

Example #2: A new SHP permanent housing project is proposed as the number one priority with eligible housing activities totaling \$350,000. The continuum has a preliminary pro rata need amount of \$300,000. If it passes threshold eligibility review, one hundred percent of the CoC's preliminary pro rata need (\$300,000) of the \$350,000 in eligible housing activity costs for this number one priority project will be added to the initial \$300,000 resulting in a final pro rata need amount for the continuum of \$600,000.

Example #3: A new Safe Haven permanent housing project is proposed as the number one priority with an SHP request for \$500,000. The project has a request for \$250,000 in acquisition and rehabilitation, and \$250,000 in supportive services. The pro rata need for this community is \$800,000. In this case, only the eligible housing activity costs (\$250,000) will be added to the pro rata need (\$800,000) to give a final pro rata need of \$1,050,000.

4. **Since the law calls for 30 percent of the appropriation for the homeless assistance funds to be used for permanent housing, should our community rank the permanent housing projects at the top of the Project Priorities chart to ensure they are funded?**

There is no mandate to adjust your priority list. However, non-permanent housing projects on your priority list may not receive funding if a lower ranked permanent housing project must be funded in order to comply with the statutory requirement.

N. Renewal Funding

1. What is a renewal grant?

A renewal grant is a grant that continues assistance to a project that received funding in the past. For the 2003 competition, a grantee may request renewal funding if it was previously funded under one of the following programs and its grant will expire in calendar year 2004. The following are eligible:

- a. SHP projects, including those renewed before, that are expiring in 2004;
- b. S+C projects expiring in 2004 that will have insufficient funds to continue operating throughout 2004, or S+C projects having been previously extended but which are projected to run out of funds in 2004.

2. Who can apply for a renewal?

Only the current grantee (the entity that has executed the grant agreement with HUD) can be an applicant for a renewal. In order to identify the current grantee as the applicant in this year's competition, a HUD-424 must be included as part of the application. If in doubt, please check with your local HUD field office. Please note that project sponsors and other entities that are not the grantee cannot apply for renewal. The law allows only the grantee to apply.

3. A current SHP grantee decides to add new activities or expand the level of an existing approved activity to its existing SHP funded project (i.e., expand the project) and submits an application requesting funding for these new activities. Would this be considered a renewal grant?

No. In order to be considered an SHP renewal, a project must not include either a new activity or an expansion of an existing activity. An expansion of an existing project is considered a new effort and would be submitted as a new project.