Youth Homeless Demonstration Program (YHDP) Start-Up Slides

Round 4/5

Welcome and Today's Agenda

- Topics will include:
  - Program components
  - Eligible costs
  - Eligible participants
  - Match
- This training will likely not cover all of your questions, please follow up with your YHDP TA provider or submit a question to your Dedicated Desk Officer (DDO) and cc the Youthdemo email box at Youthdemo@hud.gov.

Note on Program regulations and YHDP

- These slides cover some topics of the Continuum of Care Program, which are the governing regulations for YHDP.
- YHDP projects may be able to implement special YHDP activities that are outside of the CoC Program regulations. These activities are marked with * throughout the presentation.

- Please note that project recipients may only implement special YHDP activities if the activity was included in the project application and, if applicable, the request was approved by HUD. If a project did not request a special YHDP activity in their application, it may not be implemented in the project.

Overall Objective

- Recipients and subrecipients will be able to understand the CoC Program interim rule requirements and responsibilities related to project operation and grant administration.
- Recipients and subrecipients will be able to identify when special activities apply to their YHDP project and how those special activities are implemented.

Program Components

Program Components – PH

- Community-based housing without a designated length of stay
- Includes both Permanent Supportive Housing (PSH) and Rapid Re-Housing (RRH)
- Program participant must be a tenant on a lease/sublease for a term of at least one year*
  - The lease/sublease must be renewable for terms that are a minimum of one month long, terminated only for cause

Program Components- PH: PSH

- Long-term housing assistance (24+ months) where supportive services are provided to assist homeless persons with a disability to live independently
- Assistance can only be provided to individuals with disabilities or families in which one adult or child has a disability
- Program participants must have a lease for a term of at least 12 months*, which is renewable for terms of at least one month, and is terminable only for cause

Program Components – PH:RRH

- Tenant-based rental assistance* for up to 24 months*
- Supportive services to assist program participants to obtain and maintain stability in permanent housing
- Program participants must have a lease for a term of at least 12 months*, which is renewable for terms of at least one month, and is terminable only for cause

Program Components – TH-RRH

- Cap total assistance at 48 months (24 months in TH, 24 months in RRH*)
- In the TH portion, program participants must have a sublease or occupancy agreement (depending on funding source) for a term of at least one month, that ends in 24 months and cannot be extended beyond 24 months.
- In the RRH portion, program participants must have a lease for a term of at least 12 months*, which is renewable for terms of at least one month, and is terminable only for cause
- Limit costs as follows:
  - Leasing and operating costs for TH portion only
  - Short- or medium-term tenant-based rental assistance* in RRH portion
  - Supportive services, HMIS, and project administrative costs across the entire project

Program Components – SSO

- Grant funds can only be used to pay for costs of eligible supportive services provided to unsheltered and sheltered persons for whom the recipient or subrecipient is not providing housing or housing assistance
- SSO projects have different models including (but not limited to) housing navigation, diversion/problem solving, host homes, street outreach, and drop-in centers
- CoCs can have SSO projects dedicated to operating the CoC's coordinated entry

Program Components- HMIS

- This component is only for HMIS Leads and allows HMIS Leads to support costs to manage and operate a CoC's HMIS
- Recipients funded under all other components may request an HMIS budget line item for costs of contributing client-level data to the HMIS, but cannot apply for HMIS funding under the HMIS program component

Program Component Resources

- Virtual Binder: CoC Program Components Overview
- CoC Toolkit: CoC Program and Eligible Costs
- Training: Overview of CoC Program Components and Eligible Costs

YHDP Special Activities- Project Components

If project applications included notification to HUD:

- YHDP housing projects may have leases for a minimum term of 1 month under rental assistance budget line items.
- YHDP recipients may use leasing, sponsor-based rental assistance, and project-based rental assistance in Rapid Rehousing projects.

If approved by HUD:

- A recipient may provide up to 36 months of Rapid Rehousing rental assistance

Eligible Costs

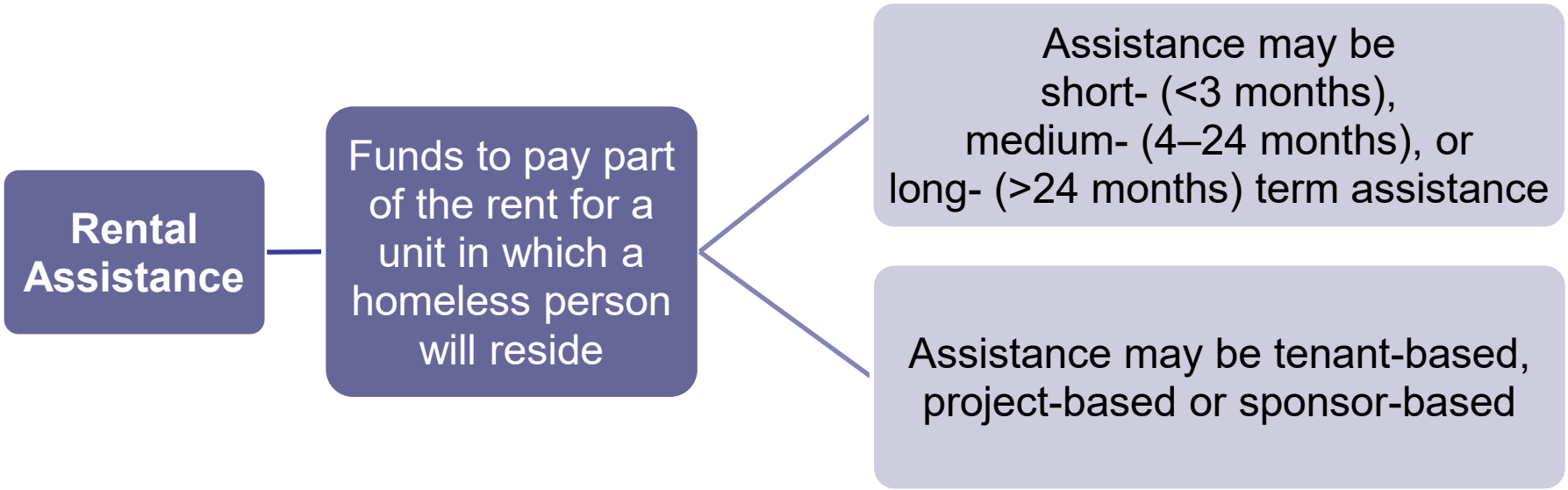
Eligible Costs

Eligible Costs	Program Components				
	Permanent Housing				
	PH: PSH	PH: RRH	TH	SSO	HMIS
Acquisition	✓		✓	✓	
Rehabilitation	✓		✓	✓	
New construction	✓		✓		
Leasing	✓		✓	✓	
Rental assistance	✓	✓	✓		
Supportive services	✓	✓	✓	✓	
Operating costs	✓		✓		
HMIS	✓	✓	✓	✓	✓
Project administration	✓	✓	✓	✓	✓

Eligible vs. Approved Costs

Eligible	Approved
All costs included in the CoC Program interim rule	• Each project has approved budget line items
	• Recipients may only spend CoC Program funds on approved costs
	• HUD approval is required to amend the budget to spend money on CoC Program eligible costs other than those that were included in the project budget approved through the application process, unless the change represents less than 10% of the budget line item.

