



Indiana Balance of State
Continuum of Care
HUD Compliance and
Requirements Training

January 18, 2018

INDIANA BALANCE OF STATE
CONTINUUM OF CARE

Agenda

- System Performance
- Participant eligibility
- Prioritization
- HUD policies
- Housing program requirements
- Grant administration



Why are you here today?

- What do you hope to get out of today's session?

Learning Objectives





CONTEXT

National Policy Context

HUD Policy Priorities

Ending homelessness for all persons

- Target resources to highest needs/longest homelessness
- Engage and effectively serve all, including unsheltered
- Use reallocation to create new projects, improve performance and better align with identified needs

Creating a systemic response to homelessness

- Measure systems performance to determine effectiveness
- Use Coordinated Entry to provide assistance quickly, promote choice and ensure transparency



HUD Policy Priorities

Strategically allocate resources

- Use cost and outcome data to improve
- Maximize use of mainstream resources
- Evaluate cost/effectiveness of renewal projects

Use a Housing First approach

- Eliminate preconditions & service requirements
- Prioritize rapid placement/stabilization
- Engage landlords
- Adopt client-centered practices



HUD/HEARTH System Performance Measures

Length of time people remain homeless

Return to homelessness from PH

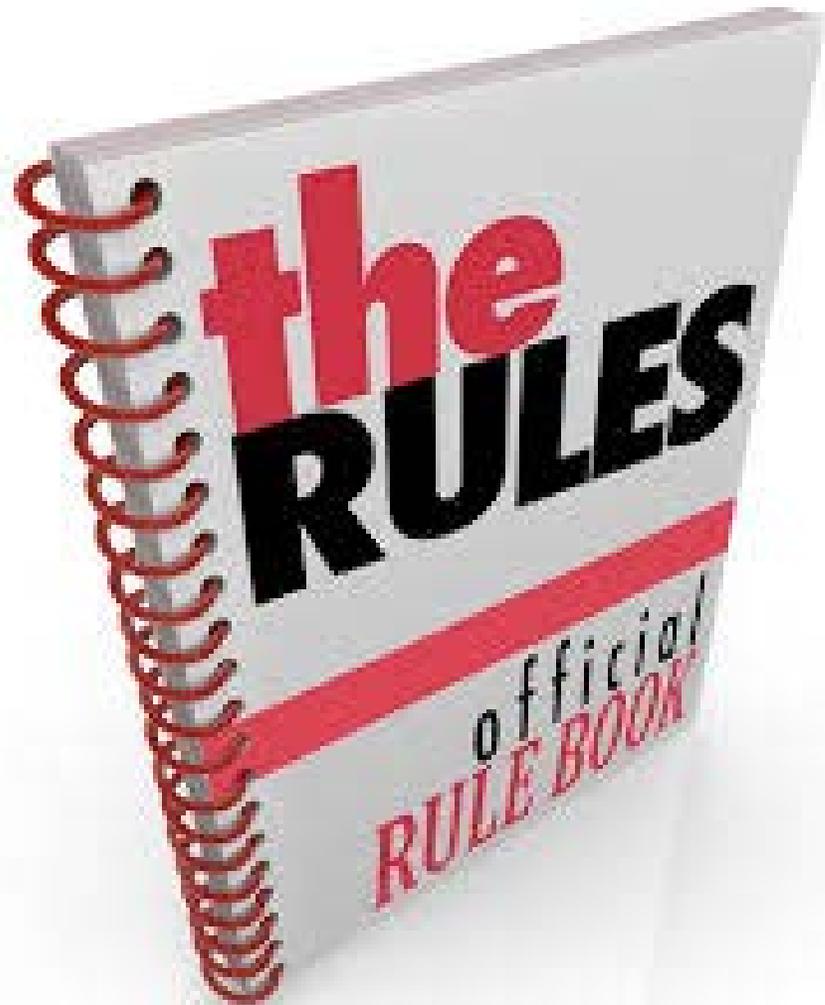
Number of homeless persons – PIT and Annual Counts

Jobs and income growth for homeless people

Number of people becoming homeless for the first time

Number of successful housing placements





HUD Requirements

CoC Interim Rule:

<https://www.hudexchange.info/resource/2033/hearth-coc-program-interim-rule/>



Participant Eligibility

Overview of Homeless Definition

HUD Category	Type	General Eligibility Guidelines*
Category 1	Literally Homeless	Eligible for PSH, RRH, TH
Category 2	Imminent Risk of Homelessness	TH housing programs only
Category 3	Homeless Under other Federal Statutes	Requires special HUD approval – not granted to IN Balance of State
Category 4	Fleeing/Attempting to Flee Domestic Violence	Eligible for PSH, RRH, or TH

*Note: important details are contained in following slides – eligibility limits may apply in certain circumstances

Literally Homeless

- An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation:
 - car
 - park
 - abandoned building
 - bus or train station
 - airport
 - camping ground



Literally Homeless (cont.)

Living in a shelter designated to provide temporary living arrangements:

- Emergency shelter
- Transitional housing
- Hotels and motels paid for by charitable organizations or federal/state/local government programs
- *Safe Haven*

Exiting an institution (e.g., jail, hospital)

- where they resided for less than 90 days
 - AND
- were residing in emergency shelter or place not meant for human habitation immediately before entering institution



Definition of Disability

- Physical, mental or emotional impairment – includes impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury

