Development and Housing Finance 101

Information found in this Appendix originated from CSH's Health System Investments in Housing, *A Development Guide;* [Healt System Investments in Housing: A Development Guide (csh.org)](csh.org).

Development Team Selection

The first step in supportive housing development is to build a team of professionals with knowledge and experience in affordable housing as well as the unique aspects of supportive housing design, financing, and regulation/approval processes is key to ensuring a successful outcome. Your team members should have clearly defined roles, shared values, fluid communication, and trust; this is important for navigating the unavoidable and unexpected challenges that will arise over the course of the project. Written descriptions of team members' or partnering organizations' roles, especially for new relationships, can be an effective way to clarify the responsibilities and expectations of each party. Your team will likely include the following roles:

The **PROJECT SPONSOR** could be either a for-profit or nonprofit housing sponsor and/or may also act as a social services provider in some cases.

The **ARCHITECT** is responsible for design development and construction management and is involved in all approval and permitting processes.

The **PROJECT ATTORNEY** drafts and reviews legal documents associated with the various transactions occurring throughout the development process. The firm must be experienced with affordable housing tax credit development. In-house counsel may advise on aspects of the deal.

The **DEVELOPMENT CONSULTAN**T is responsible for securing funds required to develop the project. This can include acquisition, construction, and permanent financing from private lenders or government agencies. The development consultant may also act as a project manager responsible for maintaining the project schedule and team coordination.

The **ENVIRONMENTAL AND ENERGY CONSULTANTS** perform required testing or environmental studies and any mitigation plans required for closing, such as the Phase I ESA. Certain green building programs like LEED and Passive House may require additional consultants.

The **AGENCY PARTNERS** issue bonds, tax credits, and capital loans.

The **PRIVATE LENDERS i**nclude banks or other private lending institutions and offer financing for the acquisition, pre-development, construction, or permanent phases.

The **TAX CREDIT SYNDICATOR** is an intermediary between the project sponsor and the tax credit investor if your project is utilizing Low Income Housing Tax Credits. The syndicator works with the sponsor to negotiate pricing, the timing of equity payments, and other terms of the equity investor.

The **GENERAL CONTRACTOR** coordinates all aspects of construction, including bidding, site preparation, the hiring and management of sub-contractors, and on-time, on-budget construction and delivery of the completed building.

The **MANAGEMENT COMPANY** handles all aspects of the building operations. This includes rent collection, managing tenant leases, management of building staff, maintenance and operating schedule, expenses, and Low-Income Housing Tax Credit monitoring and certifications.

Additional Resources:

- For more information on the planning process and building quality teams, reference Planning a Quality Supportive Housing Project: https://www.csh.org/toolkit/supportive-housing- quality-toolkit/project-design-and-administration/planning-a-project/.

The Development Process

An operational supportive housing development begins with a concept and follows a progression of phases over the course of several years. Ensuring your team has a clear understanding of the development process and timeline will help ensure you have the right people involved and shared expectations. The following milestones, key activities, and approximate timelines may not happen in succession, and may in-fact overlap, as the development process involves multiple partners and deadlines.

Concept Development: Approximate Duration: 1 Year

The goal of this phase is to define your development concept. This involves creating a feasible strategy for land acquisition, building design, financing, and management and service delivery in the completed project. It is essential that sponsors complete a self-assessment of their own organizational and financial capacity for development, and that the executive staff and Board of Trustees have agreed upon clearly articulated organizational housing goals. Additionally, make sure you are speaking early and often to an attorney knowledgeable about or versed in affordable and supportive housing development, and certainly before you sign any legal documents.

Pre-Development: Duration: 2-3 Years

In this phase, your development team must raise service, operating, and capital financing; secure environmental and public approvals; develop the building design; secure community support and negotiate the business and legal terms with funders, investors, and development partners. Pre-development and closing activities are highly interdependent as the project moves toward closing.

Closing: Approximate Duration: 2-3 Months

The lead-up to closing is a period of intense negotiation and activity. Volumes of documents must be drafted and negotiated before closing can occur. Even with a consultant, you will need extra staff capacity during a closing. This is NOT a good task for your executive staff as few executives have sufficient bandwidth to manage a closing alongside an already demanding schedule.

