



Permanent Housing

Continuum of Care

Agenda

Permanent Housing

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Permanent Housing (PH)

What is Permanent Housing?

- Permanent Housing (PH) is a community-based housing model, the purpose of which is to provide housing without a designated length of stay.
- Program participants must be a tenant on a lease/sublease for a term of at least one year (renewable and terminable only for cause)
- The CoC Program Interim Rule establishes two types of permanent housing that can be funded with CoC Program funds:
 - Permanent Supportive Housing (PSH) for persons with disabilities
 - Rapid Re-housing (RRH)

Permanent Supportive Housing (PSH)

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- Long-term housing (24+ months) where supportive services are provided to assist homeless persons with a disability to live independently.
 - Supportive services to meet the participant's needs must be available for the participant's entire duration in PSH.
 - The household must include at least one member (adult or child) with a disability.
 - Lease must be for a term of least one year, renewable, and terminable only for cause

Rapid Re-Housing (RRH)

- Short-term (1-3 months) or medium-term (4-24 months) rental assistance and supportive services to assist persons to obtain permanent housing.
- Rental assistance is limited to no more than 24 months.
- The CoC is required to establish written standards of which RRH projects are required to follow.
- Lease must be for a term of at least one year, renewable, and terminable only for cause (even if assistance is for less than one year)
- Participants must have access to appropriate supportive services focused on helping them achieve long-term housing stability (can continue for up to 6 months following the end of rental assistance)
- Participants must meet with a case manager at least once per month



Eligible Clients



Considerations on Eligibility

- CoC NOFO under which the project was first funded; and
- CoC NOFO that funded the renewal year; and
- Project application submitted that was approved and resulted in a grant agreement

Permanent Supportive Housing- Eligible Clients

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- Permanent supportive housing for persons with disabilities (PSH). PSH can only assist individuals with disabilities and families in which one adult or child has a disability.
 - The Final Rule on Defining “Chronically Homeless” went into effect for the CoC Program in 2016 and HUD published a notice establishing preference that PSH project prioritize chronically homeless individuals and families.
 - PSH projects therefore generally serve:
 - Dedicated chronically homeless populations (Dedicated Plus) OR
 - Non-chronically homeless dedicated (Category 1- Literally Homeless) from streets, shelter, institution, or transitional housing who entered from shelter, streets or fleeing domestic violence.

Definition of a Disability

Disability is defined as having one or more of:

- Physical, mental or emotional impairment
- Developmental disability
- HIV/AIDS

Once a program participant's disability is documented, this status does not need to be recertified after intake.

Definition of Chronically Homeless

An individual who:

- Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter AND
- Has been homeless in such status for at least one year (either continuously or at least four separate occasions in the last three years) AND
- Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability, PTSD, cognitive impairments resulting from a brain injury, or chronic physical illness or disability.

Rapid Re-Housing- Eligible Clients

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- HUD does not require an individual have a disability to qualify for RRH.
 - Generally, the individual or household must meet the definition of homeless in the CoC Program Interim Rule under Category 1 or Category 4.
 - Refer to the NOFA for the grant year in which the program was originally funded and the NOFA that is renewing the project for any other eligibility allowances.
 - Refer to your CoC's written standards on categories of homeless served.



Eligibility Documentation





Documenting Eligibility

- Grantees must have written policies and procedures that:
 - Require intake staff to document program participant eligibility at intake
 - Specify the evidence to establish and verify homeless status (including standards for due diligence)
 - Standards must be consistent with record keeping requirements and reflect HUD's preferred order of documentation

Order of Priority

Third-Party:

- HMIS (or comparable database) record(s)
- Written referral by another housing or service provider (incl. law enforcement, healthcare, educators, or other professionals) – only for specific instances client was encountered
- Written observations by front-line staff or outreach workers
- Written physical observation by community members (intake workers must use professional judgment to determine if the source is reliable) – only for specific instances was encountered
- Written certification by a housing or service provider in their professional capacity

Second-Party:

- Written physical observations by intake workers based on professional judgment

First-Party:

- Self-certification by the individual or head of household seeking assistance

Category 1 documentation requirements

Subcategory: 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 documentation requirements

Subcategory: 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 documentation requirements

Subcategory: Exiting an Institution

One of the following:

One of the items listed from previous two slides **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

CH documentation requirements

Element 1: Homeless Status



- Refer to documentation requirements for Category 1

CH documentation requirements

Element 2: Disability Status

One of the following:

- Written verification of from a licensed professional 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