- Is expected to be long-continuing or of indefinite duration

AND

- Substantially impedes the person's ability to live independently

AND

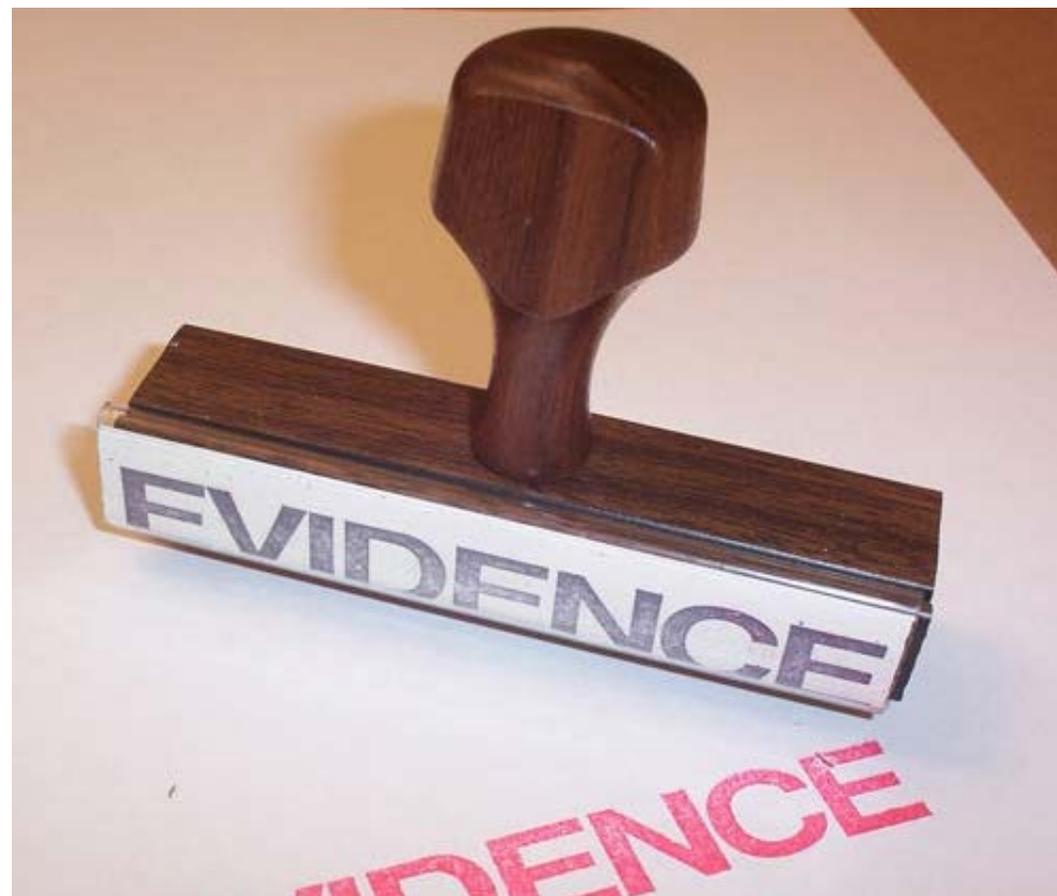
- Could be improved by more suitable housing

- Developmental Disability
- HIV/AIDS



What counts as evidence of disability?

- Written verification from professional
 - ✓ licensed by State to diagnose and treat the disability
- Written verification from the Social Security Administration
- The receipt of a disability check (e.g., SSI/SSDI check or Veteran Disability Compensation);
- Intake staff-recorded observation of disability verified within 45 days



HUD Chronic Homelessness Definition –as of 1/2016



- 1) Live in a place not meant for human habitation, or an emergency shelter, or a safe haven (People in TH are not CH);
- AND
- 2) Homeless (as defined above) for at least one year continuously or on 4 separate occasions in the last 3 years (totaling 12 months);
- AND
- 3) Disabled as defined by HUD

HUD Chronic Homelessness Definition – Continued



- People residing in an institution <90 days AND who were literally homeless before entering
- Families with a HoH who meet all criteria
- RRH participants can retain their CH status
- Occasion is demarcated by a break of 7 or more consecutive nights not literally homeless
- Continuous means without a break of 7 or more consecutive nights.
- Third-party documentation of a single encounter is sufficient to consider an individual homeless for the entire month

PSH Order of Priority

—
Dedicated/Prioritized
Beds

17



- Chronic homeless with
 - Longest time homeless
 - Most severe service needs
- When no chronic:
 - 1st Long periods of episodic homeless and severe service needs
 - 2nd Those with severe service needs
 - 3rd Literally homeless
 - 4th Coming from TH



PSH Order of Priority – Target Populations

- Must adhere to any target populations identified in the project application.
- Example: If project targets persons with a serious mental illness (SMI), follow order of priority to the extent to which persons with SMI meet chronic homelessness (CH) criteria.
- If no persons with SMI also meets criteria for CH, then follow the order of priority for when no CH person exists on the By-Name List.

PSH Order of Priority – Due diligence

- Not required to allow units to remain vacant while waiting for identified CH person to accept an offer.
- Offer to next person on list.
- Continue to engage persons who have not accepted offers until they are housed.
- Document engagement efforts.





PSH Order of Priority – Dedicated/Prioritized Beds

- Chronic homeless with
 - Longest time homeless
 - Most severe service needs
- When no chronic:
 - 1st Long periods of episodic homeless and severe service needs
 - 2nd Those with severe service needs
 - 3rd Literally homeless
 - 4th Coming from TH

Transfers – domestic violence



- Participants in tenant-based rental assistance who have been victims of domestic violence, dating violence, sexual assault, or stalking may retain their assistance and move to another CoC if the move is to protect their health and safety.
- See also slide on VAWA emergency transfer plans.

DedicatedPLUS – new in 2017 NOFA

- Chronic homeless
- Residing in TH that will be eliminated and met CH definition prior to entry
- Literally homeless but were in PH in the prior 12 months and could not maintain housing
- Residing in the TH component of a joint TH-RRH but were CH prior to entry
- Literally homeless for at least 12 months but does not have 4 separate occasions
- Had been receiving assistance from VA homeless programs

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CH PSH Eligibility - Recordkeeping Requirements



Evidence of Chronically Homeless Status must include:

- Evidence of meeting continuous or occasions requirements

AND

- Evidence of disability

Self Certification

- Disability cannot be self-certified.
- Up to 3 months of homelessness can be self-certified.
- Up to 25% of assisted households may self-certify more than 3 months
- Must demonstrate efforts to obtain third-party documentation.
- Breaks in homelessness can be entirely based on self-report.
- HUD allows self-certification while third-party documentation is gathered for up to 180 days

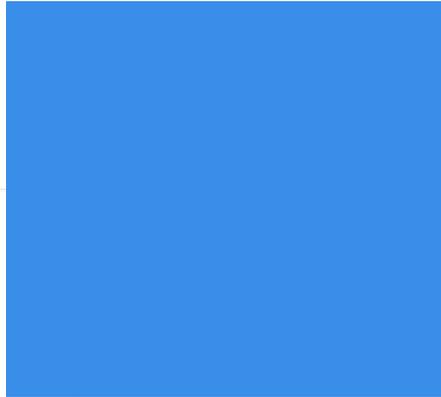


What counts as third-party documentation?

- HMIS record?
 - YES
- Letter from a shelter or outreach worker?
 - YES
- Letter from a shopkeeper, building owner, neighbor or sister?
 - YES
- Letter from a clergy person or educator?
 - YES
- Letter from a doctor, counselor or therapist?
 - YES
- Letter from law enforcement?
 - YES
- Letters must:
 - Be on agency letterhead
 - Be signed and dated
 - Include name and title of the person signing



Third-party documentation requirements



- Community members must physically observed where the person is residing **AND** intake worker must use professional judgment
- Housing/service providers must specify each month of encounter, the living conditions, and nature of the conversations that indicated the person was homeless.
- May not provide third-party documentation for months in which they did not encounter the person.