Construction Phase: Approximate Duration: 18-24 Months

One of the most important roles of the owner/developer is to oversee the construction period. Construction delays can be extremely costly and could jeopardize equity financing and developer fees if the project gets stuck. Delays tend to occur during site preparation and foundation construction and at the end with securing the occupancy permits. Thorough sub- surface investigations and early planning with adjacent property owners can help mitigate risk of significant delays.

Rent-Up/Conversion: *Approximate Duration: 6 months*

The completed building(s) must be occupied before a project can convert to permanent financing (typically tax credits). Sponsors are responsible for rent-up on both supportive and “community” units in accordance with special needs tenant eligibility and tax credit regulations. Your rent-up and marketing plan must be carefully designed and strictly followed so as to avoid placing a tenant who is not eligible under one or more of the tenant eligibility requirements for service, operating, or capital subsidies. It is crucial at this phase to work with property management and services partners if such partnerships are part of your project.

*Operation*s: *Approximate Duration: 15+ Years*

The operations phase begins by finalizing tenant selection and rent-up procedures. Pay attention to any long-term affordability and tenant eligibility requirements attached to your funding sources. During this phase, you (and/or your partners) will also finalize operating procedures and policies, select and order furniture and supplies, hire and train property management and service staff, and organize tenant orientation.

Partnerships

The emergence of integrated development models, the shortage of sites in many markets, and a complex real estate market have spurred new partnerships for affordable and supportive housing developments. Nonprofits may be motivated to a joint venture partnership by access to land or financing guarantees, development and management expertise, or the desire to develop larger mixed-use projects.

Co-Development Partnerships: In a co-development partnership model, partners share the responsibility for ownership, project development, supportive service delivery, and property management of the project. Joint ventures can be created between two or more nonprofit housing providers or with for- profit development or management companies.

Single Owner Model: The sponsor contracts with a partner to develop the building. In this model, sometimes referred to as a “turnkey,” there is a temporary shared partnership between the sponsor and the developer with ownership control shifting to the sponsor–owner upon completion and permanent finance conversion. In the single owner model, risks and rewards of ownership fall upon the single owner as the responsible organization. The development partner exits the deal at the permanent conversion, typically earning some or all of the development fee.

Shared Owner Model:

The sponsor may partner with a developer or property manager to support the financing or operations of the building. In this model, two or more organizations co-own the building as partners, and share the long-term business and legal responsibility for the development, operations, management, and service delivery in the project. In a co-ownership model, the sponsor is actively involved in the early development stages providing expertise on capital, service, and operating financing, building design and community support. Shared ownership spreads the responsibilities, risks, and economic benefits among the partners.

Financing

Putting together the financing for a supportive housing project can be thought of as a three-legged stool with capital, operating, and service funding, each comprising a leg. The budget for each of these three pieces can include multiple funding sources braided together. Federal, state, and local government programs, as well as private capital and philanthropy, are all common funding sources. The following section will provide additional information on key considerations for developing capital, operating, and service budgets and explain common sources of funding for each. Keep in mind that funding availability, application processes, and administering agencies may differ according to state or locality, and some local funding opportunities not listed here may be available in your area. The list of programs and resources listed below is not intended to be exhaustive but instead lays out the key types of funding sources and administering agencies. It is important to include experienced developers and service providers who understand the local funding landscape as part of your development team. Connecting with local PHAs, CoCs, and HFAs will offer further details, application timelines, and funding availability.

If you aren't familiar with your state HFA, you can find it here: https://www.ncsha.org/housing-%20help/

Building the Capital Budget

Capital costs are sometimes called "brick and mortar" costs and refer to all acquisition, construction, and rehabilitation expenses. A capital (or "development") budget breaks out all capital requirements for completing the project, which includes site acquisition and costs in two broad categories: hard and soft costs. Hard costs typically include construction and rehabilitation work, and any needed offsite improvements, such as sewers or utilities. Soft costs include architectural services, appraisals, engineering, legal costs, fees and permits, and rent-up costs.

When preparing a capital budget, the following two questions will help ensure a workable and timely budget:

1. Is the budget complete? Does the budget include all of the costs that the developer/sponsor will incur to complete a fully operational project? This requires understanding the project in detail.
2. Is the budget accurate and reliable? As a project gets closer to construction, it becomes possible to refine cost projections and budgets. By the time a project has an identified site, preliminary funding commitments, and basic design, the development budget should be fairly refined.

