



**Virginia Homeless and Special Needs Housing  
Funding Guidelines  
2022 - 2024**



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## Virginia Department of Housing and Community Development

The Virginia Department of Housing and Community Development (DHCD) partners with state, federal, local and nonprofit housing and community and economic development initiatives. DHCD programs strive to maintain the vibrancy of communities throughout the Commonwealth and include providing universal broadband access, investing in economic development initiatives, promulgating the statewide building and fire regulations, preserving the affordability and efficiency of Virginia's homes and buildings, addressing homelessness, reducing eviction rates across the state and fostering innovative solutions to create affordable housing. DHCD invests over \$350 million annually in addition to \$2 billion in federal recovery programs as a partner to Virginia communities to create safe, affordable and prosperous communities to live, work and do business in Virginia.

### Homeless and Special Needs Housing Grant Programs

The mission of the Homeless and Special Needs Housing unit (HSNH) within DHCD is to ensure homelessness is rare, brief, and one-time. To that end, HSNH administers a continuum of state- and federally-funded homeless service programs to address housing and stabilization services for individuals and families at-risk of or experiencing homelessness in the commonwealth. HSNH works closely with communities and an array of service providers including nonprofits, units of local government, and housing authorities, to ensure comprehensive homeless services are provided effectively and efficiently in accordance with best-practice models to maximize limited resources.

HSNH administers three grant programs:

#### *Virginia Homeless Solutions Program*

[Virginia Homeless Solutions Program](#) (VHSP) funding supports the development and implementation of localized emergency crisis response systems, to ensure homelessness is rare, brief, and one-time through coordinated community-based activities. Through a housing-focused approach, the goals of VHSP are to assist households experiencing homelessness to quickly regain stability in permanent housing and to prevent households from becoming homeless. These activities are designed to reduce the overall length of homelessness in the community, the number of households becoming homeless, and the overall rate of formerly homeless households returning to homelessness.

#### *Housing Opportunities for Persons With AIDS*

The [Housing Opportunities for Persons With AIDS](#) (HOPWA) program is U.S. Department of Housing and Urban Development (HUD) funding dedicated to the housing needs of people living with HIV/AIDS. DHCD administers the program by granting funds to nonprofits and local governments to provide housing and services that benefit low-income persons living with HIV/AIDS and their families.

#### *Virginia Housing Trust Fund*

The goal of the [Virginia Housing Trust Fund Homeless Reduction Grant](#) (HTF-HRG) is to reduce homelessness in the Commonwealth of Virginia. DHCD will support continuum of care (CoC)/balance of state local planning group (LPG) strategies and homeless service projects that are a part of an effective emergency crisis response system in communities to ensure that homelessness is rare, brief, and one-time.

<b>* FY 2023 HSNH Administered Funding</b>		
<b>VHSP</b>	<b>HOPWA</b>	<b>HTF Homeless Reduction Grant</b>
\$15,075,392	\$1,375,014	\$8,300,000

*\* Actual funding levels have not been determined at the writing of this document and could vary significantly from estimated amounts.*

## Homeless and Special Needs Housing Grantee Requirements

Grantees must comply with program guidelines and applicable state and federal policies and procedures, including compliance with non-discrimination laws. In addition to the grantee requirements below, grantees must adhere to the requirements for the specific funding streams.

Organizations funded by HSNH grant programs (direct grantees and sub-contractors) may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under HSNH. If an organization conducts these activities, then they must be offered separately, in time or location, from the programs or services funded under HSNH and participation must be voluntary for project participants.

Grantees must have established standard accounting practices including internal controls, fiscal accounting procedures, and cost allocation plans as well as track agency and program budgets by revenue sources and expenses.

Grantees with outstanding audit findings, IRS findings, DHCD monitoring findings, or other compliance issues are not eligible to receive funding. Grantees will not be eligible to receive allocations if any of these conditions occur within the grant period. DHCD will work with all interested parties where appropriate, to resolve findings and compliance issues.

Proposed grantees without recent DHCD funding agreements will be subject to an organizational assessment prior to the execution of any DHCD funding agreement. Recent funding agreements must have been executed since July 1, 2017 for any HSNH funding program. An assessment includes a review of organization finances, accounting standards, internal controls, grievance policies, record keeping policies, confidentiality practices, conflict of interest policies, and fair housing practices. DHCD reserves the right to require and conduct organizational assessments of any proposed grantee prior to the execution of any agreement.

