

## FY 2025 CoC NOFO Overview Webinar FAQ

### **Q: Will YHDP RRH and Joint TH-RRH be included in the 30% PH Funding CAP?**

#### **Response:**

The San Diego CoC will not be including any RRH or Joint-TH-RRH as part of the 30% PH Funding Cap. At this time, the San Diego CoC is prioritizing PSH projects to meet the 30% PH Funding Cap. Funds currently associated with a YHDP RRH or YHDP Joint-TH-RRH grant will:

1. Need to be reallocated to create a new eligible project type
2. Reallocated funds will be restricted to serving youth aged 24 or younger.

### **Q: Is RRH categorized as permanent housing or transitional? Could the categorization change strategically depending on funding?**

#### **Response:**

**Rapid Rehousing (RRH)** is permanent housing that provides short-term (up to three months) and medium-term (4-24 months) tenant-based rental assistance and supportive services to households experiencing homelessness.

All RRH projects funded under the Continuum of Care (CoC) program must adhere to the **federal regulations** outlined in their initial project application. **Any changes** to the original application or contractual obligations must be approved by HUD. In the FY2025 CoC NOFO, HUD provides specific guidance to renewal applicants interested in submitting a transition grant.

A **Transition Grant** is an application to fund a new CoC project through the reallocation process to transition an eligible CoC renewal project from one program component to another eligible component over a 1-year period. Cannot be a current YHDP or DV project.

**Recommendation for Changing Program Focus:** If an existing RRH grant wishes to transition to a **Transitional Housing (TH) only** service model, the recommended path is to **submit a new application** for a TH project. This new application should align with the current priorities and budget requirements of the **FY 2025 NOFO** to ensure effective service delivery and program outcomes.

### **Q: Could you give some context to the "40 hours per week of customized services criteria and how it works for staff with a caseload of 10 or more participants?"**

#### **Response:**

The 40 hours of customized services per week is a rating factor that applies only to new TH projects. This includes providing case management, employment training, substance use treatment, etc. This requirement may be reduced proportionately for participants who are employed. The 40 hours per week does not apply to participants over age 62 or who have a physical disability/impairment or a developmental disability (not including substance use disorder).

HUD does not provide more guidance on this rating factor. RTFH will provide project applicants with a template that will help meet this criterion.

It can be interpreted that HUD does not mean a staff person must work with each participant for 40 hours a week, but if a participant is not employed, they must be actively working on customized service activities for at least 40 hours of their week. For many TH programs, they may refer to this as “productivity hours”.

**Q: Will the immigration status requirement be required for all programs? I was understanding that there were exceptions made for shelter, outreach, etc.**

**Response:** Under the FY2025 CoC NOFO, Verification of Immigration Status is listed under the Policy Initiative Preference Points section of the NOFO, which is optional (CoCs do not need to address this policy initiative to receive an award). To receive 4 bonus points on the CoC application, all CoC projects that are non-profit charitable organizations would have to voluntarily verify immigration status.

However, under the Post Award Requirements section of the FY2025 CoC NOFO, HUD expects recipients to comply with Immigration Requirements (8 U.S.C. 1601-1646; [Executive Order 14218](#)). Current federal statutes reference the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

**Q: Do you anticipate being able to release the local rating tool for applicants to review before the 12/15 local project application due date?**

Without access to the project application in e-snaps, we cannot definitely confirm when a local rating tool may be issued. Due to significant restructuring requirements, the CoC retains discretion (see updated [CoC Reallocation Protocols](#)) to reallocate funding in whole or in part to align with federal priorities, newly eligible project types, or other directives outlined by HUD. The CoC may, at its sole discretion, initiate strategic reallocations to ensure compliance and competitiveness in the national CoC Competition.

**Q: Is it possible to receive a copy of the CoC NOFO Overview Webinar presentation?**

**Response:** Yes. The slides have been posted on the RTFH's [NOFO](#) page.

**Q: Is there a funding matrix that shows the current funding composition for the entire system of care? If so, can you share?**

**Response:** RTFH does not have a funding report of all homeless dedicated projects that serve the entire system of care within the San Diego Region. However, the most current Grant Inventory Worksheet under the Continuum of Care Program that has been finalized can be found on the RTFH's [NOFO](#) page. The CoC Grant Inventory Worksheet (GIW) is a tool used by the U.S. Department of Housing and Urban Development (HUD) to document all eligible renewal projects within a Continuum of Care (CoC) for a specific funding cycle. It contains crucial details about each project, such as its grant number, operating year, and budget information, which HUD uses to calculate the CoC's total annual renewal funding demand.

