

Attachment F
HUD Guidance on Funding Reduction
HUD Homelessness Resource Exchange (HRE) Virtual Help Desk Response

From: do-not-reply@hudhre.info [mailto:do-not-reply@hudhre.info]
Sent: Thursday, December 20, 2012 5:28 PM
To: geoffrey@polisgroup.com
Subject: HRE Virtual Help Desk Response

Hello,

We have a response to the question you submitted on December 20, 2012.

Question:

In order to achieve the 3.5% reduction in PRN, our community has proposed reducing the funding of a number of grantees to achieve the necessary reduction. Does HUD have guidance on this approach? I would prefer to see citations to any prescriptive language so that I may document my responses to them.

Response:

CoCs may reduce each project's budget by 3.5% OR may rank certain projects lower on their priority listing so that if HUD can only fund 96.5% of the CoC's annual renewal demand, the Tier 2 projects may not get funded. However, if a project's budget is reduced by 3.5% and it turns out the HUD can fund 100% of the CoC's annual renewal demand, the 3.5% may not be added back into the projects' budgets. In other words, if a project's budget is reduced through this competition, then it cannot regain the amount by which it was reduced later.

Note that if a project in Tier 1 exceeds the CoC's Annual Renewal Demand amount as listed by HUD in Appendix A of the FY2012 CoC NOFA, the project will be listed as a Tier 2 project.

HUD recommends that you view the FY2012 Budget: Implications for CoC Program Competition Webcast that addresses the budget, ranking, and tier process. You can access the webcast and other resources from this page on the HRE: <http://www.hudhre.info/index.cfm?do=viewEsnapsIssuances>

Given the HUD Reform Act requirements and that the decision is ultimately in the hands of the CoC, the Department is unable to advise as to how to accommodate any reductions with the CoC's projects.

This question has now been closed. If you require further information or have a follow-up question, you may re-open this question. Go to the [HRE Virtual Help Desk](#), cut and paste your Confirmation Key, 464E985C9128BC718C5EBF598539E778, into the form, and press "Go." Next, add the additional information or follow-up question and select "re-open." **Do not reply to this message as it will not be received by the Help Desk.**

If you have a new question on a different topic, please go to the [HRE Virtual Help Desk](#) and select "Submit a New Question."

Sincerely,

The HRE Virtual Help Desk