



Special Attention of:

All Secretary's Representatives
All Regional Directors for CPD
All CPD Division Directors
Continuums of Care (CoC)
Recipients and Subrecipients of the
Continuum of Care (CoC) Program

Notice: CPD-18-06

Issued: April 26, 2018

Expires: This Notice is effective until it is amended, superseded, or rescinded

Cross Reference: 24 CFR Part 578 and Notice CPD-18-03: *CoC Program Registration.*

Subject: Applying to be a High Performing Community (HPC)

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I. Purpose

HUD's regulations at 24 CFR part 578 govern the Continuum of Care (CoC) Program, authorized by Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11301, *et seq.* (the Act). For each Fiscal Year (FY), HUD requires each CoC-designated Collaborative Applicant to register in advance of applying for funding available under the FY CoC Program Competition. Collaborative Applicants must complete the registration in accordance with the Notice CPD-18-03: *Continuum of Care Program Registration*, using *e-snaps*, a web-based portal accessible at <https://esnaps.hud.gov/>. As part of registration, Collaborative Applicants for CoCs that wish to be designated, including requests for a High Performing Community (HPC) designation must apply during registration.

This Notice provides Collaborative Applicants the information necessary to understand and complete the High Performing Community (HPC) forms available as part of the annual CoC Program Registration process for CoCs that want to apply for this designation. HUD strongly recommends referring to the CoC Program rule (24 CFR part 578) for the CoC Program requirements associated with HPC designation, particularly 24 CFR 578.7(a)(9)(vi), 24 CFR 578.73(a) and (c), and [24 CFR 578.65 through 24 CFR 578.71](#). Collaborative Applicants request HPC designation during the annual FY CoC Program Registration process to allow the CoC to use CoC Program funds as permitted in 24 CFR part 578.71 and widen the scope of acceptable matching contributions under 24 CFR 578.73. Any CoC that receives HPC designation during the annual FY CoC Program Registration process can submit project application(s) for the additional use of CoC Program funds to provide housing relocation and stabilization services and short- and medium-term rental assistance to individuals and families at risk of homelessness per [24 CFR 578.71](#), if necessary to prevent the individual or family from becoming homeless.

II. Summary

A. Dates

In the first year under this Notice, FY 2018, the CoC Program Registration deadline in *e-snaps* is 5:00 p.m. Eastern time on the date that will be posted to the FY 2018 CoC Program Competition Funding Availability page on the HUD Exchange (<https://www.hudexchange.info/programs/e-snaps/fy-2018-coc-program-nofa-coc-program-competition/>) and announced via the HUD listserv on *e-snaps* is available. In the following fiscal years, FY 2019 and beyond, CoC Program Registration will open the second Tuesday of each January by 1:00 p.m. Eastern time with a registration deadline of 5:00 p.m. Eastern time on the first Thursday of March each year. Collaborative Applicants requesting HPC designation on behalf of their CoC must complete and submit the registration forms, including the HPC specific forms, in *e-snaps* by the submission deadline. HUD will review the information submitted in response to the HPC questions and requirements and notify the CoC, through the Collaborative Applicant, of whether it is designated as a HPC prior to the final closing date of the annual CoC Program Registration process, and the Collaborative Application must acknowledge HUD's final decision in *e-snaps*.

B. For Further Information

HUD staff will be available to provide general clarification on the content of this Notice and the CoC Program requirements:

1. **Local HUD CPD Field Office.** For further guidance on the registration submission requirements, including the FY Grant Inventory Worksheet (GIW), and the requirements imposed under the McKinney-Vento Homeless Assistance Act (the Act) and 24 CFR part 578, Collaborative Applicants may contact the HUD CPD field office serving your area at www.hudexchange.info/programs/cpd-field-office-directory/.
2. **Training and Resources.** Collaborative Applicants that need assistance completing the registration process in *e-snaps* or understanding the program requirements under the CoC Program may access 24 CFR part 578, training materials, and program resources at www.hudexchange.info/programs/coc/.
3. **HUD Exchange Ask A Question (AAQ).** Collaborative Applicants that require information and technical support concerning this Notice and the registration process in *e-snaps* may submit an electronic inquiry via the HUD Exchange *e-snaps* AAQ Help Desk at www.hudexchange.info/get-assistance. The AAQ is accessible 24 hours daily; however, responses are usually provided between 8:00 a.m. and 5:00 p.m. Eastern time Monday through Friday, except weekends and federal holidays.

