

any such renewals so that HUD can add it to the list. HUD Headquarters will work with the local HUD CPD field office to identify any additional grants not identified by the Collaborative Applicant.

IV. HUD'S HOMELESS POLICY AND PROGRAM PRIORITIES

A. Policy Priorities. CoC and project applications submitted to HUD for the FY 2015 CoC Program Competition will be evaluated in part based on the extent to which they further HUD's goals as articulated in HUD's Strategic Plan and *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness (Opening Doors)*.

- 1. Strategic Resource Allocation.** Using performance and outcome data, CoCs should decide how to best use the resources available to end homelessness within the community, including CoC and ESG Program funds, state and local funds, public and assisted housing units, mainstream service resources such as Medicaid, and philanthropic efforts. Decisions about resource allocation should include the following:
 - a. Comprehensive Review of projects.** CoCs should reallocate funds to new projects whenever reallocation would reduce homelessness. Communities should use CoC-approved scoring criteria and selection priorities to determine the extent to which each project is still necessary and addresses the policy priorities listed in this Notice.
 - b. Maximizing the use of mainstream resources.** HUD strongly encourages CoCs and project applicants to ensure that they are maximizing the use of all mainstream services available. While 24 CFR part 578 allows for the payment of certain supportive service costs, it is more efficient for CoCs to use mainstream resources where possible. CoCs should proactively seek and provide information to all stakeholders within the geographic area about mainstream resources and funding opportunities, particularly new opportunities made available under the Affordable Care Act and related technical assistance initiatives. Additionally, where homeless assistance projects are providing specialized services, such as employment services, mental health services, or substance abuse recovery services, they should be coordinating with state or local agencies responsible for overseeing those services to ensure that they are using best practices and that there is appropriate oversight of their programs.
 - c. Partnerships.** CoCs should partner with other stakeholders within the community such as Public Housing Agencies (PHAs), philanthropic organizations, and other entities that have resources that could be used to serve persons experiencing homelessness.
 - d. Transitional Housing.** Recent research shows that transitional housing is generally more expensive than other housing models serving similar populations with similar outcomes. HUD also recognizes that transitional housing can be an effective tool for addressing certain needs—such as housing for homeless youth who are unable to sign a lease, safety for persons fleeing domestic violence, and assistance with recovery from addiction. HUD strongly encourages CoCs and

recipients to carefully review the transitional housing projects within the CoC's geographic area for cost-effectiveness, performance, and for the number and type of eligibility criteria to determine if rapid re-housing might be a better model for the CoC's geographic area.

2. Ending chronic homelessness.

- a. *Increasing Units:* In order to increase the number of units for chronically homeless individuals and families and work towards the goal of ending chronic homelessness, HUD encourages CoCs to create new projects through reallocation that exclusively serve chronically homeless individuals, including unaccompanied youth, and families. Chronically homeless and permanent supportive housing are defined in 24 CFR 578.3. Projects cannot discriminate against chronically homeless families with children.
- b. *Targeting:* Chronically homeless individuals and families should be given priority for PSH beds not currently dedicated to this population as vacancies become available through turnover. PSH renewal projects serving specific disabled subpopulations (e.g., persons with mental illness or persons with substance abuse issues) must continue to serve those groups as required in their current grant agreement. However, chronically homeless individuals and families within the specified subpopulation should be prioritized for entry. CoCs are encouraged to implement a process for prioritizing persons experiencing chronic homelessness consistent with Notice CPD-14-012: [*Prioritizing Persons Experiencing Chronic Homelessness in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status.*](#)

3. **Ending family homelessness.** Most families experiencing homelessness can be housed quickly and stably using rapid re-housing, although some will need the long-term support provided by a permanent housing subsidy or permanent supportive housing. CoCs should adjust the homeless services system for families to ensure that families can easily access rapid re-housing and other housing assistance tailored to their needs. CoCs should also be working with their affordable housing community to facilitate access to affordable housing units. CoCs should also ensure that their projects address the safety needs of people fleeing domestic violence.

Rapid re-housing is designed to assist homeless individuals and families, with or without disabilities, to move as quickly as possible into permanent housing and achieve stability in that housing. Rapid re-housing assistance is time-limited, individualized, and flexible, and should complement and enhance homeless system performance. HUD encourages CoCs to use reallocation to create new rapid re-housing projects for families.

4. **Ending Youth Homelessness.** CoCs should understand the unique needs of homeless youth and should be reaching out to youth-serving organizations to help them fully participate in the CoC. CoCs and youth serving organizations should work together to develop resources and programs that better end youth homelessness and meet the needs of homeless youth, including Lesbian, Gay, Bisexual, Transgender, and Questioning (LGBTQ) youth. When evaluating the performance of youth programs, CoCs should

take into account the specific challenges faced by homeless youth. When CoCs identify lower performing youth-serving projects, they should seek to reallocate funds from those projects to better projects serving youth.