Eligible Costs – Rental Assistance



Eligible Costs under PH and TH

Other Eligible Rental Assistance Costs

- First and last month's rent
- Security deposits (up to 2 months rent)
- Property damages (up to 1 month) – **NOT RRH**
- Vacancy payments (up to 30 days)
- Staff and overhead costs directly related to carrying out rental assistance activities (e.g., HQS inspections, writing rent checks)

Administering Rental Assistance

- Nonprofit organizations have permanent authority to administer rental assistance awarded through the CoC Program **for Permanent Housing**
- **Transitional Housing** projects are required to have a State, local government, or PHA administer the rental assistance
  - If an eligible entity cannot be identified, recipient may submit a waiver request to the HUD field office explaining the hardship, with reference to 24 CFR 578.51(b) of the CoC Program interim rule

Rental Assistance Administrative Costs

Rental assistance costs can also include:

- Processing rental payments to landlords
- Examining participant income and family composition
- Providing housing information and assistance
- Inspecting units for compliance with housing quality standards
- Receiving new participants into the program

Expenses can be paid by:

- Using matching funds
- If the project is not 100 percent leased, rental assistance funds may be used
- Or if the project is 100 percent leased but the project is paying at below FMR rates, then it may use the excess grant funds

Eligible Costs – Leasing

Leasing

Funds to pay rent on structures or individual units to provide supportive housing or supportive services

Grant may be used to pay 100% of the costs of leasing an individual unit or structure(s)

Eligible Costs under PH: PSH, TH, and SSO

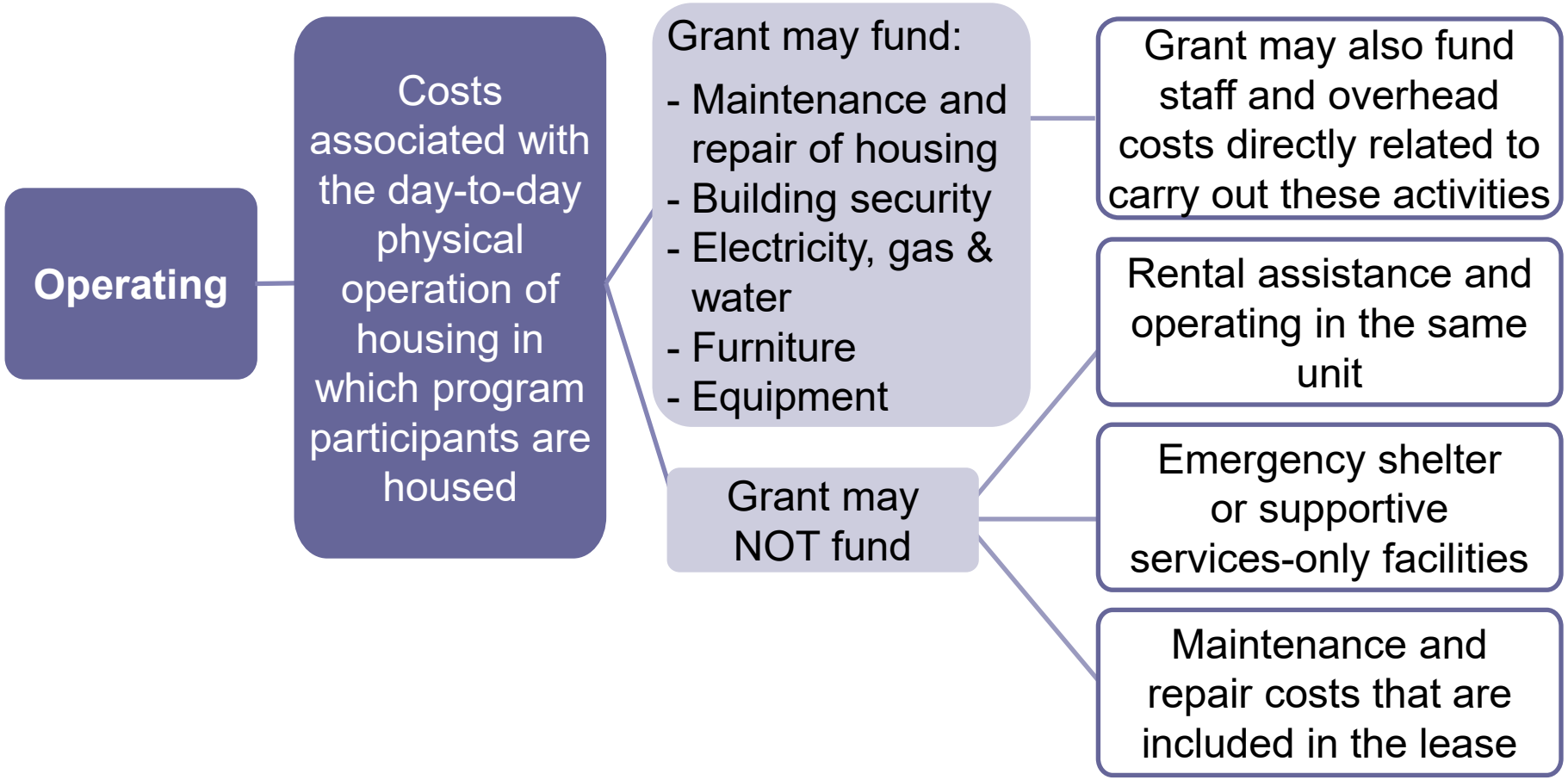
Other Eligible Leasing Costs

- Security deposits
  - Up to two month's rent
- First and last month's rent of an individual unit
- Staff and overhead costs directly related to carrying out leasing activities (e.g., HQS inspections, writing rent checks)