III. Completing the HPC Application Forms.

Collaborative Applicants requesting HPC designation for the CoC must complete the HPC application forms in CoC Program Registration and attach the required documentation as outlined below. HUD will assess all submitted responses, required documents, and information submitted in the Homelessness Data Exchange (HDX) to determine the CoC's eligibility for HPC designation. CoCs that meet all requirements, based on a pass or fail standard, will receive HPC designation for grants awarded in the FY CoC Program Competition for which the CoC is registering. This designation will allow the CoC, through the Collaborative Applicant, to submit project applications for homelessness prevention activities in that FY's CoC Program Competition (e.g., if the CoC is registering for the FY 2018 CoC Program Competition, the CoC may submit projects for homelessness prevention activities in the FY 2018 CoC Program Competition).

A. HPC Application Requirements.

Collaborative Applicants requesting HPC designation for the CoC will be required to provide the following information that HUD will score on a pass or fail basis.

1. **CoC Program Expenditures/Allocation Process.** CoCs requesting HPC designation must generate a report that demonstrates how the CoC expended CoC Program funds received in the preceding year. This report must be based on the FY CoC Program Competition award that precedes the FY CoC Program Registration by 2 years (e.g., FY 2016 CoC Program awards that precedes the FY 2018 CoC Program Registration process) using the FY Grant Inventory Worksheet (GIW) (e.g., FY 2017 GIW to record FY 2016 expenditures). For example, if applying during the FY 2018 CoC Program Registration process for HPC designation, the CoC would use the FY 2017 GIW that lists all projects

awarded 1-year renewal funding plus new projects awarded 1-year funding in the FY 2016 CoC Program Competition and add a column to address Section III.A.1.a. of this Notice. Additionally, Collaborative Applicants must provide a narrative describing the priorities established by the CoC for the FY CoC Program Competition funding process the GIW covers (e.g., based on the FY 2017 GIW). To pass this requirement, Collaborative Applicants must meet the following requirements. If information received during the public posting period is contrary to the information submitted by the CoC, this section will not pass:

- a.** attach the final FY GIW that lists all projects awarded funds and add a column that includes the amount of funds expended by each project during the previous grant term—HUD will update the HPC forms in *e-snaps* each year and will list the correct FY GIW to attach, HUD will review the added column of the amount of funds expended to determine if the projects listed are expending at least 95 percent or more of CoC Program funds to determine if this criteria is satisfactorily met; and
 - b.** describe the priorities the CoC established, communicated to local applicants, and used to determine which types of projects the CoC submitted to HUD in the FY CoC Program Competition, HUD will review the submitted information to determine if the CoC has established priorities for determining what types of projects are submitted in the FY CoC Program Competition and whether it is clear this information was communicated to applicants.
- 2.** *Plan for the Next FY CoC Program Funds.* Collaborative Applicants must describe how the CoC intends to use a HUD-approved HPC designation during the FY CoC Program Competition. To pass this requirement, the narrative must describe the following plans, which must be satisfactory to HUD in order to pass this requirement:
 - a.** if the CoC intends to use any of the FY CoC Program Competition available funding, through renewal or new projects, to carry out homelessness prevention activities related to housing relocation and stabilization services as well as short- or medium-term rental assistance to individuals and families at risk of homelessness in accordance with 24 CFR 576.103 and 576.104, the description of the plan must include how the CoC will continue to provide housing and services to persons experiencing homelessness as it is proposing to use a portion of CoC Program funds for homeless prevention activities under this section;

