

2012

Establishing and Operating a Continuum of Care



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1. THE CONTINUUM OF CARE (CoC) PROGRAM

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act. Among other changes, the HEARTH Act consolidated the three separate McKinney-Vento homeless assistance programs (Supportive Housing Program, Shelter Plus Care program, and Section 8 Moderate Rehabilitation SRO program) into a single grant program known as the Continuum of Care (CoC) Program.

HUD published the [Continuum of Care Program interim rule](#) in the *Federal Register* on July 31, 2012. The rule was posted on HUD's website and now governs the CoC Program.

The CoC Program is designed to assist individuals (including unaccompanied youth) and families experiencing homelessness and to provide the services needed to help such individuals move into transitional and permanent housing, with the goal of long-term stability. More broadly, the program is designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness; improve data collection and performance measurement; and allow each community to tailor its program to the particular strengths and challenges within that community.

Each year, HUD awards CoC Program funding competitively to nonprofit organizations, States, units of local governments, and/or instrumentalities of State or local government collectively known as **recipients**. In turn, recipients may contract or subgrant with other organizations or government entities, known as **subrecipients**, to carry out the grant's day-to-day program operations.

1.1 Overview of CoC Program User Guide Series

A series of user guides is being developed to help CoCs, recipients, and subrecipients administer CoC Program funds (see box on next page). Recipients and subrecipients are the primary audience for the user guide series. All user guides will be accessible on the [OneCPD Resource Exchange](#) when they are available.

This user guide provides an overview of how to establish and operate a CoC, focusing on CoC governance and responsibilities.

Overview of Forthcoming CoC User Guide Series

Establishing and Operating a CoC: This user guide outlines how to create an effective and representative Continuum of Care in order to fulfill the roles and responsibilities set out in the CoC Program interim rule.

Introduction to Unified Funding Agencies (UFA): This user guide discusses the process for becoming a UFA and the roles and responsibilities that accompany it.

Determining and Documenting Homeless and At Risk Status, Income, and Disability: This user guide discusses the criteria used to define homelessness and at risk of homelessness, including income, disability, and associated recordkeeping requirements.

CoC Program Components and Eligible Costs: This user guide reviews the five CoC program components and the costs that recipients and subrecipients may incur in administering and operating CoC projects.

CoC Program Funding for Homeless Management Information System (HMIS): This user guide reviews the role of the HMIS within the CoC and the differences between eligible HMIS costs incurred by recipients as part of a project and eligible costs incurred by the HMIS lead in establishing, operating, and overseeing the use of the CoC's HMIS.

CoC Program's High-Performing Community: This user guide discusses how CoCs may become a high-performing community (HPC) and provide homelessness prevention assistance. It also outlines the populations that may be served, the specific activities that may be funded, and the additional requirements associated with administering the activities.

Project Administration and General Program Requirements: This user guide describes project administrative costs and general program requirements applicable to the CoC Program—regardless of which components are carried out—such as match, calculating rents and occupancy charges, timeliness standards, and terminations.

Grant Administration: This user guide reviews the standards for administering a CoC grant, including recordkeeping requirements and how to make project changes.

1.2 Citations within the Guides

Throughout this guide, you will see references to specific provisions of the McKinney-Vento Homeless Assistance Act as well as references to the Code of Federal Regulations (CFR). You may locate the relevant areas in the Act by visiting www.onecpd.info/resources/documents/HomelessAssistanceActAmendedbyHEARTH.pdf.

To locate particular regulations, visit <http://www.ecfr.gov> and select Title 24 for the HUD regulations. You may then select the particular part by number that you want to read.

2. ESTABLISHING A CONTINUUM OF CARE

At its simplest, a Continuum of Care is established by representatives of relevant organizations within a geographic area to carry out the responsibilities set forth in the CoC Program interim rule.

HUD developed the concept of the CoC in 1995 through its annual competition for homelessness assistance grants. The CoC was envisioned as a local network that plans and coordinates funding for services and housing to assist homeless individuals and families. The HEARTH Act amendments to the McKinney-Vento Homeless Assistance Act codified in law the role and functions of the CoC; thus each community **must** establish a CoC in compliance with the new CoC Program interim rule. In some communities, very little will have to change to be in compliance with the requirements of the interim rule, but the rule gives CoCs more ability to formalize and change to better achieve the goals of the CoC Program. In other communities, more structure and formalization will need to be implemented to be in compliance with the program requirements.