Capital financing comes from federal, state, and local sources, with many projects also utilizing equity raised from the sale of Low-Income Housing Tax Credits. As previously noted, becoming familiar with state and local housing finance agencies' funding programs is strongly advised. Federal capital funds are also available from the U.S. Department of Housing and Urban Development. Typically, HUD administers funding through two mechanisms: formula grants and competitive grants. Formula grants, also known as block grants, are allocated to a local government entity (county or city, and sometimes state), who then distributes the money to individual projects. With competitive grants, HUD distributes the money directly to project sponsors. The following descriptions lay out some common forms of capital financing.

Additional Resources:

For more on how to develop a capital budget: https://www.csh.org/wp-content/uploads/2013/09/PreparingDevelopmentBudgets_F.pdf

To reference an example Supportive Housing Project Proforma (a financial plan for developing and operating the project): https://www.csh.org/resources/preparing-the-supportive-housing-project-proforma/

Sources of Capital Financing

Common sources of capital may include:

Low Income Housing Tax Credit (LIHTC): Widely recognized as one of the most successful federal programs generating affordable housing development, the Low-Income Housing Tax Credit (LIHTC) program catalyzes private investment into the historically underserved affordable housing market. Since its inception in 1986, the program has led to the development (through construction or rehabilitation) of approximately 2 million affordable units. LIHTC was created via a permanent provision in the Internal Revenue Code (IRC) and is administered by state agencies with the assistance of guidance from the Treasury Department and the Internal Revenue Service. The federal government allocates tax credits to states and territories, whose housing finance agencies allocate the credits to affordable housing developers based on criteria and priorities included in their qualified allocation plans (QAP). Developers then generally sell the credits to investors, who receive a dollar-for-dollar reduction in federal taxes claimed over a 10-year period, in exchange for equity investments that contribute to the project's capital budget.

Investors are typically large banks and corporations with substantial tax liabilities and will be able to fully utilize the credit over ten years once the affordable housing project is operational. Such investors can enter directly into a partnership with the developer or can use a syndicator to match capital investors with projects. Syndicators often pool investor capital in equity funds, which spreads risk across multiple projects. Financial institutions may also receive favorable Community Reinvestment Act consideration from their regulating agency for these investments.

In order for projects to be eligible for a LIHTC allocation, the project must meet both an income unit test for tenants and a gross rent test. Projects can meet the income unit test in one of three ways:

1. 20% of units must be occupied by households with incomes at or below 50% AMI.
2. 40% of units must be occupied by households with incomes at or below 60% AMI.
3. 40% of units must be occupied by households with incomes that average no more than 60% AMI, with no household income exceeding 80% AMI.

Gross rent cannot exceed 30% of the designated income limit. Developments are required to maintain these affordability standards and comply with IRC requirements for 15 years, and extended use periods of at least 15 additional years are required.

A project will utilize one of two types of LIHTC, depending on the nature of the project: a “9% Credit” or a “4% Credit,” based roughly on the percentage of a project’s qualified basis that can be claimed each year, for the 10-year period. 9% credits are allocated via competitive applications to housing finance agencies, and are generally used for new construction projects, while 4% credits are “as-of-right credits” for projects financed using tax-exempt bonds. The equity generated through the sale of a 9% credit can fund approximately 70% of the present value of a project’s qualified basis, while equity generated through the sale of a 4% credit can fund approximately 30%.

For more information on your jurisdiction’s Qualified Allocation Plan and LIHTC application, visit your HFA’s website. For additional details on how states are prioritizing supportive housing in LIHTC allocations, please visit CSH’s Qualified Allocation Plan webpage: https://www.csh.org/qap/

Home Investment Partnership Program (HOME): The Home Investment Partnership Program (HOME) is an extensive, flexible block grant program intended to create affordable housing for low-income households run by HUD and administered by participating local jurisdictions. HOME funds can be used by states and localities, usually in partnership with nonprofits, for building, acquiring, and/or rehabbing of affordable housing for rent or homeownership, as well as for providing direct rental assistance to low-income people.