- b. how the CoC will determine the need for housing relocation and stabilization services in addition to short- or medium-term rental assistance for persons at risk of homelessness, the description must include the proposed percentage of CoC Program funds anticipated for homeless prevention activities that should be based on an analysis of the CoC's centralized or coordinated assessment system calls or in-person requests for homeless prevention assistance;
 - c. how the CoC will prevent individuals and families served by projects serving individuals and families at risk of homelessness from becoming "homeless" as defined under 24 CFR 578.3, the description must include how CoC Program funds will be used for homelessness prevention and the CoC's plan to ensure these activities will help individuals and families at risk of homelessness to maintain their current housing or quickly obtain and maintain other permanent housing; and
 - d. which types of projects (e.g., transitional housing, supportive services only) the CoC intends to reduce or eliminate using the reallocation process to create one or more new projects under HPC designation, the description should identify the types of projects it intends to reduce or eliminate that includes the rationale used to make this decision.
3. *Mean Length of Homelessness.* Collaborative Applicants must demonstrate at least one of the following:
- a. the mean length of episodes of homelessness for individuals and families within the CoC's geographic area for the most recent federal fiscal year reported in HDX is fewer than 20 days; or
 - b. the mean length of episodes of homelessness for individuals and families in the CoC's geographic area is at least 10 percent lower for the most recent federal fiscal year reported in HDX than for the previous federal fiscal year.

The following standards must be used when calculating the mean length of homelessness for each federal fiscal year:

- (1) a federal fiscal year is October 1 through September 30;
- (2) the calculation must include each individual and each person in a family who was reported in HMIS as unsheltered or sleeping in an emergency shelter bed, transitional housing bed, or safe haven bed during the federal fiscal year. For this calculation, "unsheltered" means the person was unsheltered as reported in HMIS data elements 3.917A and 3.917B as described in [HMIS Data Standards: HMIS Data Dictionary](#);
- (3) for each person included in the calculation, the collaborative applicant must calculate the total number of days the person was reported in HMIS as unsheltered or sleeping in an emergency shelter, safe haven, or transitional housing during:

- (a) the 365-day period ending on the last date during the federal fiscal year that the person was reported in HMIS as unsheltered or sleeping in an emergency shelter, transitional housing, or safe haven; and
 - (b) if the person was homeless before that 365-day period, the period of consecutive days leading up to that 365-day period that the person was reported in HMIS as unsheltered or sleeping in an emergency shelter, safe haven, or transitional housing.
- (4) by adding the totals calculated under paragraph (3), the collaborative applicant must calculate the combined number of days that all persons included in the calculation were reported in HMIS as unsheltered or sleeping in an emergency shelter, safe haven, or transitional housing; and
 - (5) by dividing the combined number of days calculated under paragraph (4) by the number of persons included in the calculation, the collaborative applicant must calculate the mean length of homelessness for the federal fiscal year.

Refer to *System Performance Measures Programming Specifications* at www.hudexchange.info for information on using HMIS data to calculate the data for the measure.

4. *Rate of People Returning to Homelessness within 2 years.* Collaborative Applicants must demonstrate the CoC meets one of the following:
- a. the rate of individuals and families returning to homelessness within 2 years was fewer than 5 percent for individuals and families who exited homeless projects during the third-to-last federal fiscal year (e.g., FY 2015 for FY 2018 HPC applications); or
 - b. the rate of individuals and families returning to homelessness within 2 years was at least 20 percent lower for individuals and families who exited homeless projects during the third-to-last federal fiscal year (e.g., FY 2015 for FY 2018 HPC applications) than for individuals and families who exited homeless projects during the previous federal fiscal year (e.g., FY 2014 for FY 2018 HPC applications).

Collaborative Applicants must use the following standards to calculate the rate of individuals and families returning to homelessness within 2 years for those who exited homeless programs during each federal fiscal year:

- (1) To determine how many individuals and families exited homeless projects during the federal fiscal year, the Collaborative Applicant must use its HMIS data to determine how many homeless individuals and families exited emergency shelter, safe havens, or transitional housing for a permanent housing destination during the federal fiscal year, including

destinations recorded in field 10, 11, and 19-23 of Universal Data Element 3.12 Destinations as described in *HMIS Data Standards: HMIS Data Dictionary*.