Examples of CoC Representatives

- Nonprofit homelessness assistance providers
- Victim services providers
- Faith-based organizations
- Governments
- Businesses
- Advocates
- Public housing agencies
- School districts
- Social services providers
- Mental health agencies
- Hospitals
- Universities
- Affordable housing developers
- Law enforcement
- Organizations serving veterans
- Homeless or formerly homeless individuals

When establishing a CoC, communities must bear in mind that CoCs are designed to:

- Promote a community-wide commitment to the goal of ending homelessness
- Provide funding for efforts for rapidly re-housing homeless individuals and families
- Promote access to and effective use of mainstream programs
- Optimize self-sufficiency among individuals and families experiencing homelessness

The composition of each CoC is expected to be tailored to its unique community circumstances, to the extent possible involving all of the players required to further local efforts to end homelessness. The purpose of requiring stakeholder representation from a wide range of organizations within the CoC's geographic area is to ensure that all community stakeholders participate in developing and implementing a range of housing and services.

2.1 Community-wide Commitment

A CoC is expected to address homelessness through a coordinated community-based process of identifying needs and building a system of housing and services that addresses those needs. While the CoC's function is not new one, the CoC Program interim rule designates the CoC as the community planning body that addresses the needs of persons who are homeless or experiencing a housing crisis. Accordingly, the CoC must move beyond the evaluation and prioritization of specific projects to a system-wide evaluation of the community's response to homelessness.

2.2 Geographic Representation.

A CoC must determine the geographic area (one or more metropolitan cities, urban counties, and other counties) that it will cover with its housing and service plan for homeless persons and persons experiencing a housing crisis. The CoC membership should comprise representatives of relevant organizations within the given geographic area. The text box above lists examples of membership representatives.

A list of existing CoCs, the geographic areas encompassed by each, and the funding amounts that they may apply for is available on the [OneCPD Resource Exchange](#).

3. CoC RESPONSIBILITIES

The CoC Program interim rule formalizes the composition and responsibilities of the CoC and establishes minimum requirements for its operation and management. Formalizing the responsibilities of the CoC accomplishes several goals. First, it provides the framework for a comprehensive, well-coordinated, and clear planning process. Second, it allows CoCs to measure their effectiveness in reducing homelessness at both a system and project level rather than just at the level of individual projects funded by the CoC, and change strategies if they are not effective. Finally, it strengthens coordination between CoC-funded activities and other HUD-funded activities directed at ending homelessness, such as activities funded through the Emergency Solutions Grant (ESG) program.

3.1 Operating the CoC

The CoC Program interim rule establishes seven responsibilities that must be carried out by the CoC. Many CoCs already fulfill these responsibilities since previous CoC Homeless Assistance Grants competitions included them as scoring criteria. In addition, CoCs may choose to adopt other responsibilities to more effectively operate the CoC. The CoC is responsible for carrying out all activities specific in the interim rule, but may choose to assign the responsibilities to the CoC board, another organization, or another CoC work group. All responsibilities must be thoroughly documented in the CoC's governance charter. These responsibilities include the following:

1. **Regular meetings.** Hold meetings of the full membership, with published agendas, at least semiannually. CoCs may conduct membership meetings more often for purposes of activity planning, ongoing communication, staff training, etc.
2. **Invitation for new members.** Issue a public invitation for new members from within the CoC's geographic area at least annually.
3. **Board selection.** Adopt and follow a written process to select a CoC board to act on behalf of the CoC. The CoC must review, update, and approve the selection process at least once every five years. The CoC board must meet all requirements as specified in 24 CFR part 578.5(b) and as discussed in more detail in Section 4.1 of this user guide. Many of the operating responsibilities of the CoC may appropriately be assigned to the board.
4. **Additional committees.** Appoint additional committees, subcommittees, or work groups as needed.
5. **Governance charter.** In consultation with the collaborative applicant and the Homeless Management Information System (HMIS) lead, develop, follow, and update annually (1) a governance charter that includes all procedures and policies needed to comply with 24 CFR part 578.5(b) and with HMIS requirements as prescribed by HUD and (2) a code of conduct and recusal process for the board, its chair(s), and any person acting on behalf of the board.

