2025 New Transitional/Interim Housing Project Request for Proposals Frequently Asked Questions

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General Proposal Information

1. What is the standard annual amount per person?
While there is no standard amount per person established for supportive services in Transitional Housing (TH) projects, CT BOS provides a standard rate of $9,500 for supportive services per household per year for new PSH and RRH projects. This helps to ensure sufficient case management capacity and avoids excessive costs. Projects proposing costs that differ from that amount, might consider including a justification.

2. What is the maximum number of individuals expected to be served through this funding?
There is currently no set maximum number of individuals expected to be served through this funding.

3. Please advise if there are any attachments required with the proposal submission.
A complete proposal package includes:

- cover sheet
- proposal (not to exceed 6 pages)
- budget using the template provided.

There are no additional attachments.

4. Please provide clarification regarding match requirements.
Applications must meet HUD's 25% match requirement (i.e., match must equal a minimum of 25 percent of the total grant request including administrative costs but excluding leasing costs.) The budget must indicate the amount and source of cash and/or in-kind match. For more information see the link above.

5. Would we need to focus on all CANs in which our agency operates or would one or two be acceptable?
There is no requirement for the number of CANs in which a proposed project must operate.

6. Where can I find fair market rent (FMR) rates for SROs?
To find FMRs for SROs, please contact your local housing authority.

Target Population and Program Design

7. Are there any additional criteria (beyond meeting the homelessness definition) for the target population to be served? For example, verified disability, certain length of homelessness.
While there are no additional required eligibility criteria for the target population, the priority target populations are those experiencing unsheltered homelessness, people aged 62 and older and people who require medical respite services.

8. Would a month-to-month lease/sublease that clearly indicates that this housing is intended to be of short duration be acceptable assuming it meets all housing related legal requirements?
Month-to-month leases are allowed. Program participants must have a lease, sublease or occupancy agreement that meets the following requirements:

- An initial term of at least one month
- Automatically renewable upon expiration, except by prior notice by either party
- A maximum term of 24 months

9. Just to clarify--shared housing (with each person having his/her own room) is acceptable.
Yes, HUD allows shared housing in TH. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.

10. Our thought is to begin engagement with a short (up to three week) hotel stay to provide rapid access and a period for initial stabilization. Is this an acceptable design and could we use an occupancy agreement during this period.
Use of a hotel stay to begin engagement is allowable, and HUD requires TH participants to have a lease, sublease, or occupancy agreement; however, the initial term must be at least one month (see #6). In addition, the project must use an allowable method for paying for hotel costs (see #16).

11. Are there any guidelines for participants with income regarding payment toward occupancy?
Per CT BOS Policies, TH projects may not charge occupancy fees; however, those policies were developed in a different context, for projects that do not use the rental assistance budget line item, and are subject to reconsideration. Applicants are encouraged to propose alternative models. Per HUD requirements, TH program participants receiving rental assistance are required to pay rent. Rent charges must follow the requirements described here. When rental assistance is not provided, a participant contribution to rent is not required by HUD. Any occupancy fees are considered program income and must be spent on eligible program costs during the operating year in which they are received.

12. While most participants would be expected to transition to regular rental units, would transition to a specialized housing option such as a residential care home or other supported living environment be considered a positive outcome?
CT BOS evaluates TH projects, in part, based on the percent of leavers who exit to Permanent Housing. Leavers who are deceased or who exit to seek safety or to a foster care/group home placement, a hospital, long-term care/nursing home, or substance abuse treatment are excluded from the calculation. Supported living environments that are not time-limited would generally be considered permanent housing, unless HUD indicates otherwise.

13. Can you define what Medically Fragile means?
Medically fragile means requiring frequent skilled nursing interventions. If these medically necessary interventions are interrupted or denied, the individual may experience irreversible damage or death. Examples of such interventions for medically fragile individuals include: triage; infectious disease screening and management; IV therapies; wound care; dispensing medications; acute illness assessment; facilitating safe discharge from inpatient care; and palliative care.

14. Once enrolled in transitional housing, do participants retain their homeless status allowing them to qualify for programs like rapid rehousing (RRH) when they move to permanent housing?
People residing in CoC-funded transitional housing are considered by HUD to be literally homeless (i.e., Category 1). Under current HUD guidelines, people exiting TH are eligible to enter RRH but not permanent supportive housing (PSH) designated for people experiencing chronic or DedicatedPlus homelessness. Given the shifting federal landscape, this might change. CT BOS would anticipate changing local policies to accommodate the long-term housing needs of as many people exiting TH as possible, particularly those who are most vulnerable.

Housing Models and Leasing Arrangements

15. We own a property zoned as a boarding house. Could we use rental assistance (as opposed to operating costs/leasing) to use some rooms in this property to provide short term housing for participants?

