**CHAPTER 29**

**CONTINUUM OF CARE (CoC) PROGRAM**

29-1 APPLICABILITY. This chapter provides guidance for monitoring the Continuum of Care (CoC) Program, for which program regulations are found at 24 CFR part 578. Part 578 generally incorporates the uniform administrative requirements, cost principles, and audit requirements, which were revised in 2014 and codified at 2 CFR part 200. This Chapter contains or incorporates questions to monitor compliance with 2 CFR part 200 and questions to monitor compliance with the former uniform administrative requirements, cost principles, and audit requirements.

Funds awarded under the FY 2012, FY 2013 or FY 2014 CoC Program Competitions are subject to the former uniform administrative requirements, cost principles, and audit requirements that are found in the 2013 versions of 24 CFR parts 84 and 85, 2 CFR 225 and 230, and OMB Circular A-133. Therefore, when reviewing the use of those funds with respect to financial management and cost allowability, procurement, and equipment requirements, the HUD Reviewer must use CoC Program Exhibits 29-12, 29-13, and 29-14, respectively.

Funds awarded under the FY 2015 CoC Program Competition or later CoC Program Competitions are subject to 2 CFR part 200. Therefore, when reviewing the use of those funds with respect to financial management, cost allowability, procurement, and equipment requirements, the HUD reviewer must use Exhibits 34-1, 34-2, 34-3, and 34-4, respectively.

Where CoC Program funds were used for rehabilitation, acquisition, supportive services, operations, leasing, tenant-based rental assistance (TBRA), or project-based rental assistance (PBRA) of a structure constructed before 1978, the HUD reviewer MUST complete the applicable Exhibits in Chapter 24 of this Handbook: Exhibit 24-1 (Rehabilitation); Exhibit 24-2 (Acquisition, Leasing, Support Services, or Operations); Exhibit 24-3 (TBRA); or Exhibit 24-4 (PBRA). (See Chapter 24, *Lead-Based Paint Compliance*, in this Handbook.)

The CoC Program is designed to promote a community-wide commitment to the goal of ending homelessness; provide funding for efforts to quickly rehouse homeless individuals and families, which minimizes the trauma and dislocation caused by homelessness; promote access to, and effective use of, the mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. The CoC Program provides funding to nonprofit organizations, States and units of local governments, instrumentalities of local governments, and public housing agencies (PHAs). For purposes of this Chapter, the term “recipient” means the direct recipient of the HUD award. The term “subrecipient” is defined as the organization that is responsible for carrying out the project. The terms “program participant” and “client” mean the individual, families, or household who received the assistance during the operating year.

The CoC Program provides funds to support activities within five program components: Permanent Housing, Transitional Housing, Supportive Services Only, Homeless Management Information System, and Homelessness Prevention. The CoC Program funds two types of permanent housing: Permanent Supportive Housing for Persons with Disabilities (PSH) and Rapid Re-housing (RRH). Both allow recipients and subrecipients to provide homeless individuals and families with the assistance they need to obtain and maintain stable housing while allowing them to live as independently as possible. Transitional Housing is designed to provide homeless individuals and families with the interim stability and support they need to move to permanent housing. As with transitional housing provided under the Supportive Housing Program, Transitional Housing under the CoC Program may be provided for only up to 24 months. Similar to the Supportive Services Only (SSO) component under the Supportive Housing Program, the CoC Program’s SSO component allows recipients and subrecipients to provide services to homeless individuals and families when they do not also provide the housing or housing assistance.

Under the five program components, recipients and subrecipients may use funds for a variety of eligible costs. The program components describe the nature of the project, while the costs define how the CoC Program funds may be spent. Eligible costs in the CoC Program include:

* **Acquisition:** Up to 100 percent of the cost of acquiring property for the provision of one or more structures for housing or the delivery of supportive services.
* **Rehabilitation:** Up to 100 percent of the cost of rehabilitation of structures to provide housing or the delivery of supportive services.
* **New construction:** Up to 100 percent of the cost of new construction to be used as housing, including the building of a new structure or construction of an addition to an existing structure that increases the floor area by 100 percent or more, and the cost of land associated with that construction.
* **Leasing:** The costs of leasing a structure or part of a structure in which supportive services or housing are provided to homeless persons.
* **Rental assistance:** Rental assistance for homeless individuals and families provided on a short-, medium-, or long-term basis. The rental assistance may be tenant-based, project-based, or sponsor-based.
* **Supportive services:** The costs of eligible supportive services that address the special needs of program participants.
* **Operating costs:** The daily costs of operating housing.
* **Homeless Management Information Systems (HMIS):** *For HMIS leads only*, the costs that enable the CoC’s designated HMIS lead to implement and maintain the CoC’s HMIS; *for Contributing HMIS Organizations (CHOs),* the costs of contributing data to the CoC-designated HMIS; *for victim service providers or legal service providers*, the costs of implementing and contributing data to a comparable database.
* **Project administrative costs:** Up to 10 percent of any grant amount to be used for costs of grant administration.