All proposed grantees must be registered in DHCD's Centralized Application and Management System (CAMS) and are required to submit one of the following financial documents: Financial Statement\*; Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA); Audited Financial Statement prepared by an independent CPA; or, an OMB A-133 Audit (Single Audit) prepared by an independent CPA. See the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the minimal standards required by DHCD. All organizations funded by DHCD are encouraged to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤ \$100,000, regardless of source	Financial Statement prepared by organization (does not require preparation by a CPA)
Total annual expenditure between \$100,001 and \$300,000, regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000, regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥ \$750,000	2 CFR 200 Subpart F Audit - prepared by an Independent CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) - whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at <https://www.dhcd.virginia.gov/sites/default/files/Docx/audit-policy/dhcd-audit-policy.pdf>.

Eligible grantees are the organizations that DHCD contracts with for the provision of eligible activities. These organizations are identified during the grant application process and are designated as the:

- Service Provider(s)
- Service Coordinator, and/or
- Fiscal Agent

#### *Service Provider*

These are the individual organizations identified in the HSNH application to provide the eligible activities. This would also include a Homeless Management Information System (HMIS) administrator, if applicable.

#### *Service Coordinator*

One or more service providers may collaborate to provide specific services. In this case, DHCD will consider contracting with the service coordinator. The service coordinator is a service provider in the collaboration. The application must clearly explain how the service providers will work together. Written agreements are required between services providers involved in the coordinated effort. Copies of the related written agreements or Memoranda of Understanding (MOUs) must be submitted as an attachment with the application. The service coordinator (grantee) assumes full responsibility for meeting all HMIS, reporting, record keeping, spending, and other program requirements. These responsibilities include monitoring each service provider included in the coordinated effort for program compliance. This role is limited to organizations with demonstrated capacity.

#### *Fiscal Agent*

DHCD will consider contracting with organizations as fiscal agents. In this case, the organization does not directly provide any services covered by the DHCD contract. However, all remittances, documentation requirements, and other program responsibilities must be maintained by the fiscal agent. The fiscal agent assumes full responsibility for meeting all HMIS reporting, record keeping, spending, and other program requirements. These responsibilities include monitoring each service provider providing any services or activities funded through the application process. This role is limited to organizations with demonstrated capacity.

*Continuum of Care (CoC)/Local Planning Group (LPG) Point-in-Time Count Date Coordination*  
Each CoC and LPG must conduct the annual point-in-time (PIT) count on the date designated by the state.

#### *Participation in CoC/LPG*

CoC/LPG participation in accordance with the community's bylaws and standards is required.

#### *Non-Discrimination in Housing and Community Development Programs*

Federal laws prohibit discrimination in housing and community development programs and activities because of race, color, religion, sex (including gender, gender identity, sexual orientation, and sexual harassment), national origin, familial status, and disability. These obligations extend to recipients of HUD financial assistance, including sub-recipients, as well as the operations of state and local governments and their agencies, and certain private organizations operating housing and community development services, programs, or activities.

### *Equal Access and Prohibited Inquiries*

All activities must be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. Grantees are prohibited from inquiring about an applicant's or participant's sexual orientation or gender identity for the purpose of determining eligibility or otherwise making housing available. This does not prohibit an individual from voluntarily self-identifying sexual orientation or gender identity.

Service providers that make decisions about eligibility for or placement into single-sex emergency shelters or other facilities will place a potential project participant (or current project participant seeking a new assignment) in a shelter or facility that corresponds to the gender with which the person identifies, taking health and safety concerns into consideration. A project participant's or potential project participant's own views with respect to personal health and safety should be given serious consideration in making the placement. For instance, if the potential project participant requests to be placed based on his or her sex assigned at birth, the provider should place the individual in accordance with that request, consistent with health, safety, and privacy concerns. Providers must not make an assignment or reassignment based on complaints of another person when the sole stated basis of the complaint is a project participant or potential project participant's non-conformance with gender stereotypes.

While an emergency shelter or housing project may limit assistance to households with children, it may not limit assistance to only women with children. Such a shelter or housing project must also serve the following family types, should they present, in order to be in compliance with the Equal Access rule: Single male head of household with minor child(ren); and any household made up of two or more adults, regardless of sexual orientation, marital status, or gender identity, presenting with minor child(ren).