CH documentation requirements

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

Program Components

Eligible Costs	Permanent Housing – PH: PSH	Permanent Housing – PH: RRH	TH	SSO	HMIS	SH
Acquisition	X		X	X		
Rehabilitation	X		X	X		
New Construction	X		X			
Leasing	X		X	X		X
Rental Assistance	X	X TBRA only	X			
Supportive Services	X	X	X	X		X

Acquisition, Rehab and New Construction

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- Eligible under the PSH Program Component
 - Acquisition funds may be used to pay up to 100 percent of the acquisition cost of real property for the purpose of providing housing or supportive services to homeless persons.
 - Rehabilitation funds may be used to pay up to 100 percent of the cost to rehabilitate an existing structure that is owned (not leased) by the recipient or subrecipient, and that is used to provide housing or supportive services to homeless persons. New Construction funds may be used to pay up to 100 percent of the cost of new construction, which can include:
 - Building a new structure
 - Building an addition to an existing structure that increases the floor area by more than 100 percent
 - Acquiring land associated with the construction

Leasing

- Eligible under the PSH Program Component
- Funds to pay rent on structures or individual units to provide supportive housing or supportive services.
- Leasing funds can pay for the following activities:
 - 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

Rental Assistance

- Eligible under the PSH and RRH Program Components
- Funds to pay part of the rent for a unit in which a homeless person will reside.
- Assistance may be short (1-3 months), medium (4-24 months), or long (more than 24 months) term assistance.
- Assistance may be:
 - Tenant-Based Rental Assistance (TBRA)
 - Project-Based Rental Assistance (PBRA)
 - Sponsor-Based Rental Assistance (SBRA)

Supportive Services

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- Eligible under the PSH and RRH Program Components
 - All supportive services provided must help program participants obtain and maintain housing.
 - The CoC Program Interim Rule requires recipients and subrecipients to conduct an annual assessment of service needs for each program participant and make annual adjustments if necessary.



Supportive Services

- Annual Assessment of Services
- 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

Operating Costs

- Eligible under the PSH Program Component
- Costs associated with the day-to-day physical operation of housing in which homeless persons are housed
- Grant may fund:
 - Maintenance and repair of housing
 - Building security
 - Electricity, gas and water
 - Furniture
 - Equipment
 - Overhead costs related to carrying out these activities



Operating Costs

- CoC operating costs may not be used:
 - In a building or unit receiving CoC rental assistance
 - Maintenance and repair costs that are included in the lease
- Other ineligible operating costs include:
 - Mortgage payments
 - Rent
 - Landscaping for beautification
 - Legal fees to keep attorney on retainer
 - General cleaning supplies
 - Office supplies (pens, paper, files, folders, postage)

Project Administration

- Eligible under the PSH and RRH Program Components
- 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
- Ineligible project administration costs include staff and overhead costs directly related to carrying out other eligible activities under the CoC Program, that should be charged to those budget line items.
- Up to 10 percent of any CoC project grant may be used for project administration

HMIS

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- Eligible HMIS costs:
 - 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

Important Considerations

- All eligible costs are included in the CoC Program Interim Rule but grant agreements determine what are approved budget line items, grantees must only spend CoC funds on approved costs.
- HUD approval is required to amend the budget to spend CoC funds on other eligible costs not approved through the application process.
- Staff time is billed to the BLI that they are dedicating their time toward.
- Some eligible costs cannot be combined:
 - Rehab/acquisition/construction cannot be combined with Leasing or Rental Assistance
 - Rental Assistance cannot be combined with Leasing or Operating