- (2) To calculate the rate of individuals and families returning to homelessness within 2 years, the Collaborative Applicant must use its HMIS data to calculate the percentage of individuals and families in paragraph (1) who had a subsequent experience of homelessness (return to homelessness) in the 24 months following their exit.
 5. *HMIS Coverage.* Collaborative Applicants must demonstrate the CoC's bed coverage rate and service volume coverage is at least 80 percent for emergency shelters, transitional housing, and permanent supportive housing for the previous 4 fiscal years which will be listed on the HPC forms in *e-snaps* each year (e.g., for the FY 2018 CoC Program Registration process this will cover FYs 2014, 2015, 2016, and 2017) to the extent these types of projects exist within the CoC's geographic area. The data the Collaborative Applicant submits must match the data the CoC provided on the Housing Inventory Count (HIC) and must match data submitted to the HDX.
 - a. For purposes of a CoC's bed coverage rate, this is calculated by dividing the total number of year-round beds reporting in HMIS by the total number of beds for each type of project located in the CoC's geographic area, after excluding beds in domestic violence programs.
 - b. For purposes of the service volume coverage, divide the total number of persons served in CoC and ESG Program-funded projects who received at least one service by the total number of persons served in those projects.
 6. *Serving Families and Youth as Defined in Paragraph 3 of Homeless Definition.* If HUD approved a CoC in a prior fiscal year's CoC Program Competition to serve families and youth defined as homeless under other federal statutes as defined in paragraph (3) of the CoC Program definition of homeless at 24 CFR 578.3, the Collaborative Applicant must meet one of the following standards as recorded in the CoC's HMIS and reported through the system performance measures in the HDX, with respect to those families and youth:
 - a. 95 percent of the families and youth did not become homeless again within a 2-year period following termination of assistance; or
 - b. 85 percent of the families and youth achieved independent living in permanent housing for at least 2 years following termination of assistance.
- Note:** CoC Program funds may be used to serve families and youth who meet paragraph (3) of the "homeless" definition in 24 CFR 578.3 only if the CoC applies and receives HUD's written approval to serve this population as provided in 24 CFR 578.89.
7. *Community Action.* Collaborative Applicants must demonstrate that all metropolitan cities and counties within the CoC's geographic area have comprehensive outreach, which includes specific steps for identifying homeless individuals and families, and

providing referrals to the appropriate housing and services. To pass this requirement, Collaborative Applicants must:

- a.** attach evidence of a clear process the CoC established to comprehensively address the outreach, engagement, and assessment plan in place;
- b.** demonstrate in the narrative the CoC's outreach efforts to identify and meet the needs of homeless individuals and families sleeping in places not meant for human habitation by addressing each of the following:
 - (1)** demonstrate that 100 percent of the CoC's claimed geographic area is covered by street outreach that meet with homeless individuals and families where they are sleeping;
 - (2)** identify community partners that conduct street outreach and the specific areas that are covered;
 - (3)** identify how and when training for street outreach is conducted (at least one training date must have been within the past year);
 - (4)** include the date of the last training; and
 - (5)** attach the CoC's street outreach plan that specifically outlines the policies and procedures described in the narrative.
- c.** demonstrate in the narrative evidence the CoC's outreach, engagement, and assessment strategies are linking homeless individuals and families with needed housing resources by addressing the following:
 - (1)** demonstrate the number of individuals who enter emergency shelter, safe havens, transitional housing, and permanent housing projects (permanent supportive housing and rapid rehousing) from places not meant for human habitation is higher than the unduplicated number of unsheltered individuals and families identified in the previous year's Point-in-Time (PIT) count;

- (2) compare the number of unsheltered homeless persons counted during the previous year's PIT count and data from HMIS, specifically *Universal Data Element 3.9-Residence Prior to Program Entry*, for all participants who entered emergency shelter, safe havens, transitional housing, and permanent housing (permanent supportive housing and rapid rehousing) projects in the previous FY CoC Program Competition; and
- (3) demonstrate the number of program participants who entered the projects listed in paragraphs (1) and (2) is higher than the unduplicated number of unsheltered persons counted in the previous year.

HUD will confirm the information the CoC provided in the HPC application with the data the CoC submitted to HUD via the HDX and Annual Performance Report (APRs).

