

## YHDP Questions and Answers March 13, 2018

1. In the RFP itself, (page 4, top paragraph) it indicates that leasing costs do not need to be matched. In the answers posted yesterday, Q39, it indicates 25% match includes rental assistance. How are you differentiating leasing costs vs. rental assistance? Are you only referring to whatever assumptions we are making about the percentage of income the client may be reasonably expected to pay in RRH? If so, what would happen if the assumptions turn out to be incorrect and the need for additional rental assistance is beyond the 25% match?
  - A. Only crisis housing programs can apply for leasing costs (the distinction being that the program rather than program participant is leasing directly from landlord). YHDP rapid rehousing programs participants must lease directly from landlord and are eligible for rental assistance through the program. Each rapid rehousing program will have a specific amount of YHDP rental assistance designated for its program. Program staff will need to work with the fund administrator to ensure they do not overspend so there should not be an issue with having an insufficient 25% match.
  
2. In the application, under eligible services to request funds in and provide match for, it indicates Outreach. We have an existing homeless youth outreach team that already provides much of the services to the community that are indicated as being eligible under Support Services. Question 10(d) of the application, says “In cases where the proposed project is expanding an existing project, describe how the requested funds will supplement existing services and resources, and increase participants served.” Does that apply to match? I wanted to check and see if that same logic applies to existing youth-specific Outreach programs and existing youth-specific CAN Diversion staff? Provided they are conducting the eligible activities outlined in either Supportive Services, Rental Assistance, or Admin, are they eligible to be considered as match?
  - A. To clarify, the requirement for expanding capacity means that you cannot use YHDP funding to replace an existing funding source. For example, if you have an existing 3 bed crisis program for young adult individuals, you cannot apply for YHDP funding to pay for those existing 3 beds. However, you could use that entire existing 3 bed program as a 25% match, expanding the program by maybe 12 beds, creating a 15 bed program. However, the existing 3 bed program would now be considered a part of the YHDP crisis program and would be obligated to follow the YHDP requirements and would have to be for expenses that are eligible under the YHDP/CoC programs to meet 25% match requirement. Applicants should ensure their existing funder would allow them to use their program as match, given the new obligations.  
Based on the last part of your questions, it sounds as though you are asking if they would be a match under a YHDP RRH program, and it appears that would not work. Match activities/funding have to be a part of the scope of the YHDP program. As you can see from the description of the YHDP RRH programs, we did not envision an extensive outreach component to our rapid rehousing programs. Instead, we anticipate that YHDP RRH programs will accept participants for potential enrollment through the CAN referral process. If for the youth navigator program, you wanted to consider existing CAN intake/diversion staff as a match, folding them into the overall program, that could potentially work.

3. In Q31 you indicate that agencies can apply up to 10% of their approved indirect cost rate or NICRA rate. Is this for all line items? If so, is this 10% limit something specific to this RFP? HUD usually allows for a full approved indirect rate to be applied, at least according to our prior discussions with Housing Innovations.

A. The answer to question #31 on the March 1<sup>st</sup> FAQs was not meant to limit NICRAs to 10%. The 10% was in reference to the de minimum rate applicants can use if they do not have an existing NICRA. The indirect cost rate can be applied to all line items except the rental assistance line.

For additional information on indirect cost rates:

Section 578.63(b) of the CoC Program interim rule specifies that "indirect costs may be allocated to each eligible activity as provided in subpart D, as long as that allocation is consistent with an indirect cost rate proposal" developed in accordance with applicable OMB Circulars.

There are three regulations that cover cost principles applicable to Federal awards, each directed to a different audience. Although the cost principles for the Federal government, local governments, and for nonprofit organizations are similar, they are not identical.

Grantees and project sponsors should ensure they are using the appropriate OMB guidance and are compliant with local laws. These three regulations are as follows:

- 2 CFR Part 225 -- Cost Principles for State, Local, and Indian Tribal Governments (supersedes OMB Circular A-87)
- 2 CFR Part 230 -- Cost Principles for Nonprofit Organizations (supersedes OMB Circular A-122)
- 2 CFR Part 220 -- Cost Principles for Educational Institutions (supersedes OMB Circular A-21)

You should refer to the appropriate OMB circular to learn more about allocating indirect costs. It is also important to be aware of the specific limitations of administrative costs for the particular HUD program in question. If the new cost allocation conforms with these OMB circulars, it is acceptable for reimbursement.