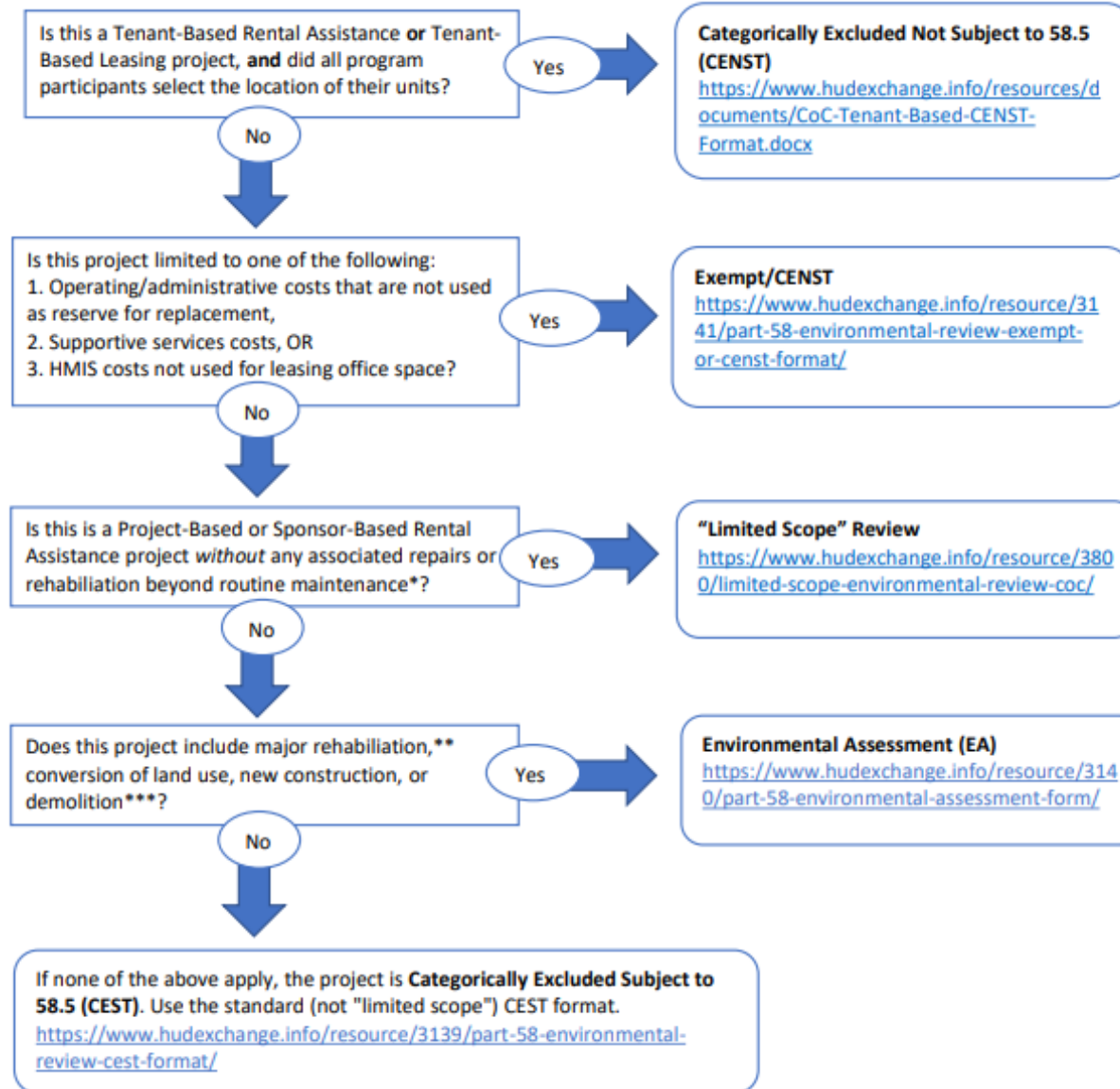
Housing Requirements



Environmental Review

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- 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 by a Responsible Entity (RE) under 24 CFR 58
 - Flowchart to determine what kind of Environmental Review your project should complete

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.**

Housing Inspections

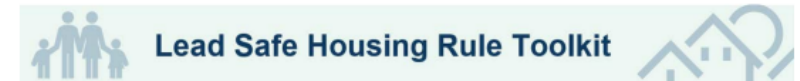
- Housing Quality Standards (HQS) is the current method required for unit inspections. Units are physically inspected prior to client move-in and prior to expending CoC funds.
 - HQS compliance must be documented – initial lease up and ongoing, at minimum once a year
 - No certifications required for inspection staff
 - Deficiencies must be addressed within 30 days
- **Note:** A new housing inspections standard, NSPIRE, will go into effect for the CoC program on October 1, 2023. Additional guidance is forth-coming.

Lead-Based Paint

Generally, recipients and subrecipients are expected to: 1. screen for, 2. disclose the existence of, and 3. take reasonable precautions regarding the presence of lead-based paint in leased or assisted units constructed prior to 1978.

- Document LSHR exemptions
- Document disclosures and provision of pamphlets
- Perform visual assessments if required
- Reduce hazards if above de minimus found
 - Additional required notifications to tenant based on hazard reduction methods

Note: Different LBP subparts apply depending on activity being funded and will determine type of LBP evaluation and hazard reduction methods to take.



Lead Safe Housing Requirements Screening on Exemption or Limited Exemption

This worksheet should be placed in the project file for any residential property that is assisted with Federal funds. Parts 1-3 should be completed for all projects. Read the footnotes for additional information.

Property Owner and Address: _____

Part 1: Exemptions from Lead Safe Housing Rule including Lead Disclosure

If the answer to any of the following questions is yes, the property is exempt from all requirements of 24 CFR Part 35 (Lead Safe Housing Rule), including Disclosure and provision of the Protect Your Family Pamphlet (Subpart A). The regulatory citation of each exemption is cited as additional guidance.