5. Ending Veteran Homelessness. Ending veteran homelessness is within reach for many communities, and CoCs should take specific steps to reach this goal including:

- a. CoC Program-funded projects should, to the extent possible, prioritize veterans and their families who are ineligible for Department of Veterans Affairs (VA) services. When it is determined that a veteran, and their family, is ineligible for VA housing and services has the same level of need as a non-veteran as determined using a standardized assessment tool, the veteran should receive priority.
- b. CoCs should work closely with the local VA and other veteran-serving organizations and coordinate CoC resources with VA-funded housing and services including HUD-VASH and Supportive Services for Veteran Families (SSVF).

6. Using a Housing First Approach. *Housing First* is an approach to homeless assistance that prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions such as sobriety or a minimum income threshold. Projects using a housing first approach often have supportive services; however, participation in these services is based on the needs and desires of the program participant. HUD encourages all types of projects to adopt a Housing First approach. Specific steps to support a community-wide housing first approach include the following.

- a. *Removing Barriers:* CoCs should review system- and project-level eligibility criteria to identify and remove barriers to accessing services and housing that are experienced by homeless individuals and families. Many projects currently have barriers to entry.
- b. *Centralized or Coordinated Assessment System:* Centralized or coordinated assessment is a key step in assessing the needs of homeless individuals and families requesting assistance and prioritizing those households for assistance. The establishment and operation of a centralized or coordinated assessment system is a requirement of 24 CFR part 578.
- c. *Client-centered service delivery:* Housing and service options should be tailored to meet the unique needs of each individual or family presenting for services. Participants should not be required to participate in services that they do not believe will help them to achieve their goals
- d. *Prioritizing Households Most in Need:* CoCs should prioritize persons who are identified as most in need (e.g., those who have been living on the street the longest, homeless households with children living in unsheltered situations, those who are considered most medically vulnerable) for placement into appropriate housing.

- e. *Inclusive Decisionmaking*: CoCs should ensure that the needs of all individuals and families experiencing homelessness are represented within the CoC structure by including providers serving groups such as domestic violence survivors, the LGBTQ community, victims of human trafficking, unaccompanied youth, and other relevant populations. Including these groups in the decisionmaking structure of the CoC ensures that service delivery is both client-centered and culturally competent.

B. CoC Program Implementation. The following list highlights important information that applicants should consider to prepare for FY 2015 CoC Registration and the remainder of the FY 2015 CoC Program Competition. This is not an exhaustive list of considerations or requirements—all applicants and CoC stakeholders should carefully review the CoC Program interim rule.

1. Projects and activities that were eligible under SHP and S+C but are no longer eligible under the CoC Program (e.g., safe havens, projects limited to persons with specific disabilities or diagnoses), will continue to be eligible for renewal under the original grant terms as long as the recipient does not significantly change the project after submission of the FY 2015 project application.
2. The difference between costs used for leasing and those used for rental assistance are described at 24 CFR 578.49 and 578.51. Recipients with grants that include a leasing budget line item should carefully review the nature of the project to determine if a change should be made from leasing to rental assistance for the project. In accordance with 24 CFR 578.49(b)(8), leasing funds will be renewed as rental assistance if the funds are used to pay rent on units where the lease is between the program participant and the landowner or sublessor. Eligible first-time renewal grants formerly funded under the SHP program that include a leasing budget line item will have the opportunity to change the budget funding type from leasing to rental assistance in FY 2015. Under this type of agreement, the project applicant may change the budget line item information from leasing to rental assistance and use the area(s) Fair Market Rent (FMR) amount to determine the budget line item amount. Project applicants that are eligible to change the budget line item from leasing to rental assistance must provide copies of the lease to the local HUD CPD field office prior to the close of the FY 2015 CoC Program Registration process and the change from leasing to rental assistance should be reflected on the CoC's GIW.

A project application is prohibited from including both leasing and rental assistance unless the project is paying for a structure to provide supportive services (i.e., leasing a structure for a case management office) in addition to units in a different structure in which the program participants hold the lease with the landlord. The only other exception is when a project has leased units in a structure and within the same structure separate units utilizing rental assistance funds. In this case, both leasing and rental assistance funds cannot be used in the same unit. HUD provided training materials and conducted a broadcast on September 4, 2012, to specifically address how current leasing projects will determine eligibility that will result in the change from leasing to rental assistance.