6. **Monitoring.** Monitor recipient and subrecipient performance, evaluate outcomes, and take action against poor performers.
7. **Evaluation.** Establish performance targets appropriate for population and program type in consultation with recipients and subrecipients, then monitor recipient and subrecipient performance, evaluate outcomes, and take actions against poor performers.
8. **Centralized or Coordinated Assessment.** Establish and operate a coordinated assessment system, in consultation with the recipients of Emergency Solutions Grants program funds.
9. **Written Standards.** Establish and consistently follow written standards for providing CoC assistance, in consultation with the recipients of Emergency Solutions Grants program funds.

Governance Charter

The governance charter should detail the functions of the CoC board, the CoC's committee structure and roles, staff roles, and the process for amending the charter. Some CoCs may already have bylaws in place that are similar to a governance charter.

Coordinated Assessment

In consultation with recipients of ESG funds within the CoC's geographic area, the CoC must establish and operate, or designate, a centralized or coordinated assessment system that provides an initial, comprehensive assessment of the housing and services needs of individuals and families within the CoC's area. Further, the CoC must develop a policy that guides consistent operation of the centralized or coordinated assessment system, with respect to how the system will triage and address the particular safety needs of individuals and families who are experiencing homelessness. In addition, the policy must state how the system will address the needs of individuals and families that are fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking.

Some communities created coordinated assessment systems as part of the implementation of the Homeless Prevention and Rapid Re-Housing Program (HPRP), while other communities' systems pre-date HPRP. Whether a community is creating a new system or relying on an existing system, the coordinated assessment system must demonstrate compliance with the following minimum requirements:

- Cover the geographic area served by the CoC
- Be easily accessed by individuals and families seeking housing or services
- Be well advertised
- Include a comprehensive and standardized assessment tool

Written Standards

The CoC must establish and consistently follow written standards for providing assistance. The coordinated assessment system must incorporate these standards when evaluating and referring potential program participants. At a minimum, the written standards must include the following:

- Policies and procedures for evaluating individuals' and families' eligibility for assistance under the CoC Program

- Policies and procedures for determining and prioritizing which eligible individuals and families will receive transitional housing assistance
- Policies and procedures for determining and prioritizing which eligible individuals and families will receive rapid re-housing assistance
- Standards for determining what percentage or amount of rent each program participant must pay while receiving rapid re-housing assistance
- Policies and procedures for determining and prioritizing which eligible individuals and families will receive permanent supportive housing assistance
- If the CoC has been designated a High Performing Community (HPC), policies that address standards for high-performing communities, as described in the Emergency Solutions Grants program rule at 24 CFR part 576.400(e)(vi) through(e)(ix)

3.2 CoC Planning

The CoC is responsible for coordinating and implementing a housing and service system to meet the needs of the homeless population and subpopulations within its geographic area. Many of the planning activities set forth in the CoC program have been part of the CoC Homeless Assistance Grants competition application for many years as scoring criteria; therefore, many CoCs already have completed a plan to guide their activities. The CoC Program interim rule formalizes these planning responsibilities and specifies new responsibilities related to coordination with ESG recipient(s). CoC planning activities must adhere to the requirements established in the [CoC Program interim rule](#), in addition to the requirements and directions of HUD's Notices of Funding Availability (NOFAs).

The CoC's responsibilities related to planning are described below.

System Coordination

The CoC is responsible for coordinating and implementing a comprehensive system to address the needs of the homeless population and subpopulations and persons experiencing a housing crisis within its geographic area. While each community may develop its own approach to address identified needs, each community's system should at a minimum encompass the following:

- Outreach, engagement, and assessment
- Shelter, housing, and supportive services
- Homelessness prevention strategies

Given that funding under the CoC program is not sufficient to support a comprehensive system for addressing homelessness, additional funding from dedicated homeless programs, including ESG, and mainstream resources is needed to carry out a CoC's homelessness activities. Coordination of these funding streams and related services leads to a stronger community response to homelessness. The next page includes a discussion of the requirements for CoC coordination with ESG and mainstream resources.

Point-in-Time Count

At least biennially, or as required by NOFA, a CoC must plan for and conduct a point-in-time count of homeless persons within its geographic area. The count must:

- Identify the number of homeless persons who are living in a place not designed for or ordinarily used as regular sleeping accommodations for humans (unsheltered homeless persons)
- Identify the number of homeless persons living in emergency shelters and transitional housing projects (sheltered homeless persons)
- Identify other requirements established by HUD by Notice, including the annual FY CoC Program NOFA

Annual Gaps Analysis

A CoC must conduct an annual gaps analysis of the homeless needs and services available within its geographic area, which includes a housing inventory.