Further, grantees must not discriminate against a group of people presenting as a family based on the composition of the family (e.g., adults and children or just adults), the age of any member's family, the disability status of any members of the family, marital status, actual or perceived sexual orientation, or gender identity.

Under the Equal Access Rule, "family" includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, any group of persons presenting for assistance together with or without children and irrespective of age, relationship, or whether or not a member of the household has a disability. A child who is temporarily away from the home because of placement in foster care is considered a member of the family.

Grantees must assess and serve individuals and households as they present. Any group of people that present together for assistance and identify themselves as a family, regardless of age, relationship, or other factors, are considered to be a family and must be served as such.

### *Discharge Coordination*

Persons who are being imminently discharged into homelessness from publicly funded institutions are eligible to receive financial assistance or services through this funding as long as they meet the project participant eligibility requirements. Grantees and CoCs/LPGs must coordinate with these institutions to prevent, where possible, individuals from becoming homeless. Referrals must be made where appropriate to the following:

- Veterans Administration (VA)
- Department of Social Services
- Community Services Boards (CSBs)
- Other mainstream resources as needed



### *Compliance with Fair Housing and Civil Rights Laws*

(1) Grantees must comply with all applicable state and federal fair housing and civil rights requirements (see 24 CFR 5.105(a)). This includes the Virginia Values Act (effective July 1, 2020) which expands the list of protected classes under the Virginia Fair Housing Act. As expanded, the Virginia Fair Housing Act prohibits discrimination based on race, color, national origin, sex, pregnancy, childbirth or other related conditions (including lactation), age (over 40), marital status, disability, sexual orientation, gender identity, or veteran status (collectively the “Protected Classes”). (2) If the grantee: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then the grantee is ineligible to apply for funds.

### *Compliance with Virginia Residential Landlord and Tenant Act*

All HSNH-funded project activities must adhere to the [Virginia Residential Landlord and Tenant Act](#) (VRLTA) as applicable.

### *Americans with Disabilities Act Compliance*

All grantees shall adhere to Title II and III of the Americans with Disabilities Act (ADA). Title II prohibits discrimination in the form of excluding an otherwise qualified person with a disability (i.e. a person who would qualify for the program or activity but for their disability) from participating in programs or activities is prohibited. All are required to make reasonable accommodations in policies and practices and to make reasonable modifications in physical structures to ensure equal access to the programs. Title III prohibits discrimination on the basis of disability in the activities of places of public accommodations which include shelters, social service establishments, and other public accommodations providing housing and requires newly constructed or altered places of public accommodation—as well as commercial facilities (privately owned, nonresidential facilities such as factories, warehouses, or office buildings)—to comply with the ADA Standards.

### *Confidentiality Policy*

All grantees shall ensure the confidentiality of the name of any individual assisted and any other information regarding individuals receiving assistance.

The grantee’s confidentiality policy should, at a minimum, address:

- How staff will gather, record, and store confidential information;
- The consent process for the release of confidential information;
- Protocols for responding to breaches of confidentiality;
- Standards contained in relevant state and federal laws, including HIPAA compliance (if applicable) and HIV confidentiality statutes; and,
- Privacy standards related to data collection and use of participant information for program reporting, such as HMIS.

### *Grievance and Termination Policy*

Any individual receiving assistance must receive written notification of the grantee’s grievance policy. Grievance policies must be board-approved and provide specific procedures to be followed for any disputed decision affecting this assistance. Project participants contacting DHCD directly will be referred back to the grantee’s grievance policy. The grantee must be prepared to provide documentation of the grievance record for all project participant grievances. DHCD will review and approve all grievance policies.



Grantees may terminate assistance to a project participant who violates program requirements and resume assistance to a project participant whose assistance was previously terminated. Termination must include a formal process that recognizes the rights of individuals receiving assistance to the due process of law. This process must include at least two-levels. The initial level of the process should be held by the grantee organization wherein the grievance is reviewed or heard by an individual other than the person (or subordinate of that person) who made or approved the termination decision. Should the client or household disagree with the decision made by the initial reviewer, a second level must be available for an appeal at the CoC/LPG level. This two-level process, at a minimum, must consist of: (1) Written notice to the project participant containing a clear statement of the reasons for termination; (2) Prompt written notice of the final decision to the project participant; and (3) Written policy for continuing assistance to surviving family members, in the event of a death of a head of household, that establishes a reasonable grace period of continued assistance to surviving family members, not to exceed one year, measured from the date of death of the participant.