Each year the U.S. Department of Housing and Urban Development (HUD) allocates approximately $2 billion among the states and hundreds of localities nationwide; however, the amount varies. HOME funds are awarded annually as formula grants to participating jurisdictions. States are automatically eligible for HOME funds and receive either their formula allocation or $3 million, whichever is greater. Local jurisdictions eligible for at least $500,000 under the formula ($335,000 in years when Congress appropriates less than $1.5 billion for HOME) also can receive an allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

HOME funds may be used for a variety of project costs, including building or rehabilitating rental housing, acquisition costs, demolition of dilapidated housing so that HOME-funded housing may be built, community planning costs, as determined in the locality’s Consolidated Plan.

To find out which agency administers HOME funds and regulations in your area, visit the HUD website: https://www.hudexchange.info/grantees/#/byProgram

To find your local Consolidated Plan, search here: https://www.hudexchange.info/programs/consolidated-plan/con-plans-aaps-capers/

Community Development Block Grants (CDBG): The Community Development Block Grant Program (CDBG) is a formula-based block grant program established in 1974 to help communities develop a wide range of community programs, planning, and housing for low-and-moderate-income people. Funds are allocated by formula to cities, counties, and states based on poverty rates and housing conditions. The program works to ensure decent, affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. Funds may be used for public facilities, community revitalization, housing rehabilitation, and innovative development leveraging private investments. CDBG funds can only be used for new construction in limited circumstances. More information on eligible uses can be found at: https://www.hud.gov/sites/documents/DOC_16473.PDF

Federal Home Loan Bank Affordable Housing Program: The Federal Home Loan Bank system was chartered in 1932 to provide flexible credit liquidity to community lenders involved in home mortgage and neighborhood lending. The system is comprised of 11 regional FHLBanks, each separate, government-chartered, member-owned corporations with around 6,800-member financial institutions.

The FHLBanks' Affordable Housing Program (AHP) is the largest private source of grant funding. Since 1990, more than $5.8 billion has been awarded assisting in the acquisition, construction or rehabilitation of more than 865,000 units of affordable housing. Funded with 10 percent of the FHLBanks' net income each year, the AHP is administered regionally by each individual FHLBank, through its financial institution members and their community-based partners.

AHP funds can be used in combination with other programs to support affordable and supportive housing projects serving a wide range of community needs. FHLBank members access funds through the AHP Competitive Application Program. Project sponsors must coordinate applications for grants through member institutions. To ensure that projects serve local housing needs, each FHLBank designs and administers its own competitive program, advised by an Advisory Council made up of community organizations from within the FHLBank's district. AHP grants are highly competitive, with approximately one out of three applications receiving funding.

More information on the AHP can be found at https://fhlbanks.com/affordable-housing/ , and by contacting Community Investment Officers at the regional FHLBanks.

Housing Trust Fund: The National Housing Trust Fund (HTF) provides grants to states for the production and preservation of affordable housing for extremely low-and-very low-income households. HTF funds are allocated by formula annually by HUD to states and state-designated entities, which administer funds via HTF Allocation Plans. States must use at least 80 percent of each annual grant for rental housing; up to 10 percent for homeownership; and up to 10 percent for administrative and planning costs. HTF funds may be used for acquisition, new construction and/or rehabilitation of affordable housing, which must have a minimum affordability period of 30 years. Eligible forms of assistance include loans, grants, interest subsidies, equity investments, and other forms of assistance approved by HUD.

Income targeting requirements are set based on the annual amount of available HTF funds. In any fiscal year in which the total HTF funds available are less than $1 billion, 100 percent of HTF funds must be targeted by grantees for the benefit of extremely low-income families or families with incomes at or below the poverty line, whichever is greater. When the total HTF funds available are equal to or exceed $1 billion, at least 75 percent of HTF funds must be targeted by the grantee for the benefit of extremely low-income families or families with incomes at or below the poverty line, whichever is greater. Any grant funds not used to serve extremely low-income families must be used for the benefit of very low-income families.

Units assisted by HTF funds must be occupied by income-eligible households. Rents, including utilities, are set at 30 percent of household income at either 30 percent or 50 percent of area median income, adjusted for the number of bedrooms in each unit.

More information can be found at https://www.hudexchange.info/programs/htf/ and by contacting your state or state-designated entity that is a grantee of HTF funds.

Building the Operating Budget

Operating funding refers to rental subsidy costs as well as expenses associated with operating and/or maintaining the housing. For projects owned by a housing sponsor, this can include property management, utilities, maintenance, insurance, security, debt service or other loan payments, and operating and replacement reserves. For projects with units leased by the sponsor (either single-site or scattered-site), there may be ongoing operating costs, depending upon the terms of the lease with the property owner. All project sponsors must ensure that the operations budget includes sufficient subsidy to ensure affordability based on income for tenants: typically, no more than 30% of income can be paid toward rent. Operating subsidies supplement the difference between the tenant's portion and a reasonable rent charged under market conditions.

