

Consolidation Grants

Note: Information contained in this document is subject to change based on new guidance from HUD.

Background

HUD changed the process beginning with the FY 2018 CoC Program Competition to decrease the amount of time and burden it takes to consolidate projects. By using the process described below, the recipient will only need to execute one grant agreement and does not have to go through a two-step process: execute the grant agreement and then execute a consolidated grant agreement. Seeking a consolidation does not increase risk that any individual project will not be funded.

Grants Eligible to consolidate

- All projects consolidating into a single project application must have the same component
For example:
 - A Permanent Supportive Housing (PSH) project may only consolidate with another PSH project.
 - A PSH project cannot consolidate with a Rapid Rehousing (RRH) project.
 - A Transitional Housing (TH) project cannot be consolidated with a RRH project to create a Joint TH/RRH project.
- The project applicant is not creating a new project, but rather it is combining identical project component types into one single project application.
- Applicants may combine between 2 and 4 renewal projects.
- First time renewal grants can be consolidated in this competition.
- Any project component type can be consolidated except Safe Havens.
- Grantees can consolidate rental assistance grants that used actual rents and FMRs.

Restrictions that apply to consolidation

- Project applicants cannot use the renewal consolidation process to make changes to project applications. For example:
 - Consolidated projects must include the exact total number of beds, units, persons served, etc., as the aggregated original projects. The consolidated project takes the information from the individual renewal project applications and adds the information together.
 - Unless the CoC has notified the applicant that a grant will be reduced or the applicant wishes to voluntarily reduce the budget through reallocation¹, each

¹ Projects wishing to voluntarily reallocate a portion of their grant, should contact their CoC Lead Agency.

individual renewal project application must request the Budget Line Item (BLI) amounts and total Annual Renewal Amount (ARA) that are equal to the amounts listed on the final 2018 Grant Inventory Worksheet (GIW).

- The aggregated BLIs for the grants being consolidated and the consolidated grant BLIs must exactly match.
- The total ARA (i.e., the total amount of CoC funds requested) on the consolidated grant must equal the sum of the total ARA on each of the individual project applications.
- The local HUD field office does not have to approve the consolidation prior to submission; however, project applicants considering consolidation should consult with their local HUD field office representative to ensure there are no issues that may prevent the consolidated application from consideration such as outstanding monitoring or audit findings, history of poor financial management, etc. Grants must meet minimum performance standards to be eligible to consolidate.
- Project applicants considering consolidation should also consult with their CoC Lead Agency.

Application Process

- To apply for a consolidated grant, applicants must submit separate renewal project applications for each of the grants that are proposed to be consolidated, and an application for the new consolidated grant, which combines the budget and information of all grants proposed for consolidation.
- The purpose of this requirement is to protect the individual renewal project applications in the event the project applicant incorrectly consolidated or was not authorized to consolidate (e.g., one or more of the individual project applications is considered poor performing).
- The applicant must attach the previous year's applications to the FY 2018 project application forms.

EXAMPLE

An agency has 2 PSH grants that it wishes to consolidate:

- Grant #1 serves single adults: Rental Assistance: \$200,000; Supportive Services \$100,000; Project Administration: \$30,000; Persons served PIT: 20; Households served PIT: 20; Total beds: 20; Total units: 20
- Grant #2 serves families: Rental Assistance: \$100,000; Project Administration: \$10,000, HMIS \$5,000; Persons served PIT: 25; Households served PIT: 10; Total beds: 25; Total units: 10
- This agency would submit 3 project applications as follows:

- Grant #1: Using the identical information listed above
- Grant #2: Using the identical information listed above
- Fully Consolidated Application: Rental Assistance: \$300,000; Supportive Services: \$100,00; Project Administration: \$40,000, HMIS \$5,000; Persons served PIT: 45; Households served PIT: 30; Total beds: 45; Total units: 30

Ranking and Award Processes

- Each individual project application that is included in the consolidated project application must be reviewed, approved, and assigned a unique rank number or rejected by the CoC, just as if the project application were **not** going to be part of a grant consolidation.
- If HUD does not approve the grant consolidation, this will allow HUD to review and assess the project applications individually and conditionally award each, as appropriate.
- The consolidated project application that includes all of the individual project applications will be given the same rank number as one of the individual project applications (ARA will not be double counted).
- If one of the grants proposed to be consolidated or the consolidation is found to be ineligible for consolidation or is not selected, HUD will award all grants that are eligible for renewal and selected as separate grants.