Homeless Eligibility – Young People



20 year old
sleeping in his car:
Eligible under
Category 1

15 year old is
living with an ex in
exchange for sex:
Eligible for RRH under
Category 4

Youth exiting
foster care: not
eligible under
Category 1 (unless
literally homeless) or
2 HUD FAQ 1460

HUD Guide: <https://www.hudexchange.info/resources/documents/Determining-Homeless-Status-of-Youth.pdf>

Documenting Homelessness – Written Intake Procedures



- Must maintain & follow written procedures:
- Require intake staff to document
 - At intake, screening for eligibility for ALL persons seeking assistance
 - Evidence relied upon to establish and verify homeless status
- Include standards for documenting due diligence
- Standards must be consistent with HUD's recordkeeping requirements

1

Participate in
Coordinated
Entry

2

Follow the CoC's
written
standards

3

Project must
have their own
policies and
procedures.

4

Must comply
with CoC
priorities for
intake

Policies for Intake – Things to Remember

Non-Discrimination & Equal Access





Equal Access to HUD Programs

- Programs must be open to all eligible people regardless of sexual orientation, gender identity, or marital status.
- “Any group of people that present together for assistance and identify themselves as a family... are considered to be a family and must be served together as such.” (*HUD FAQ ID 1913*)
- Families cannot be separated because of age or gender of household members.
- When projects serve ANY families with children, they must serve ALL families with children



Equal Access to HUD Programs -2

- HUD prohibits inquiring about sexual orientation or gender identity to determine eligibility
- Services for transgendered individuals must correspond to the person's identified gender.
- Requirements for individuals to "prove" gender identity are prohibited.
- Projects must take reasonable steps to address safety and privacy concerns.
- Providers must update policies and procedures to reflect Equal Access requirements.

Limiting access based on gender

- Projects may limit access based on gender only if:
 - Project has shared bathing and/or sleeping accommodations
 - Shared bathrooms = intended for use by more than one person at a time
- *(HUD AAQ Response – Question ID 75271)*



Tips for Supporting Equal Access



- Staff accept & use clients' preferred name & gender pronoun
- Staff does not ask about clients' sex during the intake process.
- Staff honors clients' decisions regarding disclosure.
- Staff model respect, coach clients that express disrespect and promote non-discrimination by ensuring all clients understand that verbal/physical bullying are prohibited.
- Staff promptly address complaints regarding harassment.
- Staff focus on the aggressor making changes not the harassed individual.

Steps to Ensure Equal Access

- Ensure your project has an anti-discrimination policy that includes gender identity, gender expression, and sexual orientation.
- Ensure the policy is posted publicly.
- Regularly train staff and volunteers on the policy and how to implement.
- Take a look at the HUD Equal Access Self Assessment.
- Connect with local LGBTQ organizations.



Equal Access Resources



- **HUD Equal Access Final Rule -**
<https://www.hudexchange.info/resource/1991/equal-access-to-housing-final-rule/>
-
- **HUD Equal Access in Accordance with Gender Identity Final Rule -** <https://www.hudexchange.info/resources/documents/Equal-Access-Final-Rule-2016.pdf>
-
- **HUD Equal Access Resources for Projects -**
<https://www.hudexchange.info/homelessness-assistance/resources-for-lgbt-homelessness/#self-assessment-for-shelters-and-projects>
-
- **HUD Equal Access Notice for Posting at Sites –** (not required pending OMB approval)
<https://www.hudexchange.info/resources/documents/Notice-on-Equal-Access-Rights.pdf>



**EQUAL HOUSING
OPPORTUNITY**

Fair Housing

New as of 4/4/16

- Fair Housing Act prohibits discrimination on the basis of race, color, religion, sex, disability, familial status or national origin.
- Violations of the Fair Housing Act occur when policy or practice has an unjustified discriminatory effect, even when the provider had no intent to discriminate.
- Where a policy or practice that restricts access to housing on the basis of criminal history has a disparate impact on individuals of a particular race, national origin, or other protected class, such policy or practice is unlawful.



Participation by Homeless People

- Each grantee and sub-grantee must:
- Have at least one homeless or formerly homeless person on the board of directors or equivalent policy making entity; and
- To the maximum extent practicable involve homeless people through employment, volunteer services or other means in maintaining, operating, and providing supportive services.

Review

- Can a group of friends from a shelter can live together as a family in a CoC project?

Yes

When is it allowable for a project to only accept men or women?

Only if the sleeping area or bathroom is intended for use by more than one person at a time.

May a project intended to serve families terminate assistance for a person because the children are no longer living in the unit?

NO





We care
to make a
difference



Requirements

INDIANA BALANCE OF STATE
CONTINUUM OF CARE



Violence Against Women Act (VAWA) Anti Discrimination Provisions

Housing providers may not deny housing to an applicant, evict a tenant, or terminate a subsidy due to:

- Having been a survivor of domestic violence, dating violence, sexual assault, or stalking
- adverse factors resulting from the abuse (e.g., poor credit or criminal history)

If an abuser is an unauthorized occupant and the survivor did not have choice in allowing the abuser to occupy the unit, unauthorized occupancy can not be sole grounds for eviction.

VAWA Notice of Occupancy Rights



- PSH & RRH projects must give the notice to each adult tenant and applicant.
- For more information see the VAWA forms slide.

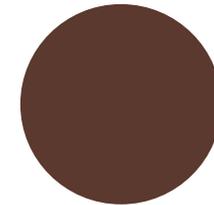
VAWA Emergency Transfer Provisions



- Allows survivors to move to another subsidized unit to protect their safety and maintain affordable housing.
- PSH & RRH must adopt an emergency transfer plan based on HUD's model (see VAWA Forms slide).
- Other types of CoC projects are strongly encouraged to do so.
- Providers must retain records for all emergency transfer requests and outcomes.

- CoC projects are required to include descriptions of VAWA protections in leases and contracts.
- A housing provider may bifurcate a lease to evict an abuser while allowing the survivor to stay.
- If the evicted abuser was the person who qualified the family for CoC assistance, must provide remaining tenant(s) **until lease expiration**.
- To protect survivors whose names are not included on the lease, these rights apply to tenants AND residents.

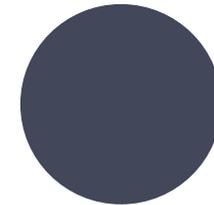
VAWA Lease Requirements & Bifurcations



- Under most circumstances, a survivor need only to self-certify.
- Third-party documentation should not cause a barrier to receiving protections needed to keep survivors safe.
- Only when there is conflicting evidence (e.g., regarding who is the abuser and who is the victim), can the provider ask for third-party documentation.



