Frequently Asked Questions
FY 2021 All-Grantee Meeting – Competitive
Columbus Field Office
September 30, 2021

1. *Is the environmental review the same as a HQS inspection?*

   No. Environmental review and HQS are different. Environmental reviews should be based on the building and the surrounding geography, and not on the actual unit. Whereas HQS inspections are conducted on the actual unit.

2. *For Grants with Leasing where the agency leases, and then subleases to a client, but does not own the property, can the HQS be done internally?*

   Yes. In this situation the potential for a conflict of interest when conducting the HQS would likely only arise when an employee of the recipient, or subrecipient, conducts an HQS inspection of a property that the recipient, subrecipient, or related entity owns.

3. *Can all documentation be uploaded to the HMIS, or does it have to be contained in a paper file?*

   Yes. Recipients, and subrecipients, must establish and maintain standard operating procedures that comply with the record keeping requirements of the CoC Program. These policies must include how records will be maintained in the participants file, whether digital or paper, and how they will be made available upon request of HUDs review.

4. *What is the difference between project-based and tenant-based rental assistance?*

   With **tenant-based rental assistance**, program participants choose their own housing. While program participants are not prohibited from renting a unit owned by the recipient, Section 578.51 (c) of the CoC Program interim rule states that recipients or subrecipients may only require program participants to live in a specified structure for the first year of program participation, and only then if it is necessary to facilitate the coordination of supportive services. In **project-based rental assistance**, the rental assistance is provided through a contract with the owner of an existing structure, who then agrees to lease the subsidized units to program participants. The recipient is not explicitly prohibited from being the owner of the building. Grantees that uses rental assistance in property or units they own, must avoid conflicts of interest related to participant referral, rent reasonableness and HQS inspections; 24 CFR 578.95

Updated: 11/17/2021

5. *Who is responsible for conducting Environmental Reviews for rental assistance and operating cost projects?*

   For FY19/20, environmental review reports are completed by HUD per part 50 for rental assistance grants used as Tenant-based rental assistance (TBRA) and soft costs such as operating cost. When rental assistance is utilized as Project-based or Sponsored-based, a higher-level review must be conducted by the appropriate 'responsible entity' (RE) government.

6. *If the grant is primarily rental assistance but has a small amount of operating, which ER needs to be completed?*

   Such uses would normally be incompatible; however, CoC Program recipients should review the *CoC Program Environmental Review Flow Chart* to ensure that the appropriate level of ERR is completed for their award.

   Resource:
   https://files.hudexchange.info/resources/documents/CoC-Program-Environmental-Review-Flow-Chart.pdf

7. *If we are subrecipient of a Unified Funding Agency, are we responsible for the Environmental Review or is the Unified Funding Agency responsible for it?*

   The recipient is the sole entity responsible for ensuring the proper ERR is completed prior to grant execution. In this case the UFA would be responsible for ensuring the ERR is completed.

8. *If you provide service in building but rental is Tenant based in community, which review is required?*

   For FY19/20, environmental review reports were completed by HUD per part 50 for rental assistance grants used as Tenant-based rental assistance (TBRA).

9. *Is the waiver usage documentation usage programmatic or is it supposed to be in the client files? We have it from the programmatic standpoint.*

   Recipient and subrecipients must maintain documentation to the conditions that warranted the utilization of CoC Programs waiver and maintain sufficient evidence in the participant's file. In addition, recipients, and subrecipients must have established emergency policies and procedures or updated standard operating procedures to reflect the regulatory waivers with dates to return to normal operations.

10. Is there a place where we can find the waivers and when each waiver expired?

COVID waivers resources can be found at:
https://www.hud.gov/program_offices/comm_planning/waivers_covid-19.

11. We requested waivers that we did not end up using, meaning we complied with the original program rules. What documentation should we have in this regard?

This should be reflected in your internal policies and procedures and where necessary, client files.

12. When utilizing the initial HQS waiver, would the landlord need to write a statement that the unit is in a good condition, and this is what needs to be in chart?

Yes, the landlord's statement must be kept in the participant's file. Please note, this waiver expired on September 30, 2021, therefore, units assisted with CoC Program funds must be physically inspected by December 31, 2021.

13. For the annual inspection should we just have the waiver in chart? Did these need to be completed within 3 months from the waivers expiring?

CoC Program recipients must maintain a record in the participants file indicating the annual HQS inspection was not physically completed due to the waiver (landlord's written statement). Recordkeeping of annual inspections should be outlined in the recipient's policies and procedures. The waiver allowed recipients to forgo annual HQS for the duration of the waiver period, therefore, HUD does not expect grantees to complete HQS annual inspections that occurred during this period, however physical inspections must be completed by 12/31/2021.

14. How does the VI-SPDAT affect prioritization? What if the individual/family scores low on the tool, but the prioritization process shows that they need PSH?

The Coordinated Entry System requirements allow each CoC to decide on a common assessment tool that best meets the needs of people experiencing a housing crisis in the geographical area of the CoC. The CES process should clearly detail how the tool will be used in determining the service need of all potential CoC participants ensuring that they are directed to most appropriately level of assistance based on their needs AND maintain equitable referrals.