**Q: Is RTFH abandoning housing first?**

**Response:** As the designated Collaborative Applicant for the CoC program, it is the responsibility of the Collaborative Applicant to present a strong, competitive application that aligns with HUD priorities and adheres to guidelines as outlined in the CoC NOFO to bring vital homeless dedicated resources to the San Diego Region. Under the FY 2025 NOFO, HUD is not mandating a Housing First Approach.

**Q: I don't understand this 30% PSH Funding cap... Does this mean fewer projects? Or the same number of projects that have 30% of their funding? Or some combination?**

**Response:**

Hypothetical scenario:

If the San Diego CoC had an Annual Renewal Demand (ARD) of \$100,000, as listed in the confirmed 2025 Grant Inventory Worksheet. Only 30% of the funding budget can fund Permanent Housing Projects. If San Diego's current ARD budget consists of 90% PH projects, then only 30% of that PH project budget can be submitted under the Collaborative Application. In this scenario, the San Diego CoC could only apply for \$30,000 to fund any of the following PH components: RRH, PSH, and Joint TH-RRH (Renewal projects only). This means the CoC will be required to reallocate the remaining 60% of the ARD budget that funded PH projects to fund another eligible project type. HUD will not accept any funding requests for PH projects that exceed the 30% ARD funding amount.

**Q: Is there data on what amount of HUD CoC funding that is recaptured annually, by project type, available?**

**Response:**

RTFH cannot answer this question. This question needs to be directed to HUD. Community members can submit a comment or question to HUD via their contact [forms](#) located on the HUD Exchange website.

**Q: Have all grant recipients (both for new and renewal projects) from the FY 2024 funding competition officially received their final grant agreements?**

**Response:**

Current CoC recipients who have not yet received their FY 2024 grant agreement should contact their HUD field liaison immediately for a status update.

**Q: Are "scattered-site" TH programs acceptable?**

**Response:**

Yes, scattered sites are an acceptable housing type under the Transitional Housing program component. However, choosing the most appropriate housing type is a critical consideration for ensuring effective service

**Q: What period of time will be measured for local scoring?**

**Response:**

Before the release of the FY 2025 CoC NOFO, APRs were pulled for all renewal grants (excluding some LTOYs) for the following reporting period: May 01, 2024 - April 30, 2025.

**Q: What does the DV Reallocation process look like under the FY2025 CoC NOFO?**

**Response:**

The following restrictions apply to the DV Reallocation process:

- (a) DV Renewal projects that have an SSO-CE component cannot be reallocated.
- (b) Reallocated DV Renewal funding cannot be used to expand a CoC or YHDP Renewal grant.
- (c) DV Renewal projects cannot be reallocated to create new non-DV CoC projects.

**Q: Can an existing non-CoC funded project apply for CoC funds to replace an existing funding source?**

**Response:**

**Under 24 CFR 578.7 (a)**

***578.87 Limitation on use of funds.***

- (a) ***Maintenance of effort.*** No assistance provided under this part (or any State or local government funds used to supplement this assistance) may be used to replace State or local funds previously used, or designated for use, to assist homeless persons.

An existing non-CoC funded project may apply for federal funds under the CoC program to supplement its existing program (Use federal funds to enhance existing state or local funds for program activities). A new CoC project applicant would need to submit a new project application for an eligible project type for eligible costs.

**Eligible Costs.**

Except as otherwise stated in the FY 2025 CoC NOFO, 24 CFR 578.37 through 578.63 identifies the eligible costs that applicants may request under the CoC Program.

**Q: Are faith-based organizations eligible recipients and sub-recipients of the CoC and ESG Programs?**

**Response:**

Yes, religious or faith-based organizations may be CoC- and ESG-funded. Neither the federal government, state or local government receiving funds under the CoC or ESG programs may discriminate against an organization on the basis of the organization's religious character or affiliation.