VAWA Incident Certification

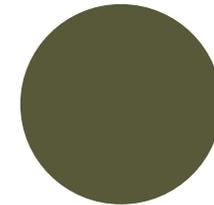


Providers must allow tenants to provide any of these:

- Self-certification form (HUD Form 5382 – See VAWA Forms slide)
- Police, court or administrative record
- Any other statement or evidence that the housing provider has agreed to accept



VAWA Incident Certification (2)





VAWA Forms

- **Notice of Occupancy Rights Under VAWA**, form HUD 5380
- **Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking**, form HUD 5381
- **Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation**, form HUD 5382
- **Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking**, form HUD 5383

All forms available in English and 14 additional languages at:

- https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a

Educational Rights

Applies to Children >18 and young adults 18-24

- Grantees required to:
 - Inform homeless families and youth of their rights under McKinney-Vento Education Services (Now Every Student Succeeds Act – ESSA)
 - Help children and young adults to enroll in school immediately
 - Advocate for ability to attend school of origin while homeless and until end of academic year once housed
 - Advocate to ensure students receive services to which they are entitled, including assistance from the school district's homeless liaison
 - Have a staff person assigned as educational liaison to assist



Assessment & Service Planning

- Must conduct assessment of participants' supportive services needs, the availability of such services, and the coordination of services to ensure long-term housing stability **at least annually.**
- Services must be adjusted accordingly
- Assessment should be dated and documented in participant files



Assessment & Service Planning

- Evidence that supportive services are available to meet the needs of participants is documented in participant files:
 - ✓ Documentation of service delivery (e.g. case notes) reconciles with time sheets
 - ✓ Services are provided with a frequency that is responsive to participant needs
 - ✓ Evidence of appropriate and timely intervention on identified issues that threaten housing stability or health/wellbeing
 - ✓ Service plans/case notes consistent with Housing First



Housing First

Quick, low barrier access to housing while providing needed services

Housing is not contingent on compliance with services; Services are voluntary for tenants, not staff – assertive engagement

Same expectations as anyone else in housing as established in lease.

Services are wrapped around the individual
Person is assisted to meet lease obligations

Housing
First is *not*

“Housing only”

OR

“Anything goes”



Termination of Assistance

Must be consistent with
Housing First

Must provide formal due
process:

- Written copy of
program rules
- Written notice of
reason for termination
- Review of the decision
- Written notice of the
final decision



Review

- To whom must the VAWA Notice of Occupancy? Rights be provided?

Each adult applicant and tenant in PSH and RRH

- In what circumstances can a provider ask for third documentation of domestic violence?

Only when there is conflicting evidence

- How often is assessment required by HUD?

Annually

Do educational rights apply only to projects serving families?

No – applies to children and young adults 18-24





HUD Monitoring Exhibits

- Updated HUD monitoring exhibits available at:
- http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/6509.2

HUD Monitoring Areas

Beneficiaries

Housing

Supportive
Services

Project
Progress

Match
Documentation

Subrecipient
Management

Overall Systems
Management

Financial
Management

Cost
Allowability

Procurement

Equipment and
Equipment
Disposition

Other Federal
Requirements

Income Verification & Rent Calculation

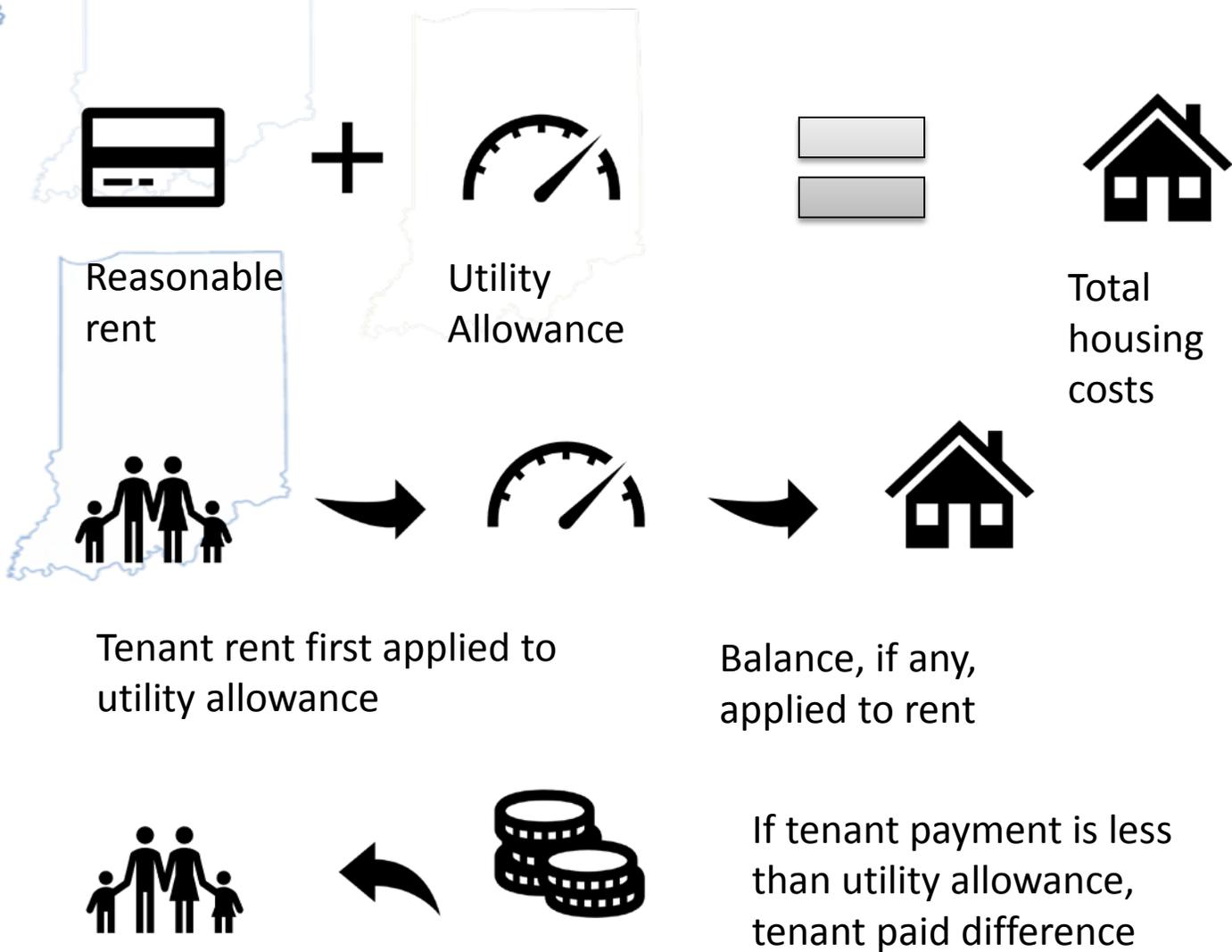




Rental Assistance – Participant Rent

- In Rental Assistance the lease must be between the participant and property owner
- Rent must be charged and may not exceed the highest of:
 - 30 percent of the family's monthly adjusted income;
 - 10 percent of the family's monthly income; or
 - The portion of the family's welfare assistance, if any, that is designated for housing costs.
- No minimum rents permitted

Tenant Payment



Leasing – Participant Rent



Program participants in leased housing may be required to pay an occupancy charge.

