

**Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (The HEARTH Act):
Big Changes on the Forefront**

Administration and Coordination: CoC Process

Issue	What's Changed?	RSC Position	Key Concerns
Funding Competition	<p>The form and procedure of the funding competition have been codified in the legislation.</p> <p>The legislation includes the following timeline requirements:</p> <ul style="list-style-type: none"> ▪ The NOFA must be released within 3 months of when Congress passes an appropriations bill including HUD's fiscal year appropriations. ▪ The award announcements must be made within 6 months of the submission deadline for the first two years after HEARTH is implemented, and within 5 months after that. ▪ The HUD Secretary is required to establish a timely grant award appeals process. 	<p>Previously, RSC has expressed reservations about including this level of information in the legislation when it might be more appropriate as program regulations.</p>	
Selection Criteria	<p>The selection criteria are now codified in the legislation whereas, previously, most criteria appeared in the NOFA on an annual basis. Selection criteria include:</p> <ul style="list-style-type: none"> ▪ Previous performance with respect to project outcomes, including length of homelessness, job and income growth, and other goals. ▪ The quality of the community's plan, including all strategies to address homelessness, serving subpopulations, securing funding for planned activities, and other related activities. 	<p>See above: these components of the legislation might be more appropriate as program regulations.</p>	

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Selection Criteria	<ul style="list-style-type: none"> ▪ The methodology of the Review and Rank process and priority setting process. ▪ Leverage of additional resources ▪ Coordination with other Federal, State, local, private, and other entities. ▪ Other factors deemed appropriate by HUD. 		
Continuum of Care Structure – Collaborative Applicant	<p>The “Collaborative Applicant” is the entity within a community that submits a joint application on behalf of all of the applicants for funding in the community. A Collaborative Applicant is not required to be a legal entity.</p> <p>The duties of a Collaborative Applicant include:</p> <ul style="list-style-type: none"> ▪ Designing a collaborative process to apply for funding, evaluate outcomes, determine compliance and establish funding priorities. ▪ Participating in the Consolidated Plan. ▪ Ensuring participation in HMIS. <p>A Collaborative Applicant can receive up to 3% of a community’s Continuum of Care grant to cover the administrative costs of performing these duties.</p>	<p>The RSC has supported provisions that allow a CoC to take on additional administrative and/or financial management roles on an optional basis and it is useful that funding is made available to support those activities.</p> <p>However, CoCs should not have to choose between funding direct services and supporting their CoC. Additional funding must be made available if a CoC is to be paid for administrative costs.</p>	

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Unified Funding Agencies	<p>A Collaborative Applicant can serve as a Unified Funding Agency that, in addition to performing the duties of the Collaborative Applicant, also receives and distributes funds to project sponsors.</p> <p>A Collaborative Applicant can choose to serve as a Unified Funding Agency and the HUD Secretary reserves the right to designate Unified Funding Agencies.</p> <p>In addition to the standard Collaborative Applicant duties, a Collaborative Applicant that is either selected or designated as a Unified Funding Agency must:</p> <ul style="list-style-type: none"> ▪ Require each project sponsor to establish proper fiscal control and fund accounting procedures. ▪ Arrange for an annual survey, audit, or evaluation of the financial records of each project. <p>A Unified Funding Agency can receive up to 6% of a community's Continuum of Care grant to cover the administrative costs of performing these duties.</p>	See above: if a Unified Funding Agency is eligible to receive CoC funding, additional resources should be made available. Funds should not be diverted from direct services.	
High-Performing Communities	A Collaborative Applicant can apply to HUD to be considered a "High-Performing Community." Up to 10 communities can be designated per year. A designation lasts only one year but can be renewed.		

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High-Performing Communities	<p>Some of the criteria required for this designation include successful implementation of “proven strategies” that result in reductions in the length of homelessness, low recidivism rates, effectiveness at serving households that meet other Federal definitions of homelessness, etc.</p> <p>Communities designated as “High-Performing” can use as much of their funding as they would like for homelessness prevention and rapid re-housing services to households at risk of, or currently experiencing, homelessness.</p>		

Discussion Questions

- (1) Should there be minimum staffing and/or Board requirements for Collaborative Applicants to ensure the capacity to undertake these new requirements? Would your community be interested in serving as a Unified Funding Agency?
- (2) Is your community prepared to provide the information required for the funding competition, particularly with respect to programmatic outcomes?
- (3) How would your community benefit from designation as a “High-Performing” community? Are there other “proven strategies” that should be considered for this status?

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