### *Recordkeeping*

Grantees must keep any records and make any reports (including those pertaining to services received, project participant housing status, race, ethnicity, gender, and disability status data) that DHCD requires within the specified timeframe. All contractual and project participant records must be maintained for at a minimum of five years. Records include both program records such as the documentation or match requirement, financial records such as bank statements, and project participant records. Copies of cancelled checks/bank statements or expenses associated with the project participant must also be retained. Grantees are required to maintain a record of all project participants that are screened and classified as ineligible for a service provided within the continuum of care. This must include documentation of the reason for the determination of ineligibility. For more information about documentation requirements see [Accounting Standards](#).

### *Data Reporting Requirements*

Reports must be submitted in CAMS as required by DHCD. Reports will also be required at the CoC and LPG level. Timeliness is critical, as this data will be aggregated for other reporting purposes. Grantees that fail to meet reporting requirements and deadlines are considered non-compliant which may affect future grant reimbursements and other DHCD funding opportunities.

Grantees must ensure that data is complete and accurate. Each grantee is expected to enter all project participant data into the HMIS system, complete periodic data quality checks, and work with the local HMIS administrator to ensure that complete quality data is submitted to DHCD by the specific due dates. Grantees primarily serving survivors of domestic violence and sexual assault must meet these requirements using a comparable database.

Grantees must be able to track and report program activities, project participant data, and spending separately from other activities. Grantees will report on outputs, such as the number of persons served and the demographic characteristics of persons served, program funds expended by activity type, as well as outcomes related to housing stability. Most reporting elements will be generated from HMIS data. Adherence to required HMIS data standards will be essential to performance reporting.

### *HMIS*

HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless that is managed and operated locally. Grantees must certify that there is full utilization with the HMIS in their area. However, different areas within the state may use different systems and/or system administrators. The

grantee or any prospective grantee should work with their CoC/LPG to coordinate HMIS access and technical assistance. The grantee assumes full responsibility for all reporting to DHCD.

Grantees are required to report project participant-level data, such as the number of persons served and their demographic information, in a HMIS database. Grantees providing financial assistance and services will use the HMIS system in the applicable continuum of care to collect data and report on outputs and outcomes as required. The required data elements that will be collected in HMIS are included in the [2022 HMIS Data Standards](#).

HMIS systems may be open or closed. Closed systems prevent other providers within a local HMIS system from sharing project participant data. Open systems allow for coordination among service providers and facilitate a coordinated or centralized assessment process. While an open system may not yet be available in a specific CoC/LPG, grantees must participate in an open system as one becomes available for local use.

Domestic violence service providers and HOPWA providers not using HMIS must use a comparable system that meets all HMIS data standards and reporting requirements.

Learn more about [HMIS requirements](#).

#### *DUNS Number*

All grantees are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so, and complete or renew their registration in the Central Contractor Registration (CCR).

#### *System for Award Management (SAM)*

The System for Award Management (SAM) combines federal procurement systems and the Catalog of Federal Domestic Assistance into one system to include the CCR. As with CCR, SAM collects, validates, stores, and disseminates data. Since 2003, indirect recipients of federal funds have been required to register with CCR and as of 2012, CCR merged with SAM. All grantees and sub grantees or subcontractors receiving federal grant awards or contract must be registered with SAM. For further information on registering and renewing annual registrations, go to <https://www.sam.gov>.

#### *Method of Payment*

All grantees must be registered in CAMS and have approved audits in order to receive reimbursement. Remittances are submitted in CAMS; however, any grantee with unresolved findings or compliance issues may have reimbursement suspended.

DHCD requires that grantees receive funds via electronic transfer. Instructions on establishing an account with the Virginia Department of Accounts (DOA) is located on their website through the selection of Electronic Data Interchange (EDI) from the link on the right hand side of the DOA main webpage. The EDI guide can then be accessed through a link under the Trading Partner Information section.

#### *Financial Management*

Grantees must ensure compliance with regulations and requirements pertaining to the following key areas of financial management:

- Allowable costs
- Source documentation
- Internal controls
- Budget controls
- Cash management

- Cost allocation plans
- Accounting records
- Procurement
- Property asset controls
- Audits

Grantees must only use funds for eligible activities and in accordance with the DHCD-approved program budget. Any changes from the planned expenditures must be approved in advance by DHCD. Funds may not be used for activities other than those authorized in the guidelines and approved by DHCD. Reimbursements are based on the date the payment is made by the grantee. All expenditures must be in accordance with program conditions such as funding ceilings and other limitations on eligible costs.