HUD awards funds through an annual national competition. The CoC Program interim rule codified the Continuum of Care Planning process. The CoC Program interim rule requires communities to establish a CoC and operate it consistent with the requirements specified in the interim rule. The regulatory requirements are related to CoC structure, CoC membership, ongoing responsibilities, and establishing clear accountability of the CoC’s responsibilities through a CoC governance charter. This includes the establishment of a CoC Board, collaboration with ESG Program recipients, and written standards for housing assistance.

29-2 PREPARING FOR MONITORING. The specific CoC Program requirements to be monitored are determined as part of the risk assessment process (see additional guidance provided in Chapter 2). Before monitoring, the reviewer should be familiar with both the CoC Program requirements and the design and operation of the recipient’s project, particularly those areas that have been identified as high risk or are the focus of the monitoring. Information that will assist in CoC Program monitoring include:

* the authorizing legislation, Title IV, Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987;
* the grant agreement(s) and any amendment(s) to the grant agreement(s) with HUD for the project(s) being monitored, including the attached CoC Program regulation at 24 CFR Part 578;
* subrecipient agreement(s) and/or procurement contract(s) with the recipient;
* lease agreements;
* the Notice of Funds Availability (NOFA);
* the most recent Annual Performance Report (APR);
* Line of Credit Control System (LOCCS) expenditure information;
* the recipient’s approved application (comprising both the first submission narrative and the technical submission, and any amendments to the application and technical submission); and
* the CoC Program Page on the HUD Exchange at [www.onecpd.info/coc](http://www.onecpd.info/coc), which provides all of the training materials and resources related to the CoC Program. This includes, but is not limited to, *CoC 2.0*, the interactive training suite of podcasts, broadcasts, webinars, videos, an online training module of the CoC Program eligible components and costs; and a “Prezi”[[1]](#footnote-1) discussing the coordinated assessment system requirement of the interim rule and functionality of the system in a CoC; frequently asked questions (FAQs), user guides, tools, and webinars, NOFAs, reports, and policies.

*NOTE: CoC Program grants awarded in the 2012 through 2016 Competitions are subject to* program regulations as they existed at the time the grants were awarded. The applicable program regulations were supposed to have been attached to the Scope of Work in the grant agreement. However, it is possible that some regulations attached to grant agreements in 2013, 2014 and 2015 do not have program regulations attached to them that include all the updates in effect at the time of the award. Reviewers who find a discrepancy between the regulation citations and requirements contained in the CoC program Exhibits in this Handbook and the regulation attached to the grant agreement should contact their Office of Special Needs Assistance Programs desk officer for direction before issuing findings.

29-3 FILE SELECTION AND SAMPLING. As described in Chapter 2, the risk analysis process will be used to determine which recipients and program areas should be reviewed. Once that process has been completed, where it is indicated that a file review is necessary to answer Exhibit questions, the HUD reviewer should consider the following factors when determining the specific files that will comprise the review sample:

1. Where feasible, initial file selection should be made using a random selection method.
2. The reviewer may consider adding more files to this selection to:
3. Include file(s) from each staff person working in the respective program area being monitored;
4. Expand the sample, if possible, to include additional files with the same characteristics, if indicated by the severity or nature of any problems(s) noted during the initial selection’s review (for example, same problem category, same staff person, same activities or other characteristics). This expanded sampling aids in determining whether problems are isolated events or represent a systemic problem.

C. The reviewer may also add files to the selection from any project that the HUD reviewer has reason to believe may have compliance problems or that is substantially different in terms of size, complexity, or other factors from other projects the recipient has administered.

1. Prezi is a presentation software and storytelling tool for presenting ideas on a virtual canvas. [↑](#footnote-ref-1)