Leasing Vacant Units

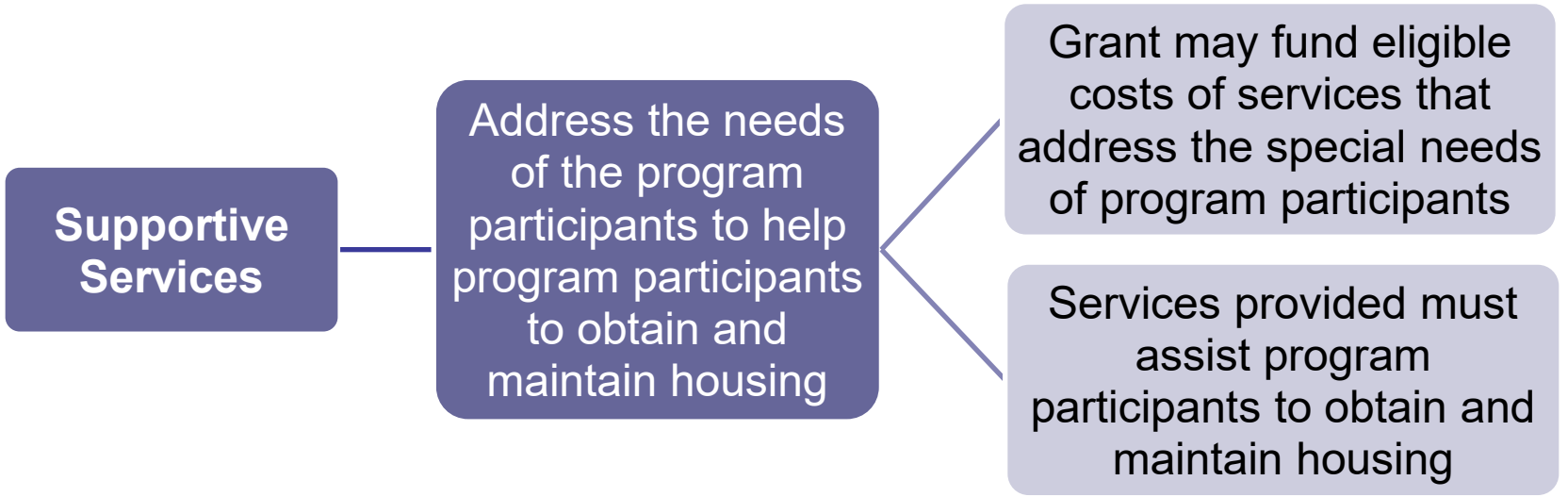
- Recipient or subrecipient may pay rent on vacant units until a new program participant moves in

Eligible Costs – Operating



Eligible Costs under PH: PSH or TH

Eligible Costs – Supportive Services



Eligible Costs under PH, TH, SSO

Eligible Costs – Supportive Services

- In general, grant funds may be used ***only*** on those services listed in the CoC Program interim rule*:
  - Assessing service needs
  - Moving costs
  - Case management
  - Child care
  - Education services
  - Employment assistance & job training
  - Food
  - Housing search & counseling services
  - Legal services
  - Life skills training
  - Mental health services
  - Outpatient health services
  - Outreach services
  - Substance abuse treatment services
  - Transportation
  - Utility deposits

Grant may also fund staff and overhead costs directly related to carry out these activities

Special YHDP Activities- Supportive Services Expenses

If project applications included notification to HUD, recipients may pay for:

- Security deposits not to exceed 2 months of rent;
- Costs of damage to housing
- Household cleaning supplies to clients.
- Housing start-up expenses not to exceed $300 in value per program participant.
- Purchase of a cellular phone and service for program participant use.
- Internet in a program participant's unit
- Up to 6 months of rental arrears
- Up to 6 months of utility arrears

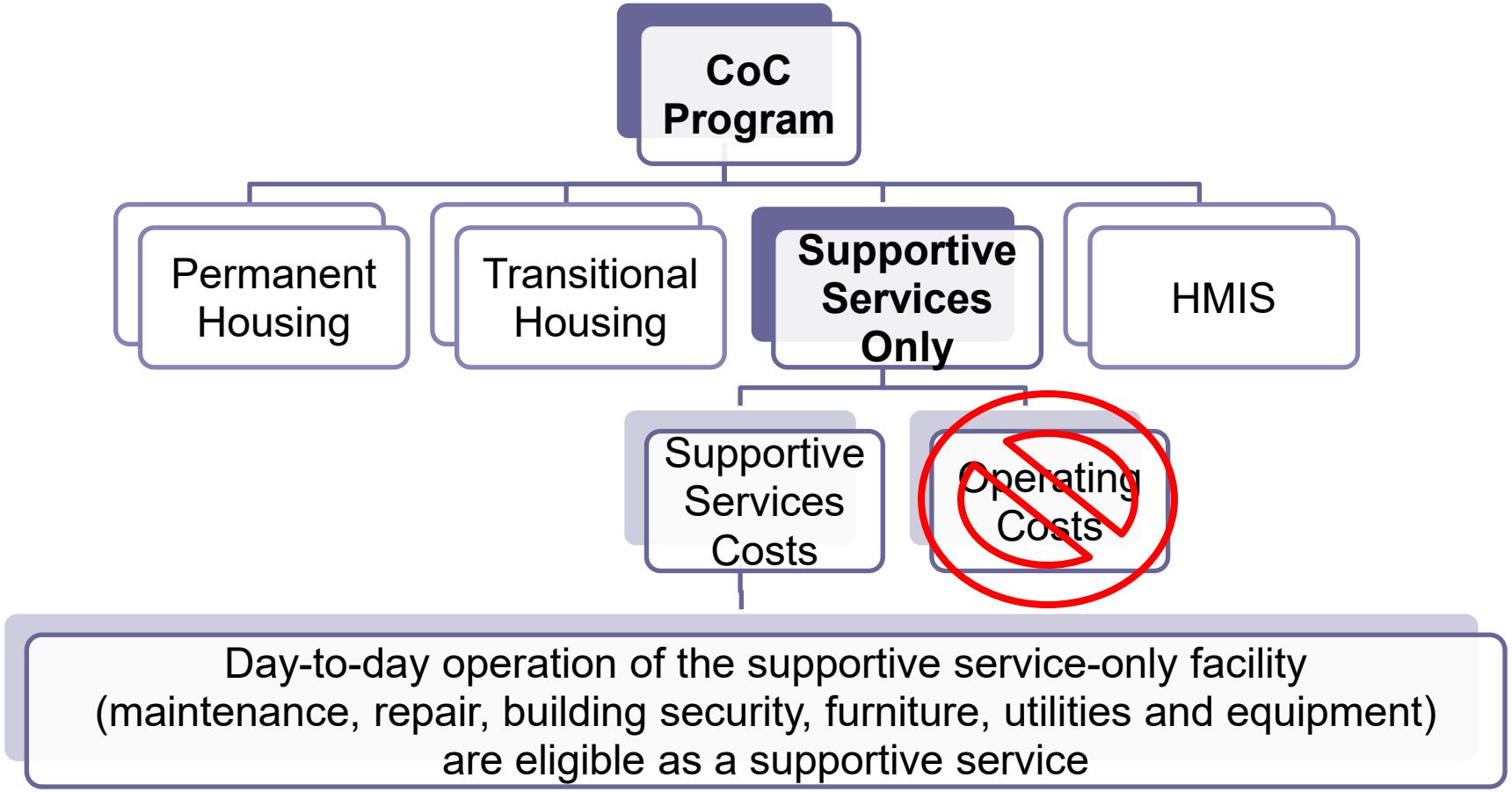
Special YHDP Activities- Supportive Services Expenses(continued)