Internal controls refer to the combination of policies, procedures, defined responsibilities, personnel, and records that allow an organization to maintain adequate oversight and control of its finances. Internal controls reflect the overall financial management system of an organization or agency. Budget controls, cash management, cost allocation plans, accounting records, procurement, and property controls are subsets of the overall financial system.

The specific administrative requirements (i.e., financial management standards) for grants to state and local government entities are contained in 24 CFR Part 200 and CAPP Manual. Grantees will be monitored for compliance with the program requirements and documentation.

A financial compliance monitoring may include the following:

- An organizational chart showing titles and lines of authority for all individuals involved in approving or recording financial (and other) transactions
- Written position descriptions that describe the responsibilities of all key employees
- A written policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures
- Written procedures for the recording of transactions, as well as an accounting manual and a chart of accounts
- Adequate separation of duties to ensure that no one individual has authority over an entire financial transaction
- Hiring policies to ensure that staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job
- Access to accounting records, assets, blank forms, and confidential records is adequately controlled, such that only authorized persons can access them
- Procedures for regular reconciliation of its financial records, comparing its records with actual assets and liabilities of the organization
- Accounting records/source documentation
- Cash management procedures
- Cost allocation plans
- Procurement procedures
- Property controls
- Annual Audit

In order to ensure DHCD monitoring processes are compliance with Violence Against Women Act (VAWA), domestic violence service providers must adopt a formal check request policy to ensure appropriate use of grant funds. The grantee must use a Check Request form as the primary method of requesting checks or cash in connection with an authorized expense incurred on behalf of grant-funded programs or project participant expenses. Check requests describe the expense, list the amount of the expense, and should follow the following steps:

1. Use a standardized Check Request form to include a description of the expense, the title of the corresponding eligible grant activity, the amount of the expense, and the payee.
2. Get requisite approval from supervisor.
3. Attach receipts and/or invoices. Make sure the amount requested matches the amount to be spent or reimbursed.
4. Submit to appropriate finance personnel who will verify information provided, review back-up documentation, file documentation, and prepare check(s). Once filed, the Check Request forms and attached receipts and/or invoices must have any project participant-level personally identifying information redacted.

All check requests must have at least two signatures: the requestor and the authorizer. The authorizing signature must be a director or manager that has budgetary oversight for the program incurring the expense. All significant (over \$5,000), unusual, and nonrecurring transactions must be reported to the CEO.

#### *Time Sheets*

Employee time sheets must reflect actual hours (not percentages) worked based on the cost allocation plan. Time sheets must be signed and dated by the employee and the supervisor with first-hand knowledge of the work performed or equivalent electronic approval. If the expenditures are paid for by more than one source (e.g., federal, public, private) the split costs should be accurately tracked within the grantee's accounting system.

#### *Hazard Pay*

Grantees with staff who are working in frontline or essential services positions may elect to adopt a Hazard Pay policy. This policy must be formally adopted and written into the organization's employee policies manual. During an emergency crisis, the adoption of a Hazard Pay policy would allow grantees to increase pay for frontline or essential services staff for continuing their work during the crisis. If the grantee chooses to adopt a hazard pay policy, it should be reflected on employee time sheets to support the increase in payments.

#### *Accounting Standards*

In addition to establishing a system of accounting sufficient to accurately record and report transactions, adequate source documentation must be maintained as support for these transactions. Source documentation includes but is not limited to the following:

- Purchase Requisitions
- Purchase Orders
- Contracts
- Contract Invoices
- Bank Statements
- Cancelled Checks
- Draw downs
- Payment Vouchers
- Employee Time Sheets
- Travel Advance Requests
- Travel Reimbursement Vouchers
- Vendor Invoices
- Journal Voucher Entries
- Cash Receipts

All source documents must be coded by a reference number so that a clear link exists between the fiscal records and these documents. Coding could include the check number used to make the payment, the journal entry in which transaction was recorded or the page number from the

cash receipt journal. Purchase order numbers and payment voucher numbers may also be used to provide the necessary audit link.

Supporting documents can be copies or originals, but must be sufficient in detail to support the transaction and to justify it as an allowable grant expense.

