



Indiana Balance of State Continuum of Care

HOUSING REQUIREMENTS

Permanent Supportive Housing

- Operations
- Leasing
- Rental Assistance – tenant, project or sponsor based
- Supportive services
- HMIS
- Administrative Expenses

Rapid Rehousing

- Tenant based rental assistance
- Supportive Services
- HMIS
- Administrative Expenses

Overview of Housing Components – Eligible Costs

Housing Components Eligible Costs (2)

Joint
Transition
al/Rapid
Rehousing

Transitional

Leasing

Operations

Supportive Services

RRH

Tenant based rental assistance

Supportive Services

Project

HMIS

Administrative Expenses

Housing Components Eligible Costs (3)

Transitional Housing

- New TH projects not allowed by HUD except in YHDP
- Allowable costs
 - Leasing
 - Operations
 - Rental assistance (tenant, sponsor or project based)
 - Supportive Services
 - HMIS
 - Administrative expenses

Rental Assistance – Eligible Costs

Eligible Costs paid on rental assistance budget line

- Up to 100% of rent
- Security deposit
- First and last month's rent
- Damages to unit (not to exceed 1 months rent and paid only after tenant leaves unit)
- Administering rental assistance: HQS/Nspire inspections, rent calculations, documenting and verifying income, rent reasonableness

Environmental reviews are paid by administrative funds.

Leasing Eligible Costs

Eligible Costs under leasing budget line:

- Rental payments not to exceed the lower of reasonable rent or the Fair Market Rents
- Electricity, gas, and water if these costs are included in rent
 - If not included can only be paid as an operating cost
- Security deposits – up to 2 months rent
- Advance payment of last months rent as well as first months rent when signing lease

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

Supportive Services Eligible Costs

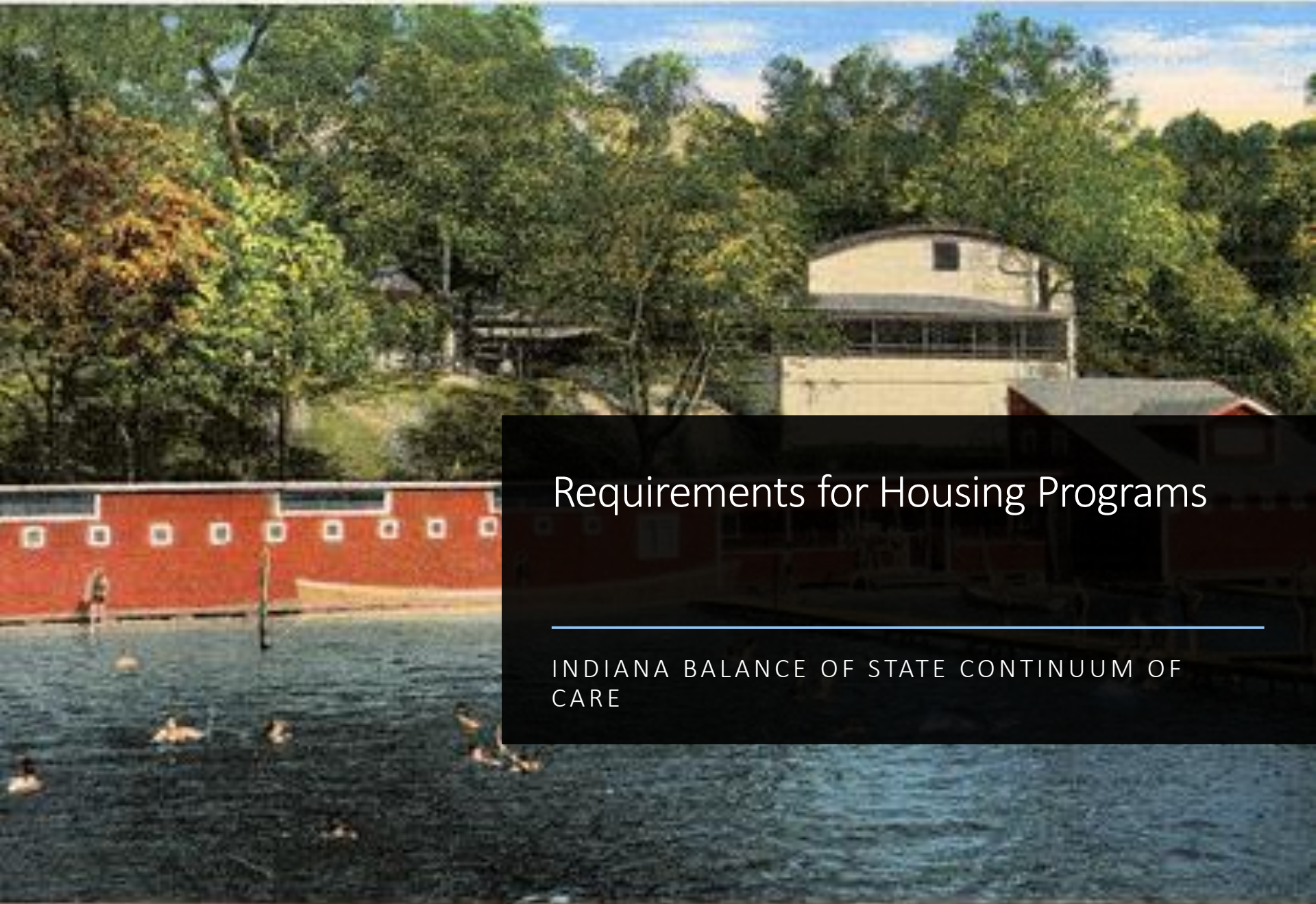
Address the needs of the program participants to help **obtain and maintain housing:**