- Lease is between service provider and property owner
- If occupancy charges are imposed, they may not exceed the highest of:
 - 30 percent of the family's monthly adjusted income;
 - 10 percent of the family's monthly gross income; or
 - The portion of the family's welfare assistance, if any, that is designated for housing costs.
- No minimum rents permitted

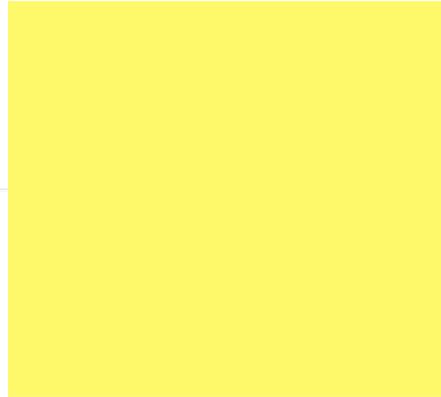
Mandatory Annual Income Deductions

- \$480 for each dependent
- \$400 for any elderly or disabled family (includes single adult). All PSH tenants should receive.
- Reasonable child care expenses to enable work or education

- The sum of the following if it exceeds 3% of annual income - (only if elderly or disabled):
 - Unreimbursed medical expenses
 - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each disabled member to the extent necessary to enable any family member to work (deduction cannot exceed earned income)



Example – Joe's Rent Calculation



- Joe is a single adult and lives in PSH. His income is \$750, & his rent is \$950 per month. He pays his own utilities. The PHA approved utility allowance for his unit is \$125/month. He has no unreimbursed medical expenses.
- Rent: $\$950 + \$125 = \$1075$
- Adjusted Income: $(\$750 * 12 - \$400)/12 = \$716$
- 30% of Adjusted Income: $\$716 * .3 = \214
- Joe pays: Utilities & $\$214 - \$125 = \$89$ for Rent
- Subsidy pays: $\$950 - \$89 = \$861$ to Landlord for Rent



Example – Kristy’s Rent Calculation

- Kristy lives in TH. She is not disabled. Her income is \$220 & her occupancy fee is \$600 per month. She pays her own utilities. The PHA approved utility allowance for her unit is \$125/month.
- Occupancy fee: $\$600 + \$125 = \$725$
- Adjusted Income: \$220 (no adjustments)
- 30% of Adj Income: $\$220 * .3 = \66
- Kristy pays: \$66 towards utilities
- Subsidy pays: $\$125 - 66 = \59 to Kristy or Utility Company &
- \$600 to Landlord for Occupancy Fee



What counts as income?

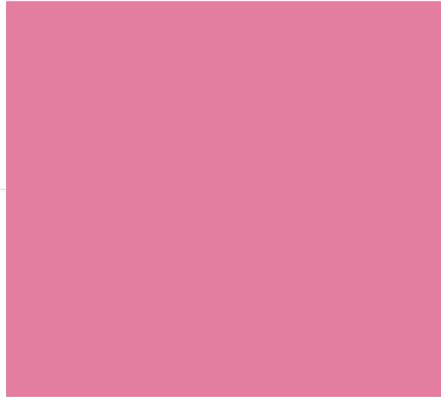
- All amounts that go to any family member not specifically excluded. Includes:
- Social Security, disability, pensions, death benefits
- Unemployment, worker's compensation, severance
- Welfare assistance
- Alimony & child support
- Regular gifts
- Wages/Salary, Overtime, Tips, Commissions, Bonuses (full amount prior to deductions)
- Net income from business/profession
- 24 CFR 5.609:
<https://www.law.cornell.edu/cfr/text/24/5.609>



Common Examples of Income Excluded

- Employment income for children under 18
- Temporary, non-recurring or sporadic income/gifts
- Payments for the care of foster children
- Lump sum additions to assets
 - Inheritance, insurance payments, settlements, lottery
- Medical expense reimbursements
- Income of a live-in aide
- Student financial aid
- Resident service stipends (not to exceed \$200/month)

How are assets treated?



- If assets total less than \$5,000, no need to consider.
- Income from assets above \$5,000 is calculated based on the passbook savings rate (0.06%).
- EXAMPLE: a participant receives an inheritance of \$50,000 and puts that money into a savings account - calculate income as follows:
 - $\$50,000 * .0006 = \$30/\text{year}$
- <https://www.hud.gov/sites/documents/16-01HSGN.PDF>

Income Review & Documentation



- Must examine income initially and at least annually.
- Must include all household members.
- Adjustments to participant contribution toward rent must be made as changes in income are identified.
- Participant must agree to supply the information or documentation necessary to verify the program participant's income.
- Retain proof of income and supporting documentation for deductions in participant files.

Fluctuations in Income



- If it is not feasible to anticipate annual income, anticipate for a shorter period; re-determination required at the end of the period.
- Amount of change in income that triggers a review is not specifically defined by HUD.
- Goal is to capture significant change
- For example: \$50/month results in about \$15 increase in rent

Housing Requirements

**MUST BE MET PRIOR
TO USE OF COC
FUNDS**



Housing Quality Inspections



- Inspection required prior to occupancy for housing assisted through rental assistance or leasing
- Re-inspection required annually
- HUD Housing Quality Standards Checklist
<http://portal.hud.gov/hudportal/documents/huddoc?id=52580.pdf>
- Acceptability criteria defined at:
 - https://www.hud.gov/sites/documents/DOC_11754.PDF

Lead-based Paint

- Applies to all assisted units constructed prior to 1978 and if there will be a child under 6 years of age or a pregnant woman residing in the unit
- Units must be inspected to identify deteriorated paint (i.e., chipping, cracking, chalking, damaged, separated from substrate).
- Staff conducting inspections should complete web-based training
- Document participant receipt of Lead Hazard Information Pamphlet
- TBRA must share data with local health department
- For more information see:
<http://www.hud.gov/offices/lead/training/visualassessment/h00100.cfm>