- Up to three months of utilities
- Gas and mileage costs for a program participant's personal vehicle
- Legal fees, including court fees, bail bonds, and required courses and equipment
- Past driving fines and fees that are blocking a young person from being able to obtain or renew a driver's license and impacting their ability to obtain or maintain housing
- Vehicle insurance and registration if the personal vehicle is necessary to reach medical care, employment, childcare, or other eligible services

Special YHDP Activities- Supportive Services Expenses(continued)

- All services must be necessary to assist program participants to obtain and maintain housing.
- Recipients and subrecipients must maintain records establishing how they determine paying the costs was necessary for the program participant to obtain and retain housing
- Recipients must conduct an annual assessment of the needs of the program participants and adjust costs accordingly.

Operating Costs in SSO Projects



Eligible HMIS Costs

- Any project may have an HMIS budget line item for costs associated with HMIS data collection.
- Eligible HMIS data collection costs:
  - Purchasing or leasing computer hardware, software and/or software licenses
  - Leasing office space, equipment, furniture, and utilities for HMIS activities
  - Salaries, operating costs, and duties as required to operate an HMIS
  - Trainings related to the use of HMIS
  - Reporting to CoC on HMIS

Eligible Costs – Project Administration

- Project administration funds can be used to conduct:
  - General management, oversight and coordination
  - Training on CoC requirements
  - Environmental review
- Recipients are required to share at least 50% of project administrative funds with subrecipients.
- Costs of carrying out other eligible activities should be charged to those budget line items, NOT project administration.

Eligible Activity under ALL Components

Uniform Administrative Requirements

- The 2 CFR Part 200 Uniform Administrative Requirements apply to the competitive CPD program grants including the CoC Program.
- The Uniform Requirements with all amendments to 2 CFR part 200 are available in the electronic Code of Federal Regulations at www.ecfr.gov
- CPD Notice 16-04: Transition and Implementation Guidance

Indirect Costs

- Applicants selected for funding pursuant to this NOFA may charge indirect costs to the award.
- Applicants indicate their indirect cost in their project application **prior** to submitting it in *e-snaps* to HUD for review.
- Indirect costs are expenses of doing business not readily identified with a particular activity but necessary for general operation of applicant organization and conduct of activities it performs.
- Applicants with an approved federally negotiated indirect cost rate must submit with their application.
- Applicants that do not have an approved federally negotiated indirect cost rate may charge a maximum rate of 10% of modified total direct costs.

Indirect Cost Rate

- Recipients that choose to develop an Indirect Cost Rate Proposal, with HUD as the cognizant agency, must submit the proposal to HUDCPDIndirectCostRates@hud.gov for review and approval.
- For recipients needing a rate extended, where HUD is the cognizant agency, please submit the current approved rate and an email to HUDCPDIndirectCostRates@hud.gov requesting an extension.

Eligible Cost Resources

- Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Overview of Program Components and Eligible Costs

YHDP Eligibility

YHDP Age Restrictions

- No member of the household can be older than 24 at project entry
  - Can house household members who are over 24, but cannot use YHDP funds to rent a larger unit based on those additional members or use funds to provide supportive services to those older household members
- No age limit once housed

Income Eligibility in the CoC Program

- The CoC Program does **NOT** have any minimum income eligibility for their funded projects.

Overview of Homeless Definition

- Category 1: Literally Homeless
- Category 2: Imminent Risk of Homelessness
- Category 3: Homeless Under other Federal Statutes
- Category 4: Fleeing/Attempting to Flee Domestic Violence

Category 1: Literally Homeless

- An individual or family who lacks a fixed, regular, and adequate nighttime residence
- Three circumstances meet this definition:
  - Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation (e.g. car, park bench, etc)
  - Living in a shelter designated to provide temporary living arrangements
  - Exiting an institution (e.g., jail, hospital) where they resided for 90 days or less and were residing in emergency shelter or place not meant for human habitation immediately before entering institution

Note: Youth residing in TH qualify under Category 1

Category 2: Imminent Risk

- Individuals/families who will imminently lose their primary nighttime residence within 14 days

AND

- Have no subsequent residence identified

AND

Category 2: Imminent Risk

- Lack the resources or support networks needed to obtain other permanent housing
  - Primary nighttime residences include housing the individual/family owns, rents, or shares with others and rooms in hotels/motels that are paid for by the individual/family seeking assistance

Category 3: Homeless under Other Federal Programs*

- Unaccompanied youth under 25 or families with children and youth who do not otherwise qualify as homeless, but who:
  - Meet homeless definition under another federal statute

AND

  - Have not had lease, ownership interest, or occupancy agreement in permanent housing any time during last 60 days

AND

  - Have experienced two or more moves during last 60 days

***Serving this population with grant funds requires HUD approval. Please note that no projects were approved to serve Category 3 in Rd 4/5**

Category 3: Homeless under Other Federal Programs

- Can be expected to continue in such status for an extended period of time because of
  - Chronic disabilities

OR

  - Chronic physical health or mental health conditions

OR

  - Histories of domestic violence or childhood abuse (including neglect)

OR

  - Presence of a child or youth with a disability

OR

  - Two or more barriers to employment

Category 4: Fleeing/Attempting to Flee DV

- Individuals/families fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, who
  - Have no identified subsequent residence

    AND

  - Lack the resources and support networks needed to obtain other permanent housing

Category 4 continued

- This category can also include youth in the following situations:
  - Trading sex for housing
  - Human trafficking
  - Physical abuse
  - Violence (or perceived threat of violence) because of their sexual orientation or gender identity
  - Emotional abuse (e.g. threats or intimidation)
  - Family conflict causing the youth to feel unsafe
  - Financial abuse (e.g. controlling income, identity theft to use credit)
  - Active drug/illegal substance use in youth's housing
  - Gang or neighborhood violence that is directed at the youth in their home
  - Other illegal activity that is putting a youth or youth's child at risk

Eligibility Per Component Type

	PSH*	RRH	TH	SSO
Category 1 *Literally Homeless*	X	X	X	X
Category 2 *At Imminent Risk*	YHDP	X	X	X
Category 3 *Homeless under other federal programs*	**	**	**	**
Category 4 *Fleeing domestic violence, etc.*	X	X	X	X