15. I'm in the Ohio Balance of State CoC - where can we find ESG funding to do coordinated entry work?

ESG formula grants are awarded to metropolitan cities, urban counties, territories, and states. Each ESG recipient coordinates with the geographical CoC to determine funding priorities and activities carried out by subrecipients. The ESG entitlement grantee and your local CoC have information regarding ESG funding opportunities in your area.

16. Can ESG funds cover Coordinated Entry 100%, or just COVID-specific needs?

ESG annual and ESG-CV Program funds can be used to support the Coordinated Entry process depending on the CoC CES process and ESG activity. Subrecipients should communicate with local ESG recipient on eligible costs and activities related to both the ESG annual and ESG-CV Program funds.

ESG-CV for CE activities: https://files.hudexchange.info/resources/documents/COVID-19-Homeless-System-Response-Carrying-Out-Coordinated-Entry-Activities-Under-the-ESG-Program.pdf.

17. Could an agencies Maintenance department, that is not involved in the housing grants, complete the HQS for an agency owned unit. Ex. a Mental Health agency that operated a housing program, owns apartments, that occasionally an individual on a PSH program that is scattered site, would be place in. If not, what is an example of someone we could contract with to complete the HQS?

A potential for a conflict of interest would only arise when an employee of the recipient, or subrecipient, conducts an HQS inspection of a property that the recipient, subrecipient, or related entity owns. Recipients could contract with a local housing authority or another CoC recipient to conduct HQS inspections on property owned by the recipient.

18. Does rent reasonableness need to be completed annually?

The CoC Program regulations does not require that rent reasonableness be completed annually, only initially and if/when a rent increase is requested by the owner. Recipients should ensure the program has effective rent reasonableness policy to include a methodology for documenting comparable rents, case file checklists and forms, standards for certifying comparable rents as reasonable, staffing assignments, and strategies for addressing special circumstances. See this link for further information: https://files.hudexchange.info/resources/documents/CoC-Rent-Reasonableness-and-FMR.pdf

19. Are Transitional Housing (TH) participants that are timing out and have no means of maintaining their housing eligible for CoC Permanent Supportive Housing (PSH)?

Yes, but depends. Participants that are exiting from TH may be eligible for continued assistance through CoC PSH if the participant household was literally homeless prior to TH AND disabled. Recipients should consult with the CoC lead to ensure compliance with the CoC written standards and any addental eligible requirements of the PSH program (e.g., applicable NOFA/NOFA, 100% dedicated, dedicated plus, etc.)

20. Do you have to be certified to conduct HQS inspections?

While HUD does require that housing assisted with CoC Program funds meets HQS (see section 578.75(b) for more information), there is no requirement that the HQS inspectors be certified. Therefore, HQS training does not have to be conducted formally by a certified or licensed instructor and it could potentially be conducted internally among managers or staff who are familiar with the local code standards, the HQS inspection process and have a full understanding of how to complete the HQS Inspection Form 52580.

21. Is the restriction on CoC only providing security deposit and 1st months' rent in a public housing unit also applicable to ESG-CV RRH?

Generally, yes. Recipients may not combine rental subsidies from two sources in one unit and it would not be allowable for you to use CoC Program funds to pay for operating or rental assistance costs that are already covered by the subsidy payment through the Housing Choice Voucher program or Public Housing. ESG financial or rental assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources (24 CFR § 576.105(d) and 24 CFR § 576.106(c)). However, ESG funds may be used to provide different type(s) of assistance from that being provided to the program participant through other public sources (e.g., public housing, Section 8 vouchers, permanent supportive housing or other supportive housing programs, and Supportive Services for Veteran Families (SSVF)) if the following criteria are met:

- First, the individual or family must meet the eligibility criteria for ESG rapid re-housing or homelessness prevention assistance (24 CFR § 576.103 and § 576.104). In some cases, this includes determining at intake whether an individual or family lacks the resources to obtain other permanent housing. For homelessness prevention assistance, this also includes the requirement that they have an annual income below 30% of AMI.

- Second, the costs of ESG assistance are only eligible to the extent that the assistance is necessary to help the program participant regain stability in his/her current permanent housing or move into other permanent housing and achieve stability in that housing.

22. *The ESG-CV Notice was confusing regarding whether HQS/Habitability inspections were waived for Homelessness Prevention or not. Can you please clarify?*

Notice CPD 21-08, as it pertains to ESG-CV funds, waives the requirement that a recipient must conduct habitability or HQS prior to providing housing relocation or stabilization services under homelessness prevention.

23. *When the NOFA changed eligibility to CoC RRH to include Category 2 of the Homeless Definition, was that only applicable to new projects that began that year of the NOFA or did it cover all CoC RRH projects that renewed that year and if so is that category still eligible currently for all CoC RRH projects?*

Each annual NOFA is specific the grants (new or renewal as applicable) funded under that NFOA. The referenced NOFA provision applied to both new and renewal projects funded by that fiscal year grant. It is important to note that provision was not applicable (retroactively) to prior fiscal year grants that were still operating.