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>	

Poll: Eligible Supportive Services

For a cost to be eligible to be reimbursed by HUD as a supportive services:

- It must be provided in a public setting as in a fast food or coffee restaurant
- The service must be provided to all members of the household at the same time
- The service must be specified as eligible under the CoC regulations 24 CFR 578.53



Requirements for Housing Programs

INDIANA BALANCE OF STATE CONTINUUM OF CARE

Housing Quality Inspections

Must be performed **prior to occupancy** and **every 12 months**

New Nspire approach will start in 2024

- HUD HQS Inspection checklist found here:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/52580.PDF>
- Units assisted with rental assistance or leasing must be inspected prior to occupancy, not assisted until passed inspection, and reinspected annually or when unit considered at risk of failing
- No specific requirement on who is qualified to do HQS inspections
- All participant files where the participant is receiving rental assistance or leasing assistance must have a current HQS inspection form
- Costs of HQS inspections should be charged to rental assistance or leasing budget lines

HUD NSPIRE Standards to replace HQS

HUD is in the process of transforming the unit inspection process – transitioning from HQS to NSPIRE – new process and standards – involves Salesforce as outside contractor

- A full list of the NSPIRE standards is found here: [NSPIRE Standards | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)
- The standards include detailed descriptions of what passes and what will fail inspection
- NSPIRE has been implemented for public housing and housing choice vouchers
- NSPIRE inspections will look at individual units, inside public areas, and the outside of the structure
- It will be required for all HUD programs – reported that CoC program may implement in the Fall of 2024

Upcoming Inspection Process

A self-inspection is required annually – using an electronic submission that allows for photos to be uploaded

A third-party inspection is required every 1-3 years based on self-inspection outcomes

There are fewer standards than in HQS

Goal is for process to be simpler and focused on health and safety concerns instead of appearance

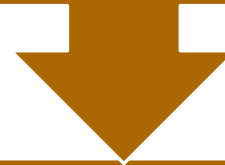
Fair Market Rents

Annually HUD evaluates rents in market areas to determine the costs of decent, non-luxury housing

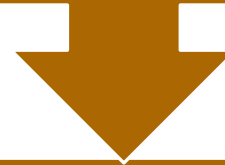
- These rents, by bedroom size:
 - Are the maximum that can be **applied for** in projects using leasing or rental assistance
 - Are the maximum rents that can be **paid for with HUD funds for** units assisted with leasing
- Current and former Fair Market Rent levels can be found here: <https://www.huduser.gov/portal/datasets/fmr.html>
- They are estimates of the rent for standard quality units set at the 40th percentile of gross rents
- FMR levels are inclusive of utility costs at the PHA utility allowance schedule