* Requires a disability

** Requires CoC to be approved by HUD

Documenting Homelessness

- Recipients must have written policies and procedures that:
  - Require intake staff to document eligibility at intake/screening
  - Specify the evidence to rely upon to establish and verify homeless status
  - Include standards for documenting due diligence
- Standards must be consistent with recordkeeping requirements and reflect HUD's preferred order

Documenting Homelessness

- In order of preference
  1. Third-party documentation
  2. Intake worker observations
  3. Certification from the person seeking assistance
- Appropriate documentation will vary depending on
  - Type of assistance provided
  - Circumstances of the potential program participant, including individuals fleeing/attempting to flee domestic violence
  - Already available documentation
    - Discharge paperwork
    - HMIS service transactions

Policies for Intake

Remember…

- Recipients must participate in the CoC's coordinated assessment as a part of intake
- Recipients must follow the CoC's written standards for administering assistance
- Recipients must have their own policies and procedures for administering assistance

HUD Definition of Family (24 CFR 5.403)

- Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
  1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
  2) A group of persons residing together, including:
     a. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
     b. An elderly family;
     c. A near-elderly family;
     d. A disabled family; and
     e. The remaining member of tenant family.

Homeless Status Resources

- Virtual Binder: Homeless Eligibility
- CoC Program Toolkit – Determining and Documenting Homelessness
- **SNAPS In Focus:**
  - **Addressing the Needs of Persons Fleeing Domestic Violence**
  - **Addressing the Needs of Human Trafficking Victims**
  - **Ending Veteran Homelessness and What it Means for Zero:2016 Communities**
  - **Equal Access for Transgender People**

Match

Match Requirements

- Must be able to document all costs using the same policies and procedures used to document CoC Program funding
- Match requirement – 25% cash or in kind for all line items except leasing*
- Match is provided to the YHDP Program grant – not to a specific budget line item
- Matching funds can only be used on eligible YHDP Program costs

Understanding Match

- Must be cash or in-kind contributions
- Covers eligible costs of the project
- Costs incurred by a partner organization to provide “in kind” services to program participants must be documented by an MOU prior to grant agreement execution
- Program income can be used as match (program participant rent that comes directly to the project can be counted as match)

What Is Not Match?

- Cash or any in-kind contribution used as match for another grant
- Cash or in-kind contributions statutorily prohibited as match or ineligible under that program's requirements
- In-kind services provided without an MOU
- Program Participant Savings
  - Savings belong to the program participant, not the recipient or subrecipient
- Federal benefits provided directly to the program participant (e.g. food stamps)

Match Examples

Without Leasing Funds

Supportive Services	$25,000
Rental Assistance	$20,000
Project Admin (10%)	$4,500
Grant Total	$49,500
Required Match (25% $49,500)	**$12,375**

With Leasing Funds

Supportive Services	$25,000
Leasing	$20,000
Project Admin (10%)	$4,500
Subtotal (w/o leasing)	$29,500
Required Match (25% $29,500)	**$7,375**

Match and Budget Line Items

Cost	CoC Program Funds	Match	Total
Operating	$100,000	$0	$100,000
Services	$0	$25,000	$25,000
Project Administration	$10,000	$2,500	$12,500
Total	$110,000	$27,500	$137,500

Match Documentation

- New projects must document formal match agreement (e.g., MOU for in-kind from a third-party) prior to grant agreement.
- If recipient needs to change its in-kind matching source, the match agreement must be in place before a new source can be counted as match.
- Must demonstrate match is spent on eligible activities and incurred within the grant period.
- Must keep source documentation (e.g., MOU) on file for review when needed.

Cash Match Documentation

- Cash match should be substantiated with written documentation provided on the source agency's letterhead, signed, and dated by an authorized representative.
- Documentation must include:
  - Amount of cash to be provided for the project
  - Specific date the cash will be made available
  - Actual grant and fiscal year to which the cash match will be contributed
  - Allowable activities to be funded by the cash match

In-kind Goods Match Documentation

- In-kind donations must be substantiated with written documentation provided on the source agency's letterhead, signed, and dated by an authorized representative.
- Documentation must include:
  - Description and value of the donated goods
  - Specific date and grant (including fiscal year) for which the goods will be contributed
  - Method used to determine the value of the donation

In-kind Services Match Documentation

- An MOU for In-kind Services must be in place prior to provision of the service.
- The MOU must:
  - Provide an unconditional commitment to provide the service
  - Describe the specific service to be provided
  - Indicate the profession of persons providing the service and hourly cost of the service
  - The timeframe in which services will be provided
  - The system that will be used to document the actual level and value of services as provided

Match Resources

- Virtual Binder: Match
- Importance of Documenting Match Under the CoC Program Podcast
- Match Requirements in the CoC Program Video
- CoC Match FAQs: https://www.hudexchange.info/coc/faqs/

Special YHDP Activity- Match

- If approved by HUD, recipients will not be required to meet the 25% match requirement

Requirements Related to Housing Assistance

Rent Reasonableness

- Ensures program participants are paying the same rents as other non-program participants.
- Rent paid may not exceed rents currently being charged by the same owner for comparable unassisted space.
- Must have written policies & procedures for documenting comparable rents
- http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc
- Virtual Binder: https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-leasing-rental-assistance-requirements/reasonableness/

Rental Assistance Rent Limits

- Unit rents can exceed FMR but must meet Rent Reasonableness

Relationship between FMR and Rent Reasonableness (Scenarios)

	1-Bedroom Housing Unit	2-Bedroom Housing Unit	3-Bedroom Housing Unit
Reasonable Rent	$600	$1,050	$1,450
Fair Market Rent	$575	$1,100	$1,450
Maximum Allowable Contract Rent	$600	$1,050	$1,450

Leasing Rent Limits for Units

- Unit rents cannot exceed Rent Reasonableness
- Although CoC Program leasing funds cannot pay above the FMR for a unit, recipients and subrecipients can use non-CoC Program funds to pay for housing costs above the FMR

Relationship between FMR and Rent Reasonableness (Scenarios)

	1-Bedroom Housing Unit	2-Bedroom Housing Unit	3-Bedroom Housing Unit
Reasonable Rent	$600	$1,050	$1,450
Fair Market Rent	$575	$1,100	$1,450
Allowable Rent Payment with grant funds	$575	$1,050	$1,450

Rental Assistance Costs and Requirements

Tenant-Based Rental Assistance (TBRA)

- Rental assistance follows the program participant
- Program participants locate housing of their choice
- If program participants move, they can take rental assistance to a new unit
- May require program participants to live in a certain structure or area for the first year of the program, but ONLY if it is necessary for service coordination

Rent

Recipients with rental assistance funds for TH and PSH projects are required to charge program participants rent

- Must treat all program participants the same
- Process for determining amount of charge must follow Section 578.77(c) of CoC Program interim rule

Rent

Recipients with rental assistance funds for TH and PSH projects are required to charge program participants rent