Consolidated Plan Information

A CoC must provide the information required to complete the Consolidated Plan(s) for its geographic area.

ESG Consultation

A CoC must consult with State and local government ESG recipients within its geographic area with respect to the plan for allocating ESG funds and reporting on and evaluating the performance of ESG recipients and subrecipients.

3.3 Designating and Operating an HMIS

A Homeless Management Information System (HMIS) is an invaluable tool for communities and HUD to develop better information on the nature of homelessness, the number of people experiencing homelessness, the existing patterns in housing programs and services, and the effectiveness of programs and services in addressing homelessness. An HMIS must be used by the CoC and all recipients of CoC and ESG program funds to meet HUD's data collection, management, and reporting standards. Recipients and subrecipients are required to collect data on individual clients and the provision of housing and services to homeless individuals and families, and persons at risk of homelessness.

The CoC is accountable for the HMIS, even if another organization is designated to operate it. The CoC is responsible for the following HMIS functions:

- **HMIS.** Designating a single HMIS for its geographic area.
- **HMIS lead.** Designating a single eligible applicant to serve as the HMIS lead to manage the HMIS. Eligible applicants include nonprofits, State or local governments, or instrumentalities of State or local governments.
- **HMIS Compliance.** Ensuring that the HMIS is administered in compliance with requirements prescribed by HUD.
- **Privacy, security, and data quality.** Reviewing, revising, and approving an HMIS privacy plan, security plan, and data quality plan.
- **HMIS participation.** Ensuring the consistent participation of recipients and subrecipients in the HMIS.

For more information, see the user guide on [CoC Program Funding for HMIS](#).

3.4 Preparing the Application for CoC Program Funds

A major function of the CoC is to prepare and oversee the development and submission of an annual application for CoC program funds. The process must involve the steps described below.

Funding Priorities

A CoC must establish priorities for funding projects in its geographic area. The selection process must be transparent and inclusive and based on the standards indicated in 24 CFR part 578.19(b).

Collaborative Application Process

A CoC must design, operate, and follow a collaborative process for developing applications and approving the submission of applications in response to a NOFA published by HUD in concert with the funding priorities and plan adopted by the CoC. The CoC should also ensure that all project applications are submitted by eligible applicants.

HUD may only award CoC funds to nonprofit organizations, States, units of local governments, and/or instrumentalities of State or local government, collectively known as **recipients**. In turn, recipients may subgrant with other nonprofit organizations, States, units of local government, and/or instrumentalities of State or local government—known as **subrecipients**—to assist in the day-to-day operations of the CoC program. A recipient is an applicant that signs a grant agreement with HUD. Eligible applicants include public housing agencies, as such term is defined in 24 CFR 5.100, without limitation or exclusion.

The Collaborative Applicant

A CoC must designate an eligible applicant to serve as the collaborative applicant. If the CoC is an eligible applicant, it may designate itself to be the collaborative applicant. If the CoC chooses to apply for CoC planning funds, the collaborative applicant is also the only eligible applicant able to apply for these funds on behalf of the CoC.

The collaborative applicant is the entity that submits the annual CoC Consolidated Application for funding on behalf of the CoC. In CoCs where the CoC does not also designate the collaborative applicant to apply to be a Unified Funding Agency, as is discussed below, the annual CoC application may include requests for project funding from more than one eligible applicant. If more than one project is applying for funding, then the entity designated by the CoC as the collaborative applicant is charged with collecting and combining the application information from all applicants for all projects within the CoC's geographic area.

The CoC retains all of its responsibilities, even if it designates one or more eligible applicants other than itself to apply for funds on behalf of the Continuum. This includes approving the application for funds.

Unified Funding Agency

The CoC may designate the collaborative applicant to seek Unified Funding Agency (UFA) designation. A collaborative applicant may request UFA designation through the annual CoC Program Registration process. HUD will inform the collaborative applicant and the UFA if it meets the required criteria.