The grantee must keep copies of the source documents, and be made available for HUD and/or DHCD review upon request for a minimum of five (5) years.

The grantee must maintain proof of cancellation (e.g. copy of check's backside, bank statement, or photocopy of check's cancellation) for all payments. While these are not required in the project participant files, they must be readily available for monitoring purposes.

### *Internal Controls*

The grantee must have appropriate internal controls in place to:

- Safeguard assets;
- Prevent waste, fraud, and mismanagement;
- Promote efficiency of operations; and
- Whistleblower protections.

Effective internal controls to the extent possible must include the following procedures:

- Segregation of duties among employees to prevent one person from having complete control over all phases of any transaction
- Workflow procedures for processing all transactions from one employee to another. This must provide for a cross check of work, but not a duplication of effort
- Rotation of duties among employees to allow for control over any one given phase and ensure that other employees can fill in when a position becomes vacant
- The procedures used should be clearly detailed and documented for all individuals to follow and as an aid in training new employees
- All assets, records, and checks must be properly protected using locks, safes, and other measures to ensure security

### *Monitoring*

DHCD is responsible for monitoring all program activities carried out by a grantee to ensure that the program requirements are met. Monitoring can include both programmatic and financial reviews. DHCD and HUD may monitor any funded project, as applicable. Grantees must make available organizational and project related records to both DHCD and HUD with notice.

Grantees are responsible for all programmatic and contractual terms. The grantee is responsible for ensuring that these terms and requirements are met regardless of partnership arrangements or MOUs with other organizations.

Results from the monitoring of grantees will be shared with the grantee's board of directors and CoC/LPG lead agency.

### *Conflicts of Interest*

Grantees and partners must have conflict of interest policies that clearly prohibit personal gain or benefit and meet other program requirements.

### *Organizational Conflicts of Interest*

The provision of any type or amount of assistance may not be conditional on a household's acceptance or occupancy of housing owned by the grantee, sub-grantee, parent organization, or subsidiary. An organization may not both participate in decision-making related to

determining eligibility and receive any financial benefit. For example, a grantee, sub-grantee, parent organization, or subsidiary may not both administer rapid re-housing or prevention assistance and use the assistance for households residing in units owned by the entity.

A CoC/LPG may request a waiver for an organization to both administer rapid re-housing assistance and place households in units owned by the same organization, a parent organization, or subsidiary where critical local necessity can be demonstrated and where project participant evaluations will be provided by another unrelated organization. Waiver requests must be submitted in writing to DHCD prior to the provision of rapid re-housing assistance specific to the requested waiver. Waivers will not be granted for prevention administrators.

#### *Individual Conflicts of Interest*

Individual conflicts of interest apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee or its sub-grantee. For the procurement of goods and services, the grantee and/or its sub-grantee must comply with the agency code of conduct and conflict of interest policies.

Individuals (employees, agents, consultants, officers, or elected or appointed officials of the grantee or sub-grantee) may not both participate in decision-making related to determining eligibility and receive any financial benefit. This financial benefit may not be received by the specific individual, any member of his/her immediate family or a business interest. The restriction applies throughout tenure in the position and for a one-year period following tenure.

Upon written request of the grantee, DHCD may grant an exception to the restrictions in the paragraph above on a case-by-case basis when it determines that the exception will serve to further the goals of the program and promote the efficient use of program funds. In requesting an exception, the grantee must provide a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made. In most cases, additional HUD waivers are required.

#### *Property Standards*

DHCD provides the Basic Habitability Checklist that must be completed, signed by all required parties, and included in all project participant records for rapid re-housing and prevention (new units only) assistance. The checklist must also be completed for each emergency shelter location and retained in agency administrative records. While the habitability standards do not require a certified inspector, the inspector must meet one of the following criteria:

- Program staff (grantee/sub-grantee staff); or
- Staff from or hired by an agency of the grantee/sub-grantee, such as a city department that is designated to conduct inspections, or a contractor hired for that task; or
- Staff from another subsidy program that is providing assistance and requires an inspection (e.g., Section 8, Public Housing).

The habitability standards are different from HUD's Housing Quality Standards (HQS). Housing that is occupied by families with children and that was constructed before 1978 must also comply with Lead Based Paint inspection requirements, per the Lead Based Paint Poisoning Prevention Act. This requirement applies only to units that a family moves into with assistance. This does not apply to units currently occupied by project participants.