- Must impose rent that is **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 paying rent
- Income must be calculated according to 24 CFR 5.609 and 24 CFR 5.611(a)

Rent: Rapid Re-housing

Rapid re-housing projects are NOT required to charge program participants rent

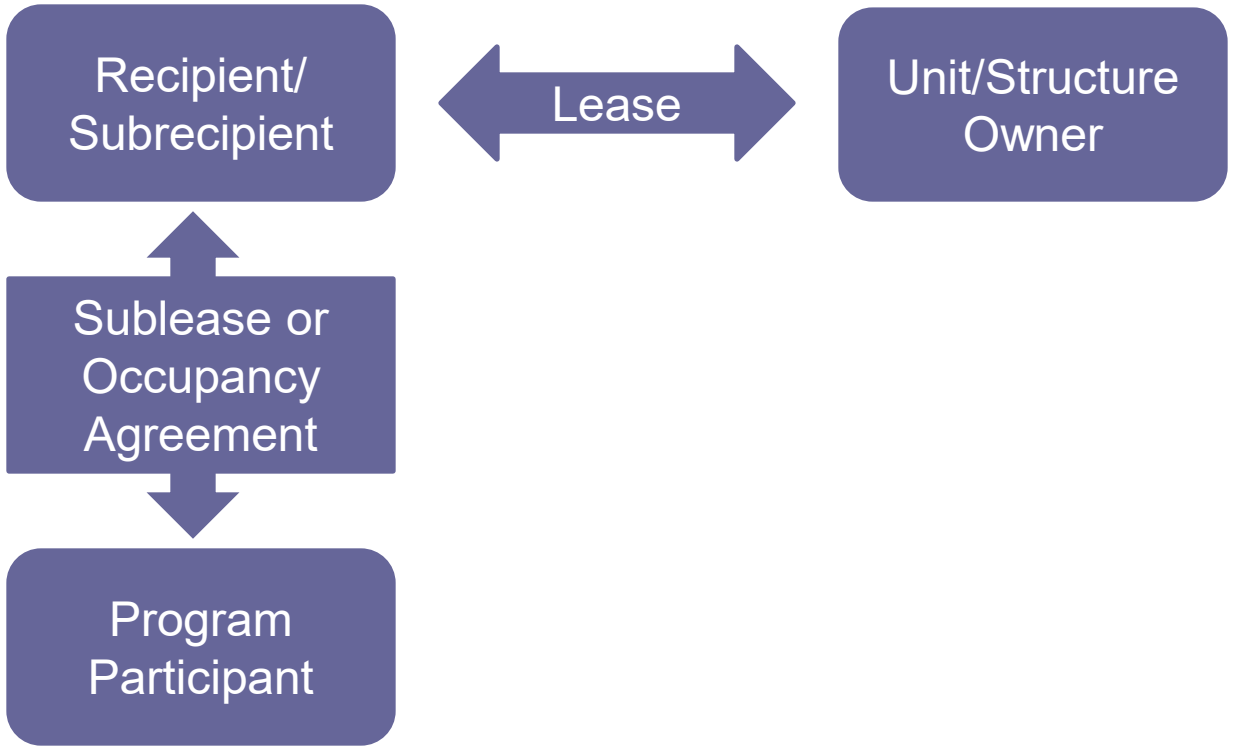
- Must treat all program participants the same
- Process for determining amount of charge must follow CoC Written Standards

Geographic Mobility Amendment

- Allows persons receiving TBRA to choose housing outside of the CoC's geographic area.
- Persons can move and retain assistance as long as recipient continues to meet certain requirements.
- CoC Program Interim Rule Amendment to § 578.51(c): Increasing Mobility Options for Homeless Individuals and Families With Tenant-Based Rental Assistance
- Increasing Mobility Options for Homeless Households Assisted with TBRA Webinar

Leasing Costs and Requirements

Lease Agreements



Occupancy Charges

Recipients using leasing funds are not required to charge program participants occupancy charges

- Must treat all program participants the same
- Process for determining amount of charge must follow Section 578.77(b) of CoC Program interim rule

Occupancy Charges

Recipients with leasing funds are not required to charge program participants occupancy charges

- May choose to impose occupancy charge equal to **no more than 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 paying rent
- Income must be calculated according to 24 CFR 5.609 and 24 CFR 5.611(a)

Examples of Lease Agreements

- Leasing and Rental Assistance Summaries of Lease and Sublease Examples
- Leasing Projects - Example of Lease and Sublease Agreement
- Rental Assistance Projects - Example of Three Party Lease Agreement
- Sample HAP Contract
- Summary of Lease Occupancy Agreement Requirements

CoC Utility Notice

Purpose of Notice

- Notice clarifies HUD's expectation that recipients/subrecipients will consider reasonable monthly utility costs when calculating rent contributions or occupancy charges for program participants who are responsible for paying their own utilities.

- For the purpose of this notice, "utilities" exclude telephone but include gas, oil, electric, sewage, water, and trash removal.

Notice Includes This Information:

A. Notice Purpose
B. Background
C. Determining Appropriate Rent Contribution, Occupancy Charge, or Utility Reimbursement for Program Participants who are Responsible for their own Utilities
D. Paying the Utility Reimbursement
E. Maintaining Records

Notice Applies to:

- CoC Program-funded programs ***where some or all of the utility costs are the responsibility of the program participant***

Paying Utility Costs in TH and PSH

To determine tenant rent contribution, occupancy charge, or utility reimbursement:

1. Calculate the Program Participant's Rent Contribution or Maximum Occupancy Charge (24 CFR 578.77);
2. Subtract Amount of Local Utility Allowance; and
3. Determine the Rent Contribution, Occupancy Charge, or Utility Reimbursement Amount.

Step1 - Step 2 = Step 3

Here's an Example of a Utility Calculation

TH & PSH with Rental Assistance Example (Rent Exceeds Utility Allowance):

Rent Charge:	**$300**
Utility Allowance:	**$30**
New Rent Charge:	**$270 ($300 – $30)**

TH & PSH with Rental Assistance Examples (Rent Does Not Exceed Utility Allowance):

Rent Charge:	**$20**
Utility Allowance:	**$60**
Utility Reimbursement:	**-$40 ($20 – $60)**

Paying Utility Costs in RRH

- ***REMEMBER!*** The rent contribution calculation at 24 CFR 578.77 does not apply to RRH projects
- RRH projects must follow the CoC's written standards for determining the amount or percentage of rental assistance that can be provided
- The recipient must take into account any utilities paid for by the program participant and reimburse any amounts that exceed the program participant's share of the rent

A RRH Example of a Utility Calculation

Rent Charge:	**$500**	**Rent Charge:**	**$50**
Utility Allowance:	**$50**	**Utility Allowance:**	**$90**
New Rent Charge:	**$450**	**Utility Reimbursement:**	**-$40 ($50 - $90)**

Paying Utility Reimbursement

- **Program participant must be reimbursed for difference when:**
  - Local utility allowance exceeds required or maximum rent/occupancy charge

- **Reimbursement for overpayment can be made:**
  - To program participant
  - To utility company*

*Recipient/subrecipient must have program participant's permission and notify participant in writing of amount paid to utility company (to allow participant to pay any outstanding amounts).