Faith-based organizations receiving funding through the CoC or ESG programs may use such funds without impairing their independence, autonomy, expression of religious beliefs, or religious character. **Such an organization may continue to carry out its mission, including definition, development, practice, and expression of religious belief, so long as it does not use direct program funds to support or engage in explicitly religious activities such as worship, religious instruction, or proselytization.**

Any religious organization that receives CoC or ESG Program funds as a recipient or subrecipient:

- Retains its independence from federal, state, and local governments
- May continue to carry out its mission
- May use space in its facility to provide CoC or ESG Program-funded services without removing religious art or symbols
- Retains authority over its internal governance
- May retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statement and other governing documents

**Q: What standard is used to determine whether project costs are reasonable?**

**Response:**

All project costs must meet the cost reasonableness standard in 2 CFR 200.404. A cost is considered reasonable if it does not exceed what a prudent person would incur under similar circumstances at the time the decision was made.

HUD considers whether:

- The cost is ordinary and necessary for program operations or grant performance;
- The cost aligns with sound business practices and applicable federal, state, and local regulations;
- The cost reflects market prices for comparable goods or services in the geographic area;
- Decisions were made prudently with responsibility to the public and the federal government; and
- The cost is consistent with the recipient's written policies and comparable to costs supported by other funding sources.

**Q: Is there a per-participant cost cap for TH, SSO–Standalone, or SSO Outreach projects?**

**Response:**

No. The NOFO does not establish fixed per-participant cost caps. Instead, projects are evaluated based on reasonableness, alignment with project design, and consistency with comparable models and local market conditions.

Applicants should be prepared to justify costs using available benchmarks and documentation.

**Q: What tools or benchmarks may be used to assess reasonable costs?**

Examples of tools that may support cost reasonableness include:

- Industry standards for case management staff-to-participant ratios by project type and population served;
- CSH Housing Quality Standards, which generally reference ratios of 1:15 to 1:25 depending on the population;
- HUD's review of staffing ratios in prior YHDP awards, including a minimum ratio of 1 case manager to 20 participants;
- Fair Market Rents (FMRs) for San Diego County;
- State and regional labor market wage data to support salary ranges.

These references are not requirements, but may help demonstrate prudent and reasonable budgeting.

**Q: Are all scoring points “all-or-nothing”?**

**Response:**

No. The scoring framework includes both all-or-nothing and graduated measures.

#### **Threshold Measures**

- Project eligibility criteria are scored on an all-or-nothing basis.
- Project quality criteria require meeting a minimum threshold (e.g., receiving 4 out of 5 possible points).

#### **Rating and Ranking Measures**

- Some criteria are graduated, awarding points across a range.
- Other criteria are all-or-nothing, depending on the requirement.

**Q:** Why does the FY 2025 scoring tool have fewer interim benchmarks than prior years?

**Response:**

In prior years, RTFH established specific interim benchmarks between “all-or-nothing” scoring criteria based on historical averages for performance, cost, and project design by project type. For the FY 2025 NOFO, the majority of available funding is targeted toward new or substantially revised project types, including:

- SSO Outreach
- SSO – Standalone
- Transitional Housing (TH)

Because these project types do not have sufficient historical performance or cost data within the CoC, RTFH is unable to establish interim benchmarks in advance.

Once all applications are received, RTFH will be better positioned to evaluate average costs and projected performance across these project types to inform rating and ranking decisions.

**Q: Are there project types or geographic preferences in the FY 2025 NOFO?**

**Response:**

Emergency Shelter is not an eligible project type under the FY 2025 CoC NOFO. Applicants should carefully review eligible project types and consider whether the proposed project:

- Fills a documented system need;
- Contributes to a balanced system of outreach, housing, and services; and
- Supports geographic distribution of resources across the CoC.

Given the anticipated system rebalancing and the concentration of funds in Tier 2, consideration of overall system impact will be part of rating and ranking.

**Q: What is the difference between match and leverage?**

**Response:**

**Match**

- Required minimum of 25% of awarded grant funds (excluding leasing).
- Must be cash or in-kind and used for CoC-eligible activities.
- Must be dedicated to the specific project.
- Must be documented and meet HUD requirements under 24 CFR 578.73.

**Leverage**

- Not required, but earns points.
- Includes resources beyond the required match.
- May support costs not eligible under the CoC Program.
- May include cash, goods, services, or other committed resources.

**Q: Are occupancy charges or rent required for Transitional Housing projects?**

**Response:**

No. Transitional Housing projects are not required to charge occupancy fees. If a project elects to charge occupancy fees, they may not exceed 30% of the household's adjusted monthly income, per 24 CFR 578.77. Participants receiving rental assistance must contribute toward rent based on income, also capped at 30%.

**Q: What is an indirect cost rate?**

**Response:** *There are 2 eligible indirect cost categories*

1) The Grant Administration line - which is capped at 10% and is used for costs associated specifically to this grant/project.