There are three general forms of operating subsidies:

1. **Project-based** are those that are "attached" to particular housing units.
2. **Tenant-based** subsidies attach to an individual or family.
3. **Sponsor-based** attaches to a specific housing sponsor, typically a non-profit housing developer or supportive housing provider.

Additional Resources:

The Operating Pro Forma is the tool used to estimate the expenses of a project during operations. For more on "Preparing an Operating Pro Forma": https://cshorg.wpengine.com/wp-content/uploads/2015/08/PreparingOperatingProFormas_F.pdf

Sources of Operations Funding

Continuum of Care (CoC) Program: As described earlier in this guidebook, the Continuum of Care (CoC) is a body of stakeholders, a geographic entity, a planning process, and a source of funding from HUD designed to promote community-wide commitment to end homelessness. To distribute CoC funding to CoC collaborative applications, HUD issues a Notice of Funding Availability (NOFA) each year. Based on each CoC's annually reporting and local and federal priorities, the CoCs score and strategically rank their various existing and proposed rapid rehousing, transitional housing, permanent housing, and some other eligible homeless service programs to form their applications to HUD. Some years, HUD creates an opportunity to receive bonus funding for population-specific programs, such as establishing new domestic violence programs within the continuum. The following expenses are allowable as part of the CoC program:

Leasing Costs: Leasing costs are an eligible use of funds under the Permanent Housing (PH), Transitional Housing (TH), Support Services Only (SSO), and Homeless Management Information System (HMIS) program components. This funding can be used to lease individual units, some of a building's units, or the entire building. While all rents must be reasonable, individual units cannot have rents exceeding fair market rent (FMR) rates determined by HUD.

Rental Assistance Costs: Under the permanent and transitional housing program components, rental assistance is an eligible expense and may take one of three types: tenant-based, sponsor-based, or project-based. Depending on the project type, the rental assistance may be short-term (up to 3 months), medium- term (up to 24 months), or long-term (>24 months) depending on the housing type through which the project is funded. Funded projects must serve the full number of tenants approved in their applications, but if actual costs are lower than the amount reserved for the term of the grant, the recipient may use the remaining funds to cover property damage, rent increases, or the rental needs of a greater number of program participants.

Tenant-Based Rental Assistance: Tenant-based rental assistance allows program participants to rent any unit within the CoC's geographic area, given that the unit size and rent meet criteria determined by HUD. In some circumstances, the geographic area in which tenants can lease an apartment may be restricted to ensure access to supportive services. Victims of domestic violence, however, may retain their rental assistance if they relocate outside the geography of the CoC.

Sponsor-Based Rental Assistance: Under this component of CoC funding, the CoC-funding recipient (or contracted sponsor organization) may offer rental assistance to program participants who reside in housing owned or leased by the recipient/sponsor organization.

Project-Based Rental Assistance: Through project-based rental assistance, a building's owner agrees to lease units to program participants. The rental assistance cannot be transferred if the household decides to relocate to a unit in another building.

In all three types of rental assistance, the participating household holds a lease with the landowner and must pay a portion of the rent in accordance with HUD's interim rule.

Additional Resources:

For further details on the CoC program, visit the HUD Exchange page:
https://www.hudexchange.info/programs/coc/

Housing Choice Vouchers: The Housing Choice Voucher program is HUD's major program for providing housing operating assistance to very low-income families, aging, and people with disabilities. The vouchers are administered by local Public Housing Authorities (PHAs). The housing subsidy is paid directly to the landlord and the voucher holder is responsible the amount not covered by the subsidy. Vouchers can either be tenant based or project based.

The Housing Choice Voucher program also administers special purpose vouchers; including, Family Unification Program, Foster Youth to Independence Initiative, Mainstream Vouchers, Non-Elderly Disabled, and Veterans Affairs Supportive Housing Vouchers.