Maintaining Records

- **Recipient must retain records regarding:**
  - Utility schedules used to determine utility allowance
  - Occupancy charge policy (if applicable)
- **Program participants files must include:**
  - Annual income calculation per 24 CFR 578.103(a)(6)
  - Documentation of rent contribution, occupancy charge, or utility reimbursement and how amount was determined
  - Evidence of utility reimbursement when applicable (including written permission to pay utility company directly when applicable)

Tips

- Local Public Housing Agencies can provide information about Local Utility Allowances
- All program participant contributions and occupancy charges are still calculated per 24 CFR 578.77 (except RRH)
- View examples of reimbursement calculations on pages 6-9 of the utility notice
- Submit any questions on the subject to the CoC Program AAQ at https://www.hudexchange.info/program-support/my-question/

Property Requirements

Lead-Based Paint Requirements

24 CFR 982.401		
Rehabilitation Requirements: 24 CFR Part 35 Subparts A, B, J, and R	Project or Sponsor Based Rental Assistance: 24 CFR Part 35 Subparts A, B, H, and R	Acquisition, Leasing, Services, or Operating Costs: 24 CFR Part 35 Subparts A, B, K, and R

Examples of Lead-Based Paint Compliance Issues

- Lead-based paint visual assessments were not conducted for ALL units receiving financial assistance if they were constructed before 1978, and will have a child under age 6 or pregnant woman residing in a unit
- Landowner/landlord remediation not completed where units failed inspection

Housing Quality Standards

- All housing units must meet HQS*
- Each unit must be physically inspected
  - Notice CPD-22-09 clarifies that physical inspections of units for compliance with HQS that are conducted on behalf of a recipient or subrecipient by a proxy (the proxy can be a landlord, property representative, tenant, or any adult associated with the eventual tenancy of the unit) using video streaming technology and kept on file by the subrecipient and recipient satisfies this requirement
- Owner has 30 days to correct any deficiencies
- Inspect units at lease up and at least annually
- HQS inspectors do not need to be certified
- Properties must also meet state and local codes

Special YHDP Activity- HQS

If project applications included notification to HUD:

- YHDP recipients may use habitability standards in 24 CFR 576.403(c) rather than Housing Quality Standards in 24 CFR 578.75 for short or medium term (up to 24 months) housing assistance.
- Recipients implementing this special YHDP activity must keep documentation of which standards are applied to the units and proof that the units complied with the standards before assistance is provided for every unit funded by YHDP.

Environmental Review

- ALL new and renewal projects receiving Federal funds (including all CoC Program activities) require an environmental review
- Environmental reviews must be conducted BEFORE funds are committed
- Activities under the CoC Program require environmental reviews by a Responsible Entity (RE) under 24 CFR 58

Environmental Review Responsible Entity

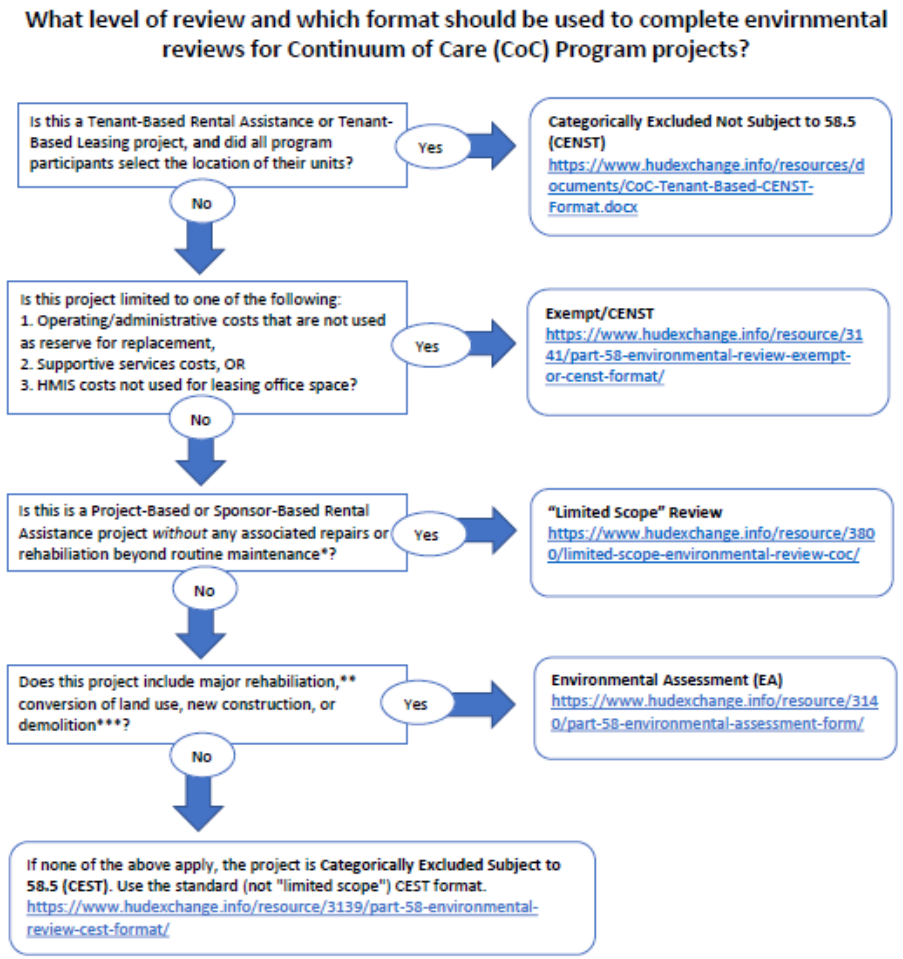
- Under Part 58, only a Unit of General Local Government may act as a Responsible Entity and conduct environmental reviews
- Nonprofit recipients should work with state and local government to coordinate the environmental review process
- In very limited circumstances, HUD may perform environmental reviews for CoC projects pursuant to 24 CFR 50 if (1) a nonprofit is the recipient and (2) no responsible entity can be found
  - If organization isn't eligible, order of securing a responsible entity to complete an ER should be:
    - State
    - Local Government
    - HUD (If all else fails)