If you would like a more general overview of indirect costs, please refer to this webinar: <https://www.hudexchange.info/trainings/courses/housing-counseling-webinar-understanding-indirect-cost-rates-and-cost-allocation-plans1/>

4. Relatedly, you ask for a copy of a NICRA rate letter, would you also expect a copy of a federally approved indirect cost rate?

A. We want a copy of the Negotiated Indirect Cost Rate Agreement.

5. Q21 you indicate that multiple CANs can apply for crisis housing funds. If that were approved, do you have an idea of how clients would be selected from by BNL? Would it combine both lists and take the highest need from the combined list?

A. If CANs wish to partner on a crisis housing project, they will need a system whereby they are serving the most vulnerable young adult from their shelter prioritization list(s).

6. Please clarify whether there are any limits (page, character or word limits) other than the 1,500 word limit for question 10.A.

- A. There are not any page limits, but we do request that applicants strive for brevity. The evaluation team will be reviewing numerous applications so applicants should ensure they are highlighting the most important points and not oversaturating their answers with unnecessary information.
7. Is it permissible to submit one application for Youth Navigators for two CAN regions?
- A. No. As stated in the RFP, “applicants wishing to serve more than one CAN, must submit separate applications per CAN, and should answer the question within the application regarding multi-jurisdictional applicants.” This applies to RRH and YN projects since we anticipate funding one contract per CAN for both program type
8. In the webinar and on the webinar slides, there is a “Data” chart indicating the approximate number of beds or clients who need crisis housing and/or RRH. It is not clear if this is a number of beds or units needed. Regardless of which category, is this number at any point in time vs. the number of beds or clients that are needed per calendar year?
- A. For RRH, it is the estimated number of units (assuming one bed per unit, but RRH could include shared units if youth wish to have a roommate). For crisis housing, it is the estimated number of beds. It is the number at a point in time.
9. Lastly, does this number include units/services already in place or the total needed that may include services already in place which we should then back out?
- A. The estimated numbers represent total need (without subtracting existing resources).
10. For RRH, as the overwhelming majority of the Rental Assistance actually goes to the 3<sup>rd</sup> party fiduciary, does an applicant include that Rental Assistance amount in their 7% Admin calculation (or established NICRA rate)?
- A. No, the rental assistance amount should not be included in the calculation for the 7% administrative expenses or the NICRA. As a reminder, the 7% admin expenses are for specific costs, and the indirect cost rates can cover administrative expenses that are not specified as eligible costs within the admin line item but that are associated with carrying out the eligible activities of your proposed YHDP program.
11. In the RFP on page 6, it speaks to DOH providing partial match totaling \$20,400 for MMW CAN --how would this work if there are 2 agencies applying for 2 different projects? How is it determined who gets what?
- A. We anticipate awarding one youth navigator project per CAN. The match funding will go to the awarded contractor selected through the YHDP review and selection process.
12. For agencies with an established NICRA rate, what line item should RRH applicants request this funding under? (Admin, Supportive Services, Rental Assistance)
- A. The NICRA rate can apply to any line item under the YHDP program except for the rental assistance one.
13. The way that HUD requests the rental assistance budget appears to drastically (and inaccurately) inflate the match requirement when compared to the CT-BOS policy around maximum allowable rental assistance.

- A. When computing the 25% match for YHDP rapid rehousing programs, applicants should not include the rental admin line item (these costs will be embedded within the rental assistance line item when we apply to HUD as well as security deposit costs). (Please note that the indirect cost rate and the 7% admin can still apply to the rental admin line item in this local application but not the rental assistance one). Even with embedding the rental admin and security deposit costs into the HUD budget, you still have a potential cushion of funding. Rapid rehousing budgets are difficult to predict because turnover may be higher than anticipated (paying more security deposits and higher first three months' rent than anticipated). It is also the case that programs may need to pay more than the CT BOS maximum allowable amount to avoid that young adult falling back into homelessness. Note that the CT BOS rapid rehousing group is in the process of revising the maximum allowable rental assistance framework. Programs should also work with the rental assistance administrator to ensure they are expending the funding, which might include slightly adding to your point-in-time client amount.