, including a jail, mental health or substance abuse facility, hospital or other similar facility for fewer than 90 days and has met all the criteria in paragraph (1) of this definition before entering that facility; or
 - (3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

Screening and Prioritization for Chronically Homeless

20. Q. What rules will apply regarding screening and prioritization for permanent supportive housing funded in this competition?

- A. The Hampden County Board of Directors has recently voted to require use of the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) as a pre-admission requirement for all CoC-funded permanent supportive housing. Any new PSH funded will need to comply with this requirement. As the CoC becomes familiar with use of the VI-SPDAT, it expects to develop policies and procedures that will govern required use of the instrument, and any new policies and procedures will apply to any PSH projects funded in this competition. There is also a likelihood that the CoC will start to require the Family VI-SPDAT for rapid rehousing projects funded in this competition.

HUD has encouraged CoCs to create procedures that will prioritize placement into CoC PSH units according to the following order: 1) Chronically homeless, one year or longer, with severe service needs; 2) Chronically homeless, one year or longer, without severe service needs; 3) Chronically homeless, 4 or more times in last 3 years, with severe service needs; and 4) Chronically homeless, 4 or more times in the last 3 years, without severe service needs. The CoC is likely to create policies and procedures that will require this type of

prioritization. In addition, implementation of this prioritization is likely to require a centralized wait list, and the CoC will consider creation of a centralized wait list in the next year. The CoC has applied to be part of the Zero 2016 campaign, which seeks to end chronic homelessness by the end of 2016; if the CoC is selected to be part of the campaign, the campaign will provide technical assistance to the CoC on creation of a centralized waitlist and prioritization by VI-SPDAT score. Again, projects funded in this competition will be required to participate in these coordinated assessment and prioritization procedures adopted by the CoC.

21. Q. How does the requirement to use the VI-SPDAT apply to Friends of the Homeless PSH, where all screening is done by the Springfield Housing Authority and screening information is not provided to FOH?

- A. Screening and selection of tenants for the FOH Worthington House Campus Project is complicated by the program design that includes screening by the Springfield Housing Authority. The CoC will work individually with FOH and SHA to design a process that works for both entities and complies with coordinated assessment requirements.

Match

22. Q. If a permanent supportive housing project is not receiving leasing funds, can the value of the building they are using be counted as match? Can the value of this in-kind match be documented by an audit?

- A. The CoC Interim Rule, at 24 CFR 578.73(c)(1) provides that a subrecipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible under the CoC Program Interim Rule. Eligible costs for permanent supportive housing include acquisition, rehabilitation, new construction, leasing, and operating costs.

23. [Added 10/4/2014] Q. If a participating landlord agreed in writing to rent units at a percentage of fair market value or a percentage of a family's income, would the discounted amount qualify as a match if documented as to a projected - or exact - value?

- A. The value of real property is allowed as match, as provided in 24 CFR 578.73 (c)(1).

However, there are some other considerations to keep in mind when considering this question. The allowable rent for any given unit is subject to a rent reasonableness determination, in which the total rent charged must be no higher than comparable units and the owner may not charge more for a unit in the program than the owner charges for a different unit not in the program. This means that, if the Fair Market Rent (FMR) for a two-bedroom apartment is \$951, and the landlord agrees to rent the unit to a program participant for \$851, this does not necessarily mean that the landlord is contributing \$100

toward match. If the actual market value of the unit is \$851, based on either comparable units in the market or on the owner's units that are not in the program, then the value of the unit is \$851, even if the HUD-established FMR is higher.

Further, CoC program funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause. This requirement may be violated if the reason that reduced rent is possible because of the relationship between the program sponsor and the landlord.

Leverage

24. [Added 10/4/2014] Q. Can ESG funds be used as leverage for the CoC program?

- A. Yes. Funds or services from other federally-funded programs (including ESG) may be counted as leverage if they meet all other requirements for leverage. Please note that other CoC programs may not be counted as leverage.

Administrative Costs

25. [Added 10/4/2014] Q. Can we apply for 10% in administrative costs?

- A. No. All applications are limited to 7% for administrative costs. In the FY13-14 competition, the Hampden County CoC's application received scoring points for committing to no more than 7% administrative costs for all projects. This binds the CoC to the 7% limit in this FY2014 competition. Note that the application should contain the full 7% in the total budget, but that half of this amount, or 3.5%, is retained by the City of Springfield to cover its costs in administering the CoC program. The amount allocated to the subrecipient on screen 2a of the *esnaps* project application should be 3.5% less than the full grant budget amount to reflect the City's portion.

Environmental Review

26. [Added 10/4/2014] Q. At the Boston CoC training this week, the trainers talked about environmental review. What is this and who does it?

- A. An environmental review is an analysis of the impact of a project on the surrounding environment and vice versa. This ensures that HUD-funded projects provide decent, safe, and sanitary housing.

The City of Springfield Office of Housing conducts environmental review for Hampden County CoC projects. For newly-approved CoC projects, the City initiates and completes the

review as part of the project's technical submission to HUD, which takes place after announcement of an award of funds and before HUD initiates the grant agreement.

Leasing Costs Paid to Project Sponsor

27. [Added 10/4/2014] Q. CoC program rules say that an agency cannot use grant funds to pay leasing costs to itself for a building that it owns, unless HUD grants an exception for good cause. For a new application, is it possible to get a decision about whether circumstance constitute good cause before the application is due?

- A. The HUD regulation 24 CFR 578.49 provides: Leasing funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause. Any request for an exception must include the following: (i) A description of how leasing these structures is in the best interest of the program; (ii) Supporting documentation showing that the leasing charges paid with grant funds are reasonable for the market; and (iii) A copy of the written policy for resolving disputes between the landlord and tenant, including a recusal for officers, agents, and staff who work for both the landlord and tenant.

The CoC will permit an applicant to submit a request for good cause exception to this conflict of interest rule prior to submission of an application to the CoC for assistance, and will forward the request to HUD. However, the CoC cannot guarantee that HUD will make a ruling on the request prior to the application deadline.