Environmental Review

- Tenant-based *leasing* projects are not subject to Section 58.5
- Sponsor-based and project-based rental assistance and project-based leasing are classified as categorically excluded subject to 24 CFR 58.5 (CEST) and require a higher level of review than tenant-based rental assistance – called a “limited scope”
- Environmental Review Flow Chart can be found at https://www.hudexchange.info/resources/documents/CoC-Program-Environmental-Review-Flow-Chart.pdf

(Let’s review it together)

Environmental Review Flow Chart



Environmental Review Levels

- Exempt/CENST
  - Only one Exempt/CENST form needs to be filled out per project
- CEST “Limited Scope”
- EA (Environmental Assessment)

Environmental Review Resources

- Environmental Review Flow Chart
- Virtual Binder: Environmental Review
- Frequently Asked Questions
- How to Prepare ER for CoC Rental or Leasing Projects without Any Associated Repairs…

Project Changes

Significant Changes

- Significant changes require HUD approval through a formal grant amendment

For CoCs with more than one recipient, significant changes are:

- Change of recipient
- 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
- Change of project site
- Additions or deletions in the types of eligible activities approved for a project

Significant Changes

Significant changes require HUD approval through a formal grant amendment

For CoCs with only one recipient and UFAs, significant changes are:

- Change of recipient
- A shift of over 10% of the total amount awarded for one eligible activity to another activity
- Permanent change in the subpopulation served
- Permanent reduction in the total number of units

How to Request an Amendment

- For significant changes, UFAs and recipients should:
  - Prepare a detailed, written request to your assigned DDO
  - Explain the reason for the change
  - Justify same or better level of service will be provided
  - Attach all relevant revised application and technical submission exhibits reflecting the proposed change(s)

NOTE: It's also a good idea to discuss all changes with your CoC since UFAs are required to get the CoC's approval before submitting

Minor Changes

- For minor changes, the recipient must:
  - Fully document any changes
  - Notify the Field Office of the change so LOCCS and other reporting systems can be adjusted
  - Maintain documentation and make it available to HUD during monitoring and compliance reviews or upon request

Timeliness Standards

Timeliness Standards: Expenditures

- Once activities begin, recipients must draw down funds at least once per quarter
- Recipients may distribute funds to subrecipients in advance of expenditures
- Recipients must distribute funds to subrecipients within 45 days of receiving an approvable request

Operating Start Date and Program Year

- Operating start date sets beginning of 12-month program year for spending and reporting
  - New projects without acquisition or construction start the 1st day of month the recipient incurs eligible costs
  - New projects with acquisition or construction start the 1st day of month following completion of acquisition or construction
  - Renewal grants start the day after the end of previous grant term

Recordkeeping Requirements

Recordkeeping Requirements

CoC Records	UFA Records	Homelessness Status	At Risk of Homelessness Status
Records of Reasonable Belief of Imminent Threat of Harm	Annual Income	Program Participant Records	Housing Standards
Services Provided	Match	Conflicts of Interest	Homeless Participation
Faith-Based Activities	Affirmatively Furthering Fair Housing	Other Federal Requirements	Subrecipients and Contractors

Recordkeeping Requirements

- Recipients and subrecipients must:
  - Obtain documentation from qualified source(s) in accordance with the requirements of the interim rule
  - Maintain the records in your organization, project, and program participant files

Recordkeeping Requirements

- Confidentiality
  - All records containing protected information must be kept secure and confidential
  - The address or location of any program participant must not be made public
- Record Retention
  - All non-construction records must be retained for at least 5 years
  - Participant eligibility documentation must be retained for 5 years after final expenditure of relevant grant
  - Acquisition, new construction, or rehabilitation records must be retained for 15 years after the date the project site is first occupied

Recipient Monitoring of Compliance

Monitoring

- Purpose – To determine that grant activities are implemented in compliance with:
  - CoC Program interim rule
  - NOFA
  - Grant agreement
  - OMB Supercircular and other programmatic guidance
- CoCs are responsible for monitoring recipient performance
- Recipients must monitor subrecipients annually
- Recipients and subrecipients should monitor themselves at least annually
- Review can be remote or on-site

Monitoring Areas

Program Participants	Program Components	Eligible Costs
Project Progress	Match Documentation	Subrecipient Management
Recipient Management	Financial Management	Cost Allowability
Procurement	Equipment and Equipment Disposition	Other Federal Requirements

Other Program Requirements

Other Program Requirements Established by YHDP NOFA

- All YHDP-funded projects are required to:
  - Participate in their CoC's coordinated entry system
  - Participate in their CoC's HMIS system except victim service providers which must use a comparable database
  - Operate with a housing first orientation
  - Incorporate Positive Youth Development (PYD) and Trauma Informed Care (TIC) into all provided supportive services and housing assistance

Coordinated Entry Resources

- HUD Coordinated Entry Notice CPD-17-01 – Notice Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System (2017)
- Coordinated Entry Policy Brief (2015)
- Coordinated Entry Core Elements
- Coordinated Entry Self-Assessment
- Coordinated Entry Community Samples Resource Library- NAEH

Conflicts of Interest

- Procurement
  - Must comply with codes of conduct and conflict of interest requirements under 2 CFR 200
  - The 2 CFR Part 200 Uniform Administrative Requirements apply to the competitive CPD program grants including the CoC Program.

Conflicts of Interest

- Organizational conflict
  - Recipient/subrecipient is unable to render impartial assistance in the provision of any type or amount of assistance
  - Objectivity in performing work might be otherwise impaired
- Other conflicts
  - No covered person, may obtain a financial interest or benefit from an assisted activity

Participation of Homeless Individuals

- Recipients and subrecipients must document its compliance with the homeless participation requirement under 24 CFR 578.75(g)
  - Must provide for the participation of not less than one homeless or formerly homeless individual on the agency board or equivalent policymaking entity
  - Must involve homeless individuals and families in the creation and operation of the project

Program Policies and Procedures

- Recipients and subrecipients must have program policies and procedures that describe:
  1. How the program will operate;
  2. What position is responsible for what activity (organizational chart; job descriptions);
  3. The standards of care (TIC and PYD; harm reduction);
  4. How compliance is documented in agency files (ie, what should be in every client files; program files; financial files)
  5. Identify the YHDP Special Activities and how they are used
- Policies and procedures are living documents – review and update regularly.

Other Program Requirements

Displacement, Relocation, and Acquisition

2 CFR Part 200

Fair Housing and Equal Opportunity

Solid Waste Disposal Act

Section 3

Transparency Act Reporting

HUD Exchange Resources

- HUD Exchange Website Home Page
- CoC Program Interim Rule
- FY2019/2020 YHDP NOFA
- CoC Program Page
- CoC Program Toolkit Page
- Frequently Asked Questions – CoC Program
- Ask A Question on HUD Exchange
- Join a Mailing List on HUD Exchange
- CoC GIS Tools

Thank you!