Rent Reasonableness

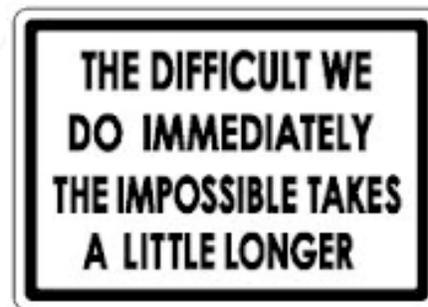
- Required for leasing or rental assistance
- Reasonable based on comparable units in the community
- May not exceed rents currently being charged by the same owner for comparable unassisted space:
- Document 3 comparable units
- Sample “Rent Reasonableness Checklist and Certification” form:
 - www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc

Reasonable
Rent =
Maximum
Subsidized
Amount

In rental
assistance,
reasonable rent
= maximum
rent

In leasing,
maximum rent
= the lesser of
reasonable rent
or the FMR

Rent Reasonableness – Examples from the Field



Can you share an example of how your program used rent reasonableness to help secure a unit for a hard to house participant?

Conflicts of Interest



Prohibits financial interests/benefit from assisted activity during tenure with organization and one year following tenure.

Applies to:

- Staff
- Person with whom the staff member has immediate family or business ties
- Board
- Consultants

CONFLICT:

RESOLVED ○

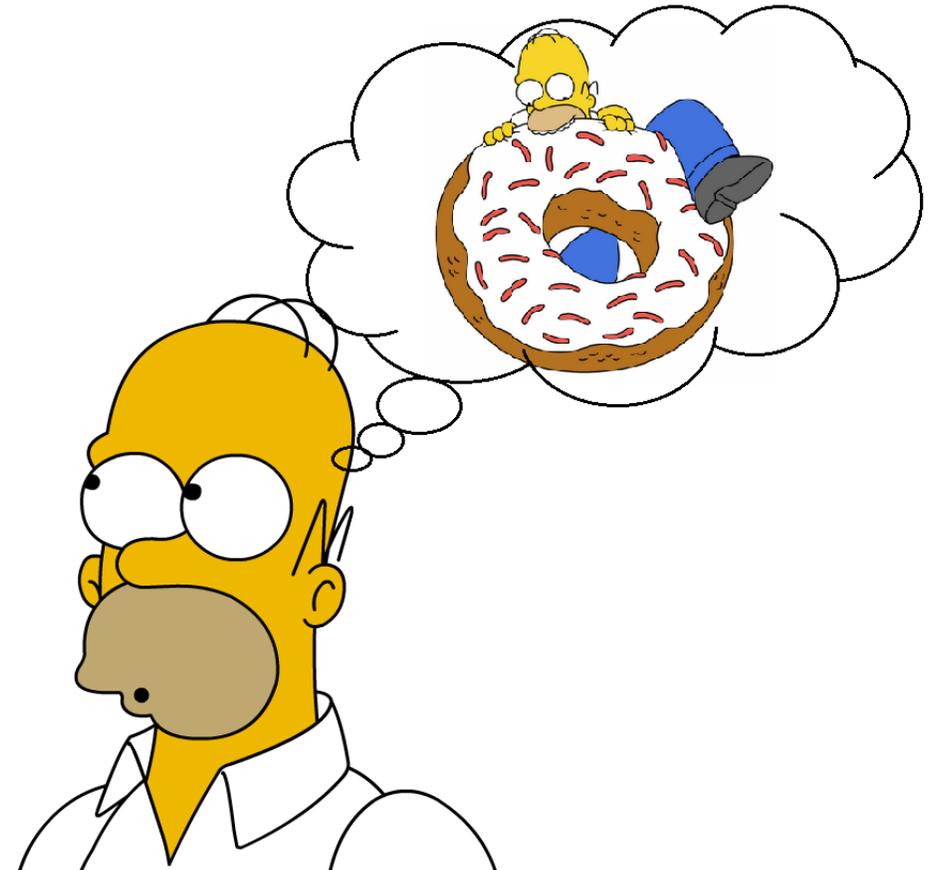
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Examples:

- May not lease units/structures owned by the recipient, subrecipient, their parent organization(s), a staff or board member relative, or business associate
- Owner of a unit or his/her subordinate may not conduct HQS, rent reasonableness, or lead-based paint visual inspection.

Is it a conflict of interest, if...

- A former Board member offers to provide legal services at a reduced rate?
- Depends. If it has been less than one year since tenure, Yes.
- An employee owns a small business, and her business partner rents units at a great rate to participants?
- Yes. Person with whom an employee has business ties may not benefit financially.
- A subsidiary of the recipient agency owns the building, and an agency employee does HQS?
- Yes. Agency must hire an independent entity for HQS.





Leases & Occupancy agreements

- Permanent housing initial one year agreement; may continue month to month
- Transitional must have at least a monthly agreement.
- Agreement/lease should provide formal due process rights and be consistent with housing first principles.
- In tenant based rental assistance, strongly urged to enter into separate rental assistance agreement with owner

Environmental Review (ER)

All CoC projects are required to complete an ER



See flow chart handout to determine level of review required for your project.

Environmental Review (ER)



- Assesses the potential environmental impacts of a project
- If ER not present, HUD can issue a finding or recapture funds
- ER documentation required for current units & new housing units coming on-line.
- Contact the community development officials in your community who can help you with inspectors and/or responsible entities

Resources:

- <https://www.hudexchange.info/environmental-review/>

Review

- How many comparable units are required to certify rent reasonableness?
- **Three**
- In what circumstances do you have to conduct a lead-based paint visual inspection?
- **If unit was constructed prior to 1978 and there will be a child under 6 or a pregnant woman residing in the unit.**
- If a project underwent Environmental Review (ER) when it was rehabilitated does it need to complete an ER form now?
- **Depends. HUD requires ER be renewed every 5 years.**



Other Requirements



Managing sub- recipients



Recipient must:

- Have a signed agreement with all sub-recipients requiring project operation in accordance with the CoC Program Interim Rule
- Monitor sub-recipients at least annually
- Retain documentation of monitoring and sanctions, including findings and corrective actions required

Other Administrative Requirements



- Drawdown at least quarterly
- Submit APR within 90 days of grant expiration
- CoC expects full grant expenditure

GRANT AMENDMENTS & OTHER CHANGES



What is a Significant Change?