2) **Indirect cost rate.** These are those 'modified' direct costs that were included in any federal IDR negotiation, this does not "add" dollars to your budget, but can be used to draw down from line items if needed. Think of this as a way to recover some of the items in your MDCR that you do not have direct expenses to drawdown.

Note: this year the HUD 426 form (for declaring IDR or De Minimis 15%) is built into your Applicant Profile in E-Snaps as item 5.

**Q: Is the 10% administrative cost the same as the de minimis indirect cost?**

**Response:**

No, they are not the same. The [CoC Program Interim Rule](#) allows project applicants to request an amount up to 10% of other project grant line items for administrative costs. The 15% de minimis indirect cost rate may be used by any non-federal entity that has never received a negotiated indirect cost rate. This rate would be charged against modified total direct costs (MTDC). See [2 CFR 200.414\(f\)](#). MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, and travel. MTDC does not include equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, and participant support costs. See [2 CFR 200.68](#).

How do I document expenses for indirect costs when I use the 15% de minimis rate?

A non-federal entity that has never received a negotiated indirect cost rate and that uses the 15% de minimis rate does not need to provide proof of its indirect costs. The 15% de minimis rate was designed to reduce the burden for small non-federal entities.

**Q: What are the eligible project administration costs (578.59(a))?**

**Response:**

Under the Project Administration program component, CoC recipients and subrecipients may use these funds to support:

1. General management, oversight, and coordination ([§ 578.59\(a\)\(1\)](#))
2. Training on CoC requirements and attending HUD-sponsored CoC trainings ([§ 578.59\(a\)\(2\)](#))

**Note:** Recipients no longer need permission from HUD to spend CoC Program funds on conference attendance if the conferences includes a HUD or TA speaker assigned by HUD.

3. Carrying out environmental reviews ([§ 578.59\(a\)\(3\)](#))

**Note:** An environmental review must be conducted for all projects prior to CoC program funds being committed.

**Q: What are ineligible direct grant administration costs?**

**Response:**

Ineligible project administration costs include staff and overhead costs directly related to carrying out other eligible activities under the CoC Program ([§ 578.43 – 578.57](#)) (e.g., Leasing, Rental Assistance, Supportive Services) should be charged to those budget line items.

**Example:** Costs related to administering rental assistance such as calculating participant rent share or conducting housing quality inspections should be charged to the rental assistance budget line item rather than to project administration.

## Cost Limited and Sharing Requirements

**Q: Are there limits to how much can be approved for CoC project administrative costs?**

**Response:**

Up to 10 percent of any CoC project grant may be used for project administration, excluding planning grants or Unified Funding Agency (UFA) costs. Please note: NOFA requirements may further limit the allowable admin amount.

**Q: What are administrative cost sharing requirements? ([§ 578.59\(b\)](#))**

**Response:**

Recipients who **are not** UFAs must share at least 50 percent of project administrative funds with their subrecipients. HUD does not mandate how the funds are distributed. Recipients may share all the funds with one subrecipient, or share them among multiple subrecipients.

**Q: What are direct and indirect costs**

**Response:**

All costs can be classified as either 'direct' or 'indirect,' and the cost type governs how they are allocated. The following are examples of direct and indirect costs:

**Direct costs** are those that can be specifically identified with a particular award or activity relatively easily with a high degree of accuracy. Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of federal awards.

- Examples of direct costs are:
  - Salary and benefits paid to a case manager
  - Rental assistance checks paid directly to a landlord
  - Mileage reimbursements for staff making home visits

**Indirect costs** are those that have been incurred for 'shared' or 'joint' objectives and cannot be readily identified with any particular activity. After direct costs have been determined and assigned directly to federal awards, or other work as appropriate, indirect costs are those that remain to be allocated.

- Typical examples of indirect costs include:
  - Office rent, utility, insurance, maintenance, and other expenditures related to shared space
  - Administrative and executive team functions that support multiple program areas
  - Purchases, transportation, and staff expenses that benefit multiple program areas

Due to the diverse characteristics and accounting practices of non-profit organizations, it is not possible to specify the types of cost that may be classified as indirect cost in all situations. However, a cost may not be allocated as an indirect cost if any similar costs have been assigned as a direct cost.

State/local governments' indirect costs are normally charged to federal awards by the use of an approved indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under federal awards. – **EXCEPT** under the CoC if an organization declares the De-Minimis Rate they must use it for all Federal contracts.