Question	Citation	Yes	No
❖ Was the property constructed after January 1, 1978?	[35.86, 115]	<input type="checkbox"/> YES	<input type="checkbox"/> NO
❖ Is this a zero-bedroom unit? (e.g. SRO, efficiency)	[35.86, 115]	<input type="checkbox"/> YES	<input type="checkbox"/> NO
❖ Is this dedicated elderly ¹ housing? (i.e. over age 62)	[35.86, 115]	<input type="checkbox"/> YES	<input type="checkbox"/> NO
❖ Is this housing dedicated for the disabled? ²	[35.86, 115]	<input type="checkbox"/> YES	<input type="checkbox"/> NO
❖ For lease transaction, has a paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint? The date of the original paint inspection was _____. An optional paint inspection conducted on _____ confirmed this prior finding.	[35.82, 115]	<input type="checkbox"/> YES	<input type="checkbox"/> NO
❖ Is this a short-term lease of 100 days or less, where no lease renewal or extension can occur?	[35.82]	<input type="checkbox"/> YES	<input type="checkbox"/> NO

Lease Agreements

Lease structure different
for leasing vs rental
assistance projects →

Component	Line Item	Lease Between Project and Landowner	Lease Between Participant 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

Leases, Subleases, and Occupancy Agreements are generally required to include a number of components, including but not limited to:

- Dates, Description of premises, Rent, Security deposit, Other legal notices, conditions, and disclosures

Determining Rental Amounts

Fair Market Rent: an estimate of gross rent, considering both rent and the cost of certain utilities

- The FMR amount must be applicable to the geographic area in which the housing unit is located.
- 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

Rent Reasonableness: 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).

- Document comparable units and maintain in project file

Rent Reasonableness- Leasing vs Rental Assistance

Leasing

- The amount of CoC Program funds used for leasing an individual unit may not exceed the current FMR for that unit size.
- 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
- Therefore, use of CoC Program leasing funds is capped at the lower of rent reasonableness or FMR amounts.

Rental Assistance

- The amount of CoC Program funds used for rental assistance may not exceed rent reasonableness
- In communities where the reasonable rent is higher than the FMR, projects may use rental assistance funds to pay up to reasonable rent.

Utilities

The FMR assumes the provision of necessary utilities (gas, electricity, water, sewage).

If the rent includes utilities, than:

- CoC leasing funds can be used to pay 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, than:

- 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

Calculating Rent and Occupancy Charges

Rental assistance projects must charge rent according to HUD's rental calculation process, the sum total of which may equal no more than the highest of:

- 30% of the family's adjusted monthly income;
- 10% of the family's gross monthly income; or,
- The portion of the family's welfare assistance designated for payment of rent
- A utility allowance may be applied to the rent calculation if utilities are not included in the rent.

Leasing projects may impose occupancy charges, but if they do they must follow these guidelines:

- All participants must be treated the same
- The process for determining the amount must be clear and universal
- Specific calculation procedures must be in place in order to prevent overcharging

Vacancy Payments

Leasing:

- Recipient or subrecipient may pay rent until a new participant moves in as long as the lease is in place

Rental Assistance:

- May pay rent for a maximum of 30 days from the end of the month in which the unit was vacated

Program Fees

- Recipients and subrecipients are categorically **prohibited** from charging program fees: no fees may be imposed except for rent or occupancy charges
- Program fees are any charges imposed by the recipient or subrecipient other than rent or an occupancy charge, such as:
 - Laundry or cleaning services
 - Child care
 - Transportation
 - Case management



Amendments



Amending the Grant Agreement

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- 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.
 - The Chicago Field Office issues amendment guidance at the time of grant agreement execution.

Minor Budget Change Policy

- Timing: Make the request no later than 15 days prior to the end of your operating period
- Frequency: Multiple budget changes may be requested; however, changes are only eligible if they remain less than 10% of the original authorized amount of the grant.
- New Grants: minor budget changes ARE permitted in the first year of the grant (i.e. new grants).

Minor Budget Change Procedure

Minor Budget Change Request Letter

- Must be provided on official letterhead from the agency/grantee.
- Can be addressed to the CPD Representative
- Must include a budget table showing original authorized amounts for each BLI, amounts to be increased and decreased, and the new totals for amended BLIs.

Minor Budget Change Procedure

1. Grantee submits request letter to CPD Rep via email.
2. Rep reviews request for eligibility, ensuring amounts request remain below 10% of source Budget Line Item.
3. If eligible, Rep will make changes in LOCCS and notify the grantee once changes are made.