Additional Resources:
Reference the HUD Exchange for the most up to date information on Special Purpose Voucher Programs.
HCV Programs and Initiatives | HUD.gov / U.S. Department of Housing and Urban Development (HUD)

Section 811 Supportive Housing for Persons with Disabilities-Project Rental Assistance: Section 811 Supportive Housing Project Rental Assistance is a federally funded program offering rental subsidies for extremely low-income people living with disabilities. State housing agencies (HFAs) wishing to apply for Section 811 funding must establish partnerships with state health and human services as well as Medicaid agencies to develop tenant selection criteria, referral processes, and service provision plans to ensure extremely low-income tenants most in need can access the supportive housing. Section 811 Project Rental Assistance offers operating subsidies that can be paired with new or existing affordable housing funded by LIHTC, HOME, or other capital sources.

Tenant households must be extremely low-income (<30% AMI), and at least one household member (not necessarily the head of household) must have a disability and be between the ages of 18-62. Note that the age and disability criteria is assessed at the time of voucher issuance; households will not lose the voucher when the qualifying member turns 62.
To find out about the availability and application process for Section 811 Rental Assistance in your area, look on your local Housing Finance Agency's website.

Additional Resources:
For more information about the Section 811 Rental Assistance Program, see the HUD Exchange Info Page: https://www.hud.gov/program_offices/housing/mfh/progdesc/disab811

Building the Supportive Service Budget

Supportive housing projects should have a separate service budget that is distinct from the operations budget. When designing a services budget it is important to make sure projected expenses match projected revenues:

- **Expenses:** This will include personnel and other than personnel expenditures associated with delivering services that match the acuity level and particular needs of the project's tenants. These services should be tailored according to the population the supportive housing project intends to serve.
- **Revenues:** Supportive housing service budgets typically include a blend of multiple revenue sources to be able to provide for the range on ongoing support services for a diverse group of tenants. Typically, revenue for supportive services costs is provided in one of three ways: as a fee-for-service arrangement, through a publicly funded contract in which the organization provides specified supportive services according to an established budget, or through private fundraising.

Federal funding for services, like funding for development and operating costs, is generally distributed by formula grants or competitive grants.

Additional Resources:

For additional information on how to budget for supportive housing services, please see: https://www.csh.org/resources/supportive-housing-services-budgeting-tool/

Medicaid and Supportive Services: As supportive housing is intended to serve highly vulnerable people, including older adults and medically frail individuals, integrating Medicaid reimbursement as a source of funding for service provision can help supplement a project's services budget. While types of services covered under Medicaid vary according to location, many states have adopted Medicaid waivers or State Plan Amendments (SPAs) that allow for reimbursement of non-traditional medical services (often referred to as "tenancy support services") such as housing navigation, case management, and environmental modifications.[1] Medicaid typically cannot cover a supportive housing project's entire service budget but can provide a reliable source of funding and support more specialized staffing and services, as might be performed by an LCSW or a Master's level clinician.

When considering incorporating Medicaid as part of a supportive housing project's service budget, the sponsor organization should examine its state Medicaid plan, the services covered under it, and the extent to which the population served would have service needs that would be eligible for reimbursement. The organization also may consider various administrative models for billing Medicaid: becoming a Medicaid billable agency that performs services and manages billing in- house, hiring an Accountable Care Organization (ACO) to manage billing, or contracting with an external organization that can provide services to tenants and bill directly to Medicaid.

Additional Resources:

For specifics on supportive services covered in your state's Medicaid plan, explore CSH's "A Quick Guide to Medicaid Waivers and State Plan Amendments:" https://www.csh.org/resources/a- quick-guide-to-medicaid-waivers-and-state-plan-amendments/

To compare the Administrative Models for Medicaid Funding Services, visit: https://www.csh.org/resources/administrative-models-for-medicaid-funding-services/

[1] https://www.csh.org/resources/summary-of-state-action-medicaid-housing-services-2/

Continuum of Care (CoC): As part of HUD's funding to local CoCs funding for supportive services may be covered in the transitional housing, rapid rehousing, permanent supportive housing, and the supportive services only (SSO) program components. HUD's interim rule lists all eligible services, such as legal assistance, case management, and employment services. Services must be offered to residents of permanent housing for the full period of their residence. The funding also allows recipients and sub-recipients to provide services for households experiencing or previously experiencing homelessness but who do not reside in housing operated by the recipient.

When considering applying for CoC funding, it is best to start by connecting with your local CoC.

Additional Resources:
For basic information about funding components eligible under CoC funding:
https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/