Where an agency owns a building, PRA and SRA are allowable funding types.

- **Sponsor-based rental assistance (SRA):** Provided through contracts between the HUD CoC grant recipient and a sponsor organization. A sponsor may be a private non-profit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- **Project-based rental assistance (PRA)**: Provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.

We are unable to provide guidance regarding local zoning requirements.

16. If we were to enter a master lease arrangement for a property to be dedicated to this program, we assume costs would fall under the leasing section of the budget. Is that correct?
Yes, the leasing costs in that scenario would be charged to the leasing category of the budget. If you are leasing a property, as opposed to individual units, then use the leased structure line item.

17. If we use leasing funding under a master lease we assume monthly payment (limited by FMR) can be used to cover the costs of our payments to the property owner plus items like utilities, damages that are our responsibility, furnishing we supply, legal fees etc. Is that correct?
Allowable Leasing costs include: monthly rent, security deposits (up to 2 months), first and last months rent (up to one month each, allowed as an advanced payment), staff or related costs to carry out leasing activities, including conducting Housing Quality Standards (HQS) paying landlords, etc., and payments on unoccupied units while identifying a new program participant. If electricity, gas, and water are included in the rent, they may be paid from leasing funds; otherwise, they are Operating costs. Maintenance, repairs, and furnishings are also allowable costs under Operating, not Leasing. Legal fees may be allowable under the Project Administration or Supportive Services budget line items depending on the situation. Damages are not an allowable leasing expense. See additional details here. When using the leasing budget line item rent must meet both FMR and rent reasonableness standards.

18. Under a master lease agreement, we assume we would provide the participant with a sublease agreement. Can we ask the participant to contribute a portion of income toward the cost? If so, how would that cost sharing impact the amount we budget for lease costs/month?
See #9. Occupancy fees are considered program income. As such, these funds must be reinvested in the project and spent on eligible TH program costs during the operating year in which they are received. HUD requires leasing projects to budget the full FMR for each leased unit.

19. How would security deposits be funded?
Security deposits are an eligible expense on the CoC rental assistance and leasing budget line items; however, HUD requires projects to budget leased units and rental assistance at 12 months of FMR per unit. Options for funding security deposits include: occupancy fees paid by participants, savings due to unit vacancies, and non-CoC funding sources. Leasing a structure rather than units might also be an option, as the security deposit can be included in the total budgeted leased structure line.

20. Can we include any required security deposit on a master lease as an operating cost?
No. Security deposits on a master lease is an allowable cost for the leasing budget line item.

21. At the bidders conference there was mention of collecting "rent" from participants where leasing funding is being used but then setting aside that money to be returned to the person when they transition to permanent housing. Can you confirm if this is allowable? If so, how (if at all) would this be reflected in the budget form?
This is allowable in the CoC program. Since there is no associated request of CoC funds, you would not need to show this on your budget form. The approach should be explained in Section 2 (program design) of your proposal.

Hotel and Temporary Use Scenarios

22. If we rent hotel rooms for participants during the initial engagement phase, where would that cost be shown on the budget?
Renting hotel rooms on a night-by-night basis is not an allowable cost for TH programs, except those located in Litchfield County. If an agency has a master lease for a portion of hotel space or for an entire hotel structure, that is allowable under the leasing budget line item provided rent is reasonable (see #13) in relation to rents being charged in the area for comparable space and rent is within Fair Market Rent limits. otel units that do not have both a private kitchen and bathroom use the SRO FMR. Projects located in Litchfield County **only** qualify for the rural budget line item, which includes short-term emergency lodging (i.e. housing in hotels/motels or shelters either by providing direct funding or through vouchers).

23. Can the cost of an additional hotel room for on-site staff at the hotel be included in the operating costs line of the Supportive Services section?
Nightly hotel rentals are likely not a cost-effective way to provide office space and may not meet federal cost principle requirements (i.e., costs must be necessary and reasonable). Reasonable staff office expenses located in leased or owned program facilities are eligible on the Supportive Services Budget Line Item under Operating Costs.

24. (a) If we use leasing funding to master lease rooms at a hotel but the cost exceeds the FMR for an efficiency unit can we use other non-(CoC) grant funds to pay for the difference

above the FMR amount? (b) If we can use non-(CoC) grant funds for this purpose could they count toward the match requirements?

(a) Yes, you can use a non-CoC funding source to pay leasing expenses above FMR limits.

(b) Since match must be spent on CoC-eligible program costs incurred during the grant term, and the portion of rent above FMR is an ineligible cost, funds spent on the portion of rent that exceeds FMR cannot be paid for with match funds.

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