- Change of recipient
- Change of project site
- Additions or deletions of activities approved for a project
- A shift of over 10% of the total amount awarded for one eligible activity to another activity
- A reduction in the number of units
- A change in the subpopulation served



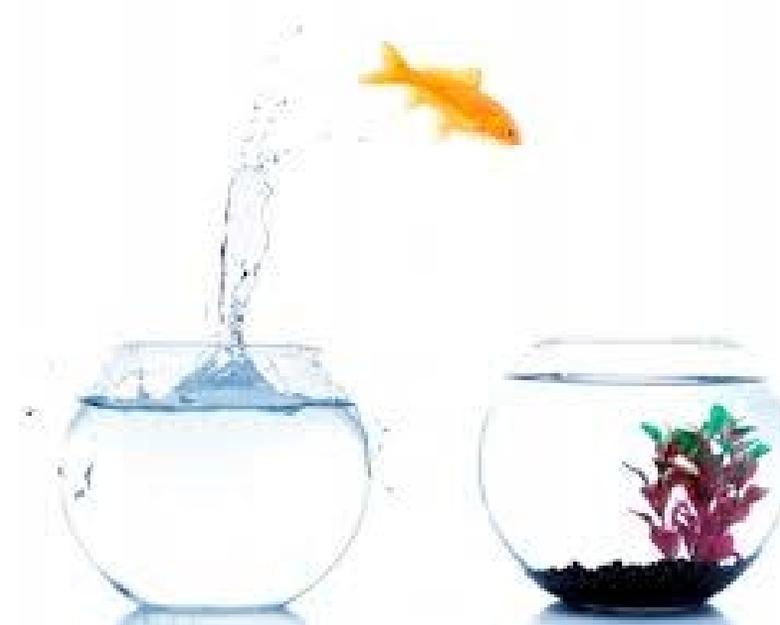
How To Make a Significant Change

- For significant changes:
 - Review with IN BoS CoC and obtain approval
 - Prepare a detailed, written request to the HUD Field Office
 - Explain the reason for the change
 - Justify same or better level of service
 - Cannot make the change until approved and contract is amended by HUD

How To Make a Minor Change

- For minor changes, the recipient must:
 - Fully document any changes
 - Maintain documentation and make it available to HUD during on-site reviews or upon request

You must alert the Field Office of the change to draw down funds in LOCCS



Which of these requires a grant amendment?

- Conversion from leasing to rental assistance?
- **GRANT AMENDMENT REQUIRED**
- Transfer of the grant to a different recipient?
- **GRANT AMENDMENT REQUIRED**
- Change the subrecipient?
- **MINOR CHANGE – AMENDMENT NOT REQUIRED**
- Reduce under spending by moving unspent admin funds to supportive services?
- **DEPENDS: IF YOU ALREADY HAVE AN APPROVED SUPPORTIVE SERVICES BUDGET AND THE SHIFT IS 10% OR LESS THAN TOTAL ADMIN AMOUNT AWARDED, THEN NO AMENDMENT IS REQUIRED**



Which of these requires a grant amendment?

- Change target population from HIV to SMI?
- **GRANT AMENDMENT REQUIRED**
- Continuing to serve a participant who was a single and added a member to his family?
- **MINOR CHANGE – AMENDMENT NOT REQUIRED**
- Conversion of a project component type (e.g. PSH to RRH)
- **Not allowed. With consent of the CoC, projects may reallocate funds to discontinue an existing project and begin a new project with a different component type.**



Examples of impermissible fees

Recipients and sub-recipients may not charge participants any fee other than rent or occupancy charges. May not charge:

- Late fees (Collection of back rent payments allowed)
- Lost key fees
- Returned check fees
- Legal fees
- Security deposits
- Damage fees
- Mandatory savings



A faint outline map of the state of Indiana is visible in the background on the left side of the slide.

Eligible Uses of Rental Assistance

Security deposit – up to 2 months

Rent for 30 days post participant
move-out

Family members can remain for duration of
lease if qualifying participant has left
household

Up to 1 month rent to pay for
damages after departure

Utility costs up to allowance

Administrative costs of rental
assistance

Eligible Costs - Leasing



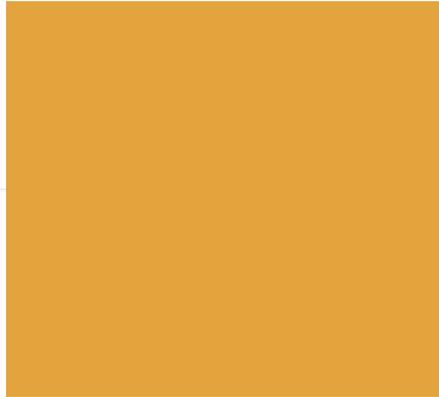
- Can pay up to 100% of the rent (regardless of participant income)
- May also be used for:
 - Security deposit (up to 2 months) – additional damages beyond security not eligible
 - First and last month's rent
 - Agency costs in providing Leasing Assistance (HQS inspections, rent calculation, rent reasonableness)

Eligible Costs - Utilities



- Utilities (electric, gas, water) are a leasing or rental assistance cost if included in the rent.
- For leasing projects, utilities are an operating cost, if not included in the lease.
- For rental assistance projects, utilities are reimbursed through utility allowance if not included in lease
- Utilities are a supportive service cost, if the structure is used as a supportive service facility.

Eligible Costs - Operating



Costs associated with “day-to-day physical operation of housing in which homeless persons are housed”:

- Maintenance and repair
- Building security (units must be more than 50% CoC funded)
- Electricity, gas, water & sewer
- Furniture
- Equipment
- Staff and overhead costs related to carry out these activities

Ineligible Costs - Operating



- Costs not included in your approved budget
- Grant may not fund:
- Rental assistance and Operating in the same unit/structure
- Maintenance and repair costs included in the lease
- Food (eligible under supportive service)

Review

- How long can you continue to pay rent when someone is incarcerated?
- **89 days or until the end of the lease for families**
- What is the maximum eligible security deposit amount?
- **Up to 2 months' rent**
- Can you use rental assistance funds to reimburse a landlord for damages to enable a lease renewal?
- **No. Damages are only allowable at exit from a unit.**
- Can you pay for furniture in a CoC rental assistance project?
- **Projects may use program income or matching funds to pay for furniture.**



Eligible Costs – Supportive Services

Address the needs of the program participants to help **obtain and maintain housing:**

Annual assessment	Employment assistance/job training	Mental health
Moving	Food	Outpatient health
Case Management	Housing Search/counseling	Outreach
Child Care	Legal Services	Substance abuse treatment
Education	Life Skills Training	Transportation
Utility deposits	<u>Any unlisted cost is ineligible.</u>	



- Costs not in approved budget
- Staff training and the costs of obtaining professional licenses or certifications
- Gift Cards
- Car repairs or maintenance on behalf of participant:
 - if public transportation is sufficient in the area
 - that exceed 10% of Blue Book value

Ineligible Costs – Supportive Services



Eligible Operating Costs – Supportive Services

If the supportive services are provided in a facility not contained in a housing structure, the costs of day-to-day operation of the service facility are eligible:

- ✓ maintenance & repair
- ✓ building security
- ✓ furniture
- ✓ utilities
- ✓ equipment

Review

Can CoC funds be used for participant recreational activities (e.g., theater or sporting event tickets)?