Rent Reasonableness

For projects using **rental assistance**, the maximum rent that can be paid is the reasonable rent



For projects using **leasing**, maximum rent is the lessor of the Fair Market Rent or reasonable rent



Rent is reasonable if the rent is equal or less than that of three comparable units (size, location, amenities)

Must be determined at initial occupancy and annually

Must be in participant files

Rent Reasonableness Checklist

	Proposed Unit	UNIT #1	UNIT #2	UNIT #3
ADDRESS				
NUMBER OF BEDROOMS				
SQUARE FEET				
TYPE OF UNIT/CONSTRUCTION				
HOUSING CONDITION				
LOCATION/ACCESSIBILITY				
AMENITIES				
UNIT:				
SITE:				
NEIGHBORHOOD:				
AGE IN YEARS				
UTILITIES (TYPE)				
UNIT RENT				
UTILITY ALLOWANCE				
GROSS RENT				
HANDICAP ACCESSIBLE?				

Poll: Reasonable Rents

To document that a rent is reasonable, you must:

- Sign a lease with the owner for at least four similar units
- Show that the rent paid is within 15% of the highest rent currently charged in the building
- The rent is equal to or less than that charged for 3 comparable units
- The rent is equal to or less than what your mother would have paid in rent for her least favorite child

Units constructed prior to 1978 may have lead-based paint



Prior to occupancy, a lead-based paint visual assessment **must be conducted** in any unit that will be occupied by children under 6 or a pregnant mom

HUD has an online training course for doing a visual assessment for lead-based paint <https://apps.hud.gov/offices/lead/training/visualassessment/h00101.htm>

Lead Based Paint

Lead Based Paint Visual Assessment

Looking for deteriorated/damaged paint surfaces beyond a minimal level

HUD de minimis level

- 10% of the total surface area of an interior or exterior type of component
- Examples: windowsills, baseboards, trim
- If more than 10% is deteriorated, then HUD minimum level has been exceeded
- For exterior surfaces: de minimis = 20 square feet – includes outbuildings, fences and play areas
- For interior rooms: de minimis is 2 square feet on floors, ceilings, and walls



Leases/Occupancy Agreements

Recipients of CoC funds must have signed occupancy agreements or leases with program participants residing in housing

All households receiving rental assistance must pay rent; those assisted by leasing or in projects assisted with operating costs may be charged rent – must be consistent

For rental assistance, initial lease term must be at least one year and automatically renewable.

For transitional housing, lease term must be at least one month

Participant files must contain copies of leases

Environmental Review

Choice limiting actions

- Limits participants' choices of reasonable alternatives
- Includes signing a lease as well as acquisition, rehabilitation, new construction
- In CoC includes leasing, sponsor and project based rental assistance
- Requires a unit/site specific environmental review

Non-Choice limiting actions:

- Are categorically excluded not subject to 58.5
- Tenant based rental assistance
- Leasing assistance where tenant chooses unit
- Environmental review conducted on a project not a unit/site



Frequency

Completed prior to grant execution (new projects)

Updated every five (5) years (renewal projects)

Types of Review

Exempt

- Soft costs (HMIS, Coordinated Entry) use Nationwide ERR completed by HUD

CENST

- TBRA and leasing where participant can exercise choice use Statewide ERR completed by Field Office

CEST

- RA (Sponsor and Project-based) and Leasing, where participant does not have choice in unit location use [Limited Scope ERR](#) – sign as ‘preparer’ and send to local jurisdiction to sign as ‘Certify’

EA

- Acquisition, construction, rehabilitation – complete [Adequate level of ERR](#)

Limited Scope Review for Leasing and Project Based

HUD has developed a modified review form for these projects:
<https://www.hud.gov/sites/dfiles/CPD/documents/Limited-Scope-Environmental-Review-Format-CoC.pdf>

Use in all instances of leasing or project based rental assistance that include no maintenance, repairs or rehabilitation

There are no physical changes to buildings and no effects on historic structures – if such structures were present



Questions/Discussion

THANK YOU FOR PARTICIPATING