Amendment Policy

- Timing: Make the request no later than 90 days prior to the end of your operating period
- Frequency: Amendments should be rare and are meant for unforeseen circumstances or to make technical changes that didn't carry forward in e-SNAPS. One amendment request per operating year per grant.
- Justification for the amendment must be provided via request letter (see section below).
- HUD reserves the right to reject amendments based on whether they are appropriate according to 24 CFR part 578 and the applicable CoC Program Competition NOFA.
- New Grants: Amendments ARE NOT permitted in the first year of the grant (i.e. new grants).
- Please also note that amendments are not to pay for retroactive costs and are for costs that will be incurred moving forward after the execution of the amendment.

Amendment Request Letter

- Must be provided on official letterhead from the agency/grantee.
- Must be addressed to the CPD Director
- If budget changes are requested, the letter must include a budget table showing original authorized amounts for each BLI, amounts to be increased and decreased, and the new totals for amended BLIs.
- Must provide a justification for why the changes to the grant are necessary.
- If changing Leasing funds, the request must acknowledge the change will result in an increase or decrease in Match commitment.
- Must acknowledge that the amendment will not result in the reduction of clients or services covered by the grant.

Amendment Procedure

1. Grantee submits request letter to CPD Rep via email.
2. Rep Reviews request for completeness. If eligible, the CPD Rep will then open the amendment in eSNAPs and notify the grantee that changes must be submitted.
3. Grantee makes necessary changes in e-SNAPS and notifies the CPD Rep when complete.
4. Rep verifies changes are correct, generates the amended grant agreement, and submits to CPD management for approval and CPD Director signature on the amended grant agreement.
5. Once approved, CPD Rep sends the amended grant agreement to the grantee for signature by the Authorized Official. Once signed, the grantee sends the fully-executed amended grant agreement back to the CPD Rep.
6. CPD Rep will make changes in LOCCS and upload the amended grant agreement into e-SNAPS.



Recordkeeping

Record Keeping Requirements

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

CoC Records	UFA Records	Homeless Status
At Risk of Homelessness Status	Records of Reasonable Belief of Imminent Harm	Annual Income
Program Participant Records	Housing Standards	Services Provided
Match	Conflicts of Interest	Homeless Participation
Faith-Based Activities	Affirmatively Furthering Fair Housing	Other Federal Requirements
Subrecipients and Contractors	Other Records Specified by HUD	



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 Reminders

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



Monitoring



HUD Monitoring

5 BASIC STEPS TO MONITORING

- Monitoring Strategy
- Pre-monitoring Preparation
- Conducting the Monitoring
- Communicating Results
- Resolution and/or Response



Self Monitoring

- HUD considers monitoring an “ongoing process” that assesses the quality of a grantee’s performance over a period of time.
- While grantees receive advance notice of a HUD monitoring visit, there may not be sufficient time to identify and resolve deficiencies.
- As a result, HUD expects grantees to conduct regular internal or self-monitoring to identify and correct potential issues prior to HUD monitoring.
- HUD’s monitoring checklists are a useful tool for internal or self-monitoring

Chapter 29 of the CPD Monitoring Handbook: [CPD Monitoring Handbook \(6509.2\) | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Self Monitoring

Always keep **clean and detailed records** on the following topics:

Participant Eligibility

Fiscal Management

Housing

Client Payments

Program Policies

Use of Program Income & Cash Match

Supportive Services



Resources




HUD Exchange

Resources and assistance to support HUD's community partners

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HUD EXCHANGE My HUD Exchange Programs ▾ Resources ▾ Trainings Program Support ▾ Grantees ▾ News 🔍

Resource Library



Explore featured publications and browse regulations, policy guidance, toolkits, and other resources.

FAQ Collections



Find answers to frequently asked questions.

RHP | FEB 17 Recovery Housing Program Website and Program Support Now Available

HOUSING COUNSELING PROGRAM | FEB 17 FHA Extends Foreclosure and Eviction Moratoria and Expands Temporary COVID-19 Forbearance and Servicing Policies

<https://www.hudexchange.info/resources/>

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Resources

- 24 CFR 578 regulations: [eCFR :: 24 CFR Part 578 -- Continuum of Care Program](#)
- CoC Virtual Binder: [CoC and ESG Virtual Binders - HUD Exchange](#)
- Ask-A-Question: [Ask A Question - HUD Exchange](#)
- Technical Assistance: [Request Program Assistance - HUD Exchange](#)
- Contact your CoC Lead
- Contact your CPD Rep