If approved by HUD, the UFA must carry out all of the responsibilities of the collaborative applicant as well as additional requirements that are set forth in the CoC Program interim rule. In order to be considered for UFA designation, collaborative applicants are required to:

- Represent a CoC that meets the requirements in 24 CFR part 578.7 of the CoC Program interim rule
- Have financial management systems that meet the standards in 24 CFR part 84.21 (for nonprofit organizations) and 24 CFR part 85.20 (for States)
- Demonstrate the ability to monitor subrecipients
- Demonstrate and/or address any additional criteria that HUD may require by NOFA

If, after reviewing information submitted by the collaborative applicant addressing the above requirements, HUD designates the collaborative applicant as a UFA, the collaborative applicant has the following additional responsibilities:

- Apply for funding for all projects within the geographic area and enter into a grant agreement with HUD for all of the projects.
- Enter into legally binding grant agreements with subrecipients, and receive and distribute funds to subrecipients for all projects within the geographic area
- Require subrecipients to establish fiscal control and accounting procedures necessary to assure proper disbursement of and accounting for federal funds in accordance with the requirements of 24 CFR parts 84 and 85 and corresponding OMB circulars
- Obtain approval of any proposed grant agreement amendments by the CoC before submitting a request for an amendment to HUD

The CoC retains all of its responsibilities, even if it designates a UFA other than itself to apply for funds on behalf of the Continuum. This includes approving the application for funds.

4. OVERVIEW OF CoC GOVERNANCE AND STRUCTURE

At the core of the CoC responsibilities described earlier is the mission of leading the community in finding solutions for preventing and ending homelessness. The CoC needs to create a structure to fulfill this and the other duties referenced in Section 3 of this user guide. While each community may bring different players to the table to participate in and lead the CoC, HUD expects participation of representatives from all relevant organizations (as discussed in Section 2 of this guide), requires each CoC to establish a board, and provides flexibility to CoCs to establish additional committees or workgroups to help carry out its planning and operations responsibilities. This section of the guide details the requirements for CoC governance and structure as described in 24 CFR part 578.5.

4.1 CoC Board Requirements

Given that a CoC consists of many community stakeholders, each CoC must establish a board that is selected in compliance with the process approved by the CoC. The process is established as a requirement at 24 CFR part 578.7(a)(3). The Board must comply with the conflict of interest requirements at 24 CFR part 578.95(b).

The CoC Program interim rule establishes two characteristics of board composition. According to the rule, the board must:

- (1) Include at least one homeless or formerly homeless individual
- (2) Represent the relevant organizations and projects serving homeless subpopulations, such as persons with substance use disorders; persons with HIV/AIDS; veterans; the chronically homeless; families with children; unaccompanied youth; the seriously mentally ill; and victims of domestic violence, dating violence, sexual assault, and stalking.

One board member may represent the interests of more than one homeless subpopulation, and the board must represent all subpopulations within the CoC to the extent that someone is available and willing to represent that subpopulation on the board.

In order for the CoC board to carry out activities, the CoC must assign responsibilities to the board, which may include some of the requirements discussed in Section 3 of this User Guide. All roles and responsibilities must be reflected in the governance charter, along with a code of conduct and recusal process for the board, its chair(s), and any person acting on the board's behalf. The governance charter must be reviewed and updated, annually.

The CoC must comply with the requirements related to establishing the board and its composition by August 30, 2014, two years from the effective date of the CoC Program interim rule. It is possible that, in some communities, a board already meets the requirements described above. In that case, the CoC needs to ensure that it has reviewed and approved the written process for selecting the board in the last five years and followed that process when selecting the current board.

4.2 CoC Subcommittees and Work Groups

The CoC may appoint additional committees, subcommittees, and work groups as needed to carry out its work. Each CoC is responsible for determining the most effective committee structure for its community. The following are examples of some areas that may fall under the purview of committees and work groups:

- Application Review
- Point-in-Time Count
- Centralized Intake
- HMIS
- Performance Measurement
- Discharge Planning

All committees, subcommittees, and work groups responsibilities' must be documented in the governance charter that is reviewed and approved annually by the CoC.

5. FUNDING FOR ELIGIBLE COC PLANNING COSTS

One of the major changes under the CoC Program interim rule is the availability of funding to support CoC planning costs. This section considers the amount of funding available and eligibility to apply for these funds.

5.1 Amount Available

Up to 3 percent of a CoC's Final Pro Rata Need amount, or a maximum amount established by NOFA, will be available for CoC planning activities. Each year HUD will announce the exact percentage and maximum amount available for planning activities.

5.2 Eligible Applicants for CoC Planning Funds

Only the designated collaborative applicant may apply for and receive CoC planning funds, which may be used to complete any of the activities described in Section 3 of this user guide and outlined at 24 CFR part 578.39.