8. *Renewing HPC Status.*

- a. If HUD designated a CoC an HPC in the previous federal fiscal year and the CoC used CoC Program funds for HPC-eligible activities described in 24 CFR 578.71, the CoC must also demonstrate that the activities carried out were successful at reducing the number of individuals and families who become homeless in the community. To determine if the use of CoC Program funds was successful by the CoC, HUD will review the information the CoC submitted in the HDX that tracks the number of persons who are homeless for the first time for which the CoC must continue to show a decrease as outlined in *Measure 5: Number of Persons who Become Homeless for the First Time*. Additionally, the most recently reported PIT count must show a reduction in the total number of homeless persons identified in the PIT compared to the previous year's PIT count (e.g., HPCs reapplying in 2018 would compare their 2018 PIT count to their 2017 PIT count).
- b. If after review of the information, HUD determines the HPC-designated CoC was not successful at reducing the number of individuals and families who become homeless and the number of homeless persons increased in the PIT count, HUD will notify the CoC in writing, through the Collaborative Applicant, that HUD is removing the CoC's HPC designation for the affected FY CoC Program Competition. In such cases, HUD would prohibit the CoC and its CoC Program-funded projects from using CoC Program funds for homelessness prevention activities.

B. Required Attachments.

1. FY-designated GIW posted to the HUD Exchange (e.g., for the FY 2018 CoC Program Registration process this will be the FY 2017 GIW) (Section III.A.1.a. of this Notice); and
2. CoC's Outreach Policies and Procedures (Section III.A.7.a. of this Notice).

C. HPC Comment Period.

Following the HPC application submission deadline, HUD will publish the HPC information submitted by each CoC that requests HPC designation on the HUD Exchange website for public comment as required by 24 CFR 578.67. HUD will issue a listserv to the national CoC, HMIS, an ESG contacts registered with the HUD Exchange to receive email messages alerting all stakeholders that the HPC information is available for review.

1. Stakeholders in the affected CoC geographic area who believe the information the CoC submitted is inaccurate or fraudulent should submit comments to HUD within 7 days of HUD's publication of the HPC information and include:
 - a. evidence supporting the comments that information submitted by the CoC is inaccurate or fraudulent;
 - b. clear identification of the CoC number and name (e.g., AB-500); and
 - c. a PDF copy of the CoC's completed HPC information, including a listing of claimed geographic codes covered by the CoC.
2. Comments must be submitted to HPCComments@hud.gov no later than 11:59:59 p.m. Eastern time on the date posted to the HUD Exchange website and announced via the HUD listserv. HUD will not consider any email comments received after the 11:59:59 p.m. Eastern time deadline on the date posted by HUD during review of a CoC's HPC designation request. At the conclusion of the comment period, HUD will compile all timely comments received and email the comments to the Primary and Secondary Contacts designated for the Collaborative Applicant by the CoC in the CoC Applicant Profile in *e-snaps*. Therefore, it is imperative that Collaborative Applicants and CoCs ensure the Primary and Secondary Contact information is accurate.
3. The Collaborative Applicant will have five business days to provide any information to HUD in response to the comments. Collaborative Applicants must submit all CoC-level responses to HPCComments@hud.gov no later than 11:59:59 p.m. Eastern time on the date that will be posted to the HUD Exchange website and announced via the HUD listserv. HUD may consider information from the Collaborative Applicant after the designated due date for the following extenuating circumstance: the primary and secondary contact person for the Collaborative Applicant can provide evidence they did not receive a copy of the public comments from HUD.
4. HUD will consider comments submitted by stakeholders when determining whether the CoC met the criteria for HPC. HUD reserves the right to fail a CoC on any of the application criteria described in this section of the Notice if evidence submitted by public comment or in HUD records does not match the information submitted by the CoC in the application to be designated an HPC. Additionally, HUD will consider the information the Collaborative Applicant submitted on the HPC application forms, including required attachments, in conjunction with the CoC's PIT counts, submissions for the Annual Homeless Assessment Report (AHAR), Housing Inventory Count (HIC), and projects' APRs to determine if any information conflicts with the HPC application. If there is a conflict, HUD will use its discretion to determine whether to designate the CoC as an HPC.

VI. Information and Assistance.

HUD Exchange Website.

The HUD Exchange website has numerous resources available to help Collaborative Applicants successfully complete the annual CoC Program Registration process, prepare for application submission, and understand CoC Program requirements. All *Federal Register* publications, user guides, and other resources related to the CoC Program Registration process, CoC Program Competition, and the CoC Program can be obtained from the HUD Exchange website. Collaborative Applicants and persons who will complete the registration process should reference the materials located on the HUD Exchange website to ensure accuracy and completeness of the information provided.