No.

Is a gift card to help participants with no income to purchase groceries an eligible expense?

No.

Can CoC Rental Assistance projects pay for participant utility deposits?

Projects may use program income or matching funds to deposits.



Eligible Costs – Project Administration



General management,
oversight, and coordination:

- ✓ Preparing program budgets and schedules
- ✓ Monitoring compliance
- ✓ Developing agreements with subrecipients and contractors
- ✓ Preparing reports and documents for HUD
- ✓ Coordinating audit and monitoring findings resolution
- ✓ Evaluating the program
- ✓ Legal, accounting, and audit services
- ✓ Rental or purchase of equipment, insurance, utilities, office supplies, rental/maintenance of office space

Eligible Costs – Project Administration (2)



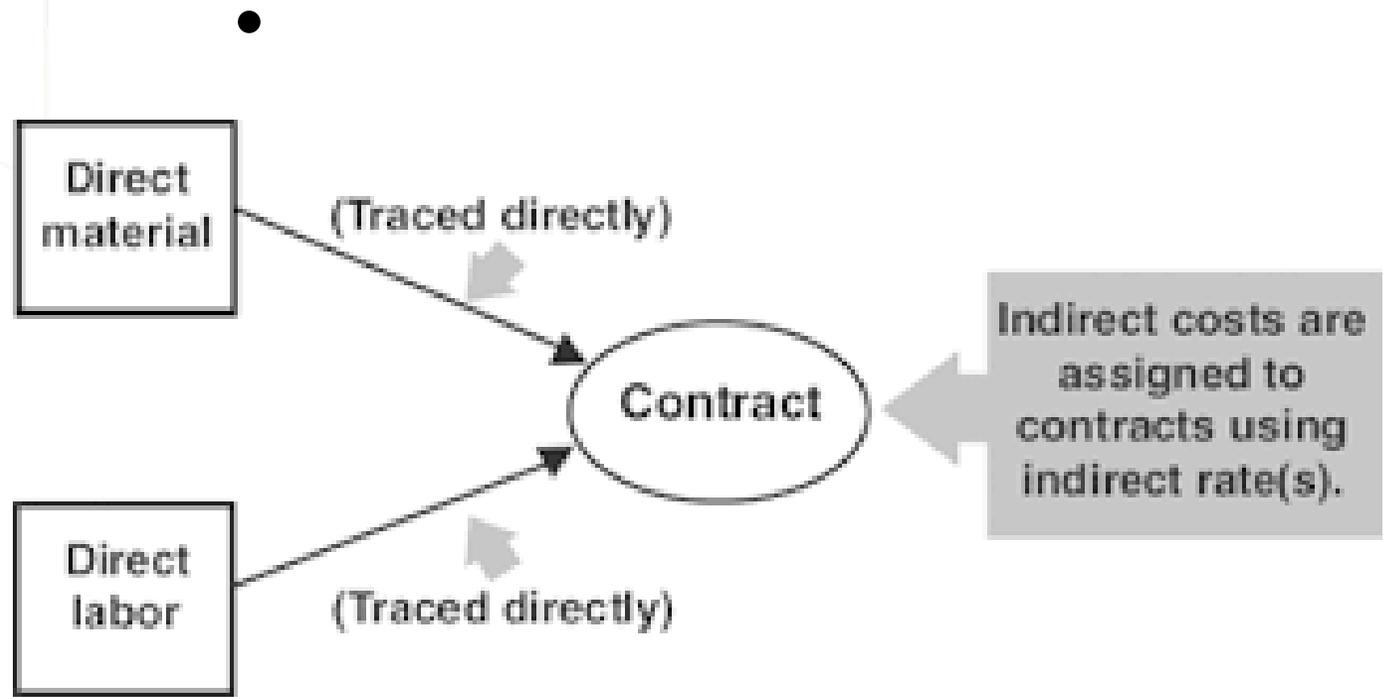
- Training on CoC requirements and attending HUD-sponsored CoC trainings
- Environmental review
- Must allocate administrative costs to actual eligible expenses & may not bill admin at a standard rate (e.g., 7%).
- Recipients must share at least 50% of project administrative funds with its sub-recipients.

Direct vs. Indirect Costs

Direct costs are associated with a particular cost objective or award that can be directly assigned to such activities relatively easily and with a high degree of accuracy.

Indirect costs are incurred for common or joint objectives and cannot be readily associated with a particular cost objective

To charge indirect costs, agency must have an indirect cost rate proposal that is in accordance with OMB Circulars A-87 or A-122, as applicable.



Administrative vs. Indirect Costs



- General agency costs that are not eligible as admin costs MAY be eligible as indirect costs if:
 - Agency has an indirect cost rate proposal that is in accordance with federal requirements or agency requests de minimus 10% rate
 - Cost is indirectly related to carrying out eligible activities

Match Requirements

Match requirement - 25% cash or in kind for all line items except leasing

Matching funds can only be used on eligible CoC Program costs (any eligible cost – not limited to approved budget line items)

Example: \$100,000 of operating funds may be matched with \$25,000 cash that is expended on eligible supportive services or with \$25,000 worth of in-kind eligible supportive services

Matching Funds



Understanding Match

- The total match requirement can be met through **cash, in-kind, or a combination.**
- Cash must be received and be disbursed by the grantee.
- Full match amount committed in the application must be met
- Program income (participant rent) can now be used as match
- Value of commitments of land, buildings, & equipment may be claimed only once



Documenting In-Kind Cash Match - Services

- Must keep and make available, for inspection, **records documenting the service hours provided.**
- Must keep source documentation (e.g., MOU) on file
- Requirements for the MOU:
 - Establish the unconditional commitment
 - Describe specific service to be provided
 - State profession of the persons providing the service
 - State hourly cost of the service to be provided.
 - Must be valued at rates consistent with those ordinarily paid





Documenting In-Kind Cash Match – Goods, Property, Equipment

- Value of commitment must be documented on source agency letterhead, signed & dated.
- Value must be consistent with the cost ordinarily paid for similar goods in the local market.
- Requirements for letter:
 - Date on which the in-kind donation will be available
 - Project and operating year to which the match is being contributed
 - Allowable activities to be provided by the donation

Record Retention

