

## CoC Eligibility Limits and Resources

*\*Please click the hyperlinks below for more information*

### Overview:

- Although costs may be shown as eligible in the [CoC regulations](#), only the **approved** costs in the recipient's grant agreement with HUD may be claimed.
  - [CoC Eligible Activities - Eligible vs. Approved Costs - HUD Exchange](#)
- Only certain budget lines are allowed depending on program type: [CoC Program Components - Eligible Costs - HUD Exchange](#)
- [Match](#) and [program income](#) can only be spent on eligible costs listed in the CoC regulations.

### Leasing:

- Cannot exceed Fair Market Rent (FMR) limit
- Cannot exceed rent reasonableness limit
- If a unit's rent is above the FMR, the agency can pay the difference but can't use any HUD funds to make up the difference (including match funds)
  - Even when using external funds, the subrecipient can never pay more than the rent reasonable limit

### Rental Assistance:

- CAN exceed FMR but must stay [within rent reasonableness](#)
- When paying for damages caused by a client, cost cannot exceed 1-month's rent
  - Can only be paid when a client is exiting a unit as a one-time payment per client
- Rental assistance and operating lines cannot be used within the same project. It is expected that the unit owner should be covering these costs as part of the lease agreement.

### Supportive Services:

- Any service category/activity not listed in the regulations is not eligible
  - However, additional costs to conduct eligible activities may be allowed in some cases, for example, [to translate service needs assessment](#)
- All supportive services provided should be tied to helping a client obtain and maintain housing
- While food is an allowable cost, [gift cards are generally not eligible](#)
- Other supplies such as cell phones loaned to clients [must remain with the agency](#)
- If the supportive services provided are not conducted within a housing structure, then the proportional costs of day-to-day operation (maintenance, repair, building security, furniture, utilities, and equipment) are eligible as a supportive service cost

### Operating:

- When operating costs are used for a leased building, funds can cover the costs of maintenance and repair of housing *not included in the lease* ([§ 578.55\(b\)\(1\)](#))
- Furniture, equipment, and appliances (for both office and/or apartment use) must remain with the project

- Except for mattresses that may remain with the program participant ([§ 578.55\(b\)\(6\)](#))
- Office supplies (pens, paper, files, etc.), general cleaning supplies, rent, and [other unlisted costs](#) are not eligible operating costs
- Any use of a [replacement reserve must first be approved](#) in the application and be carefully calculated ([§ 578.55\(b\)\(3\)](#))
- Security costs can only be claimed if more than 50% of the units or building area are CoC-funded ([§ 578.55\(b\)\(4\)](#))
- Staff time spent carrying out operating activities (such as maintenance staff) should be claimed under this budget line and tracked by activity reports or timesheets
- Operating lines cannot be used for emergency shelter, supportive service-only facilities, or in tandem with rental assistance

Admin:

- Admin costs cannot exceed 10% of each project's budget
- Legal fees used to evict a client are not eligible