HOPWA HQS differs from the standards of the Basic Habitability Checklist. See [HOPWA HQS](#).

DHCD provides a Lead-Based Paint Visual Assessment form that must be completed and included in project participant records. Staff must complete an online training course before performing visual assessments.



The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M, and R shall apply to housing occupied by families receiving assistance through HOPWA.

HUD's lead-based paint rules apply to all housing units that a family with children moves into with assistance. Specifically, lead-based paint rules apply when:

1. Housing to be assisted was constructed before 1978; and
2. Residents will include a pregnant woman or a child 6 years of age or younger. Note: Studio units are exempt.

All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided. Staff must complete an [online training course](#) before performing visual assessments and retain the certification on file.

#### *Nondiscrimination and Equal Opportunity Requirements*

Grantees must comply with all applicable fair housing and civil rights requirements. In addition, grantees must make known that rental assistance and services are available to all on a nondiscriminatory basis and ensure that all citizens have equal access to information about and equal access to the financial assistance and services provided under this program. A statement of such must be included in the Project Participant Agreement, signed by the project participant, and maintained in the project participant file.

Among other things, this means that each grantee must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may include providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the CoC/LPG and that LEP persons have meaningful access to this assistance.

#### *Affirmatively Furthering Fair Housing*

Grantees have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. In addition, Virginia's Fair Housing Law further protects "elderliness," individuals age 55 or older, from housing discrimination and the Virginia Values Act extends existing state non-discrimination protections for housing on the basis of sexual orientation and gender identity. Examples of affirmatively furthering fair housing include: (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency; (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD's rule on effective communications at 24 CFR 8.6); (3) providing fair housing counseling services or referrals to fair housing agencies; (4) informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1-800-669-9777; and (5) recruiting landlords and service providers in areas to which housing choice is expanded. In addition, housing discrimination complaints may be reported to the Virginia Fair Housing Office at the Department of Professional and Occupational Regulation at (888) 551-3247.

#### **HSNH Ineligible and Prohibited Activities**

Ineligible and prohibited activities include but are not limited to the following:

- Grantee past due taxes
- Grantee late fees
- Repayment of loans from the project participant to the grantee
- Return of utility or security deposits to the grantee not tracked as program income



- Construction or rehabilitation
- Project participant credit card bills or other debt
- Vehicle repair
- Medical or dental care and medicines (not applicable to HOPWA)
- Expenses related to drug and alcohol testing
- Clothing and grooming
- Home furnishings
- Pet care
- Renter's insurance
- Payment of third-party security deposits such as surety bonds
- Entertainment activities
- Project participant work or education related materials
- Cash assistance to project participants, including gift cards and gas cards
- Expenses to develop discharge planning programs from institutional settings
- Any payments made to project participants
- Any payments to ineligible third parties
- Any fees charged to the project applicant or participant
- Employee bonuses

## **Emergency Crisis Response System**

### *How A Crisis Response System Can End Homelessness*

An effective crisis response system is able to identify and quickly connect people who are experiencing or are at risk of experiencing homelessness to housing assistance and other services. It works because it aligns a community, its programs, and services around one common goal – to make homelessness rare, brief, and nonrecurring.

### *What Is a Crisis Response System?*

The goals of an effective crisis response system are to identify those experiencing homelessness, prevent homelessness when possible, connect people with housing quickly, and provide services when needed. An effective crisis response system achieves those goals through the following:

**Outreach:** Outreach workers connect people at risk of or experiencing homelessness to coordinated entry, emergency services, and shelter. They work with other programs in the system to connect people to stable, permanent housing.

**Coordinated entry:** Coordinated entry is a process designed to quickly identify, assess, refer, and connect people in crisis to housing assistance and services.

**Prevention:** Prevention is an important component of a community's crisis response system and can help it reduce the size of its homeless population. Prevention assistance can aid households in preserving their current housing situation or prevent homelessness for people who are currently housed, but seeking shelter. This assistance helps them identify immediate alternate housing arrangements and, if necessary, connect them with services.

**Emergency shelters and interim housing:** People experiencing a housing crisis or fleeing an unsafe situation need to find a place to stay, quickly. Emergency shelter and interim housing can fill this role in a crisis response system. These interventions should be low-barrier and align their goals and program activities with the larger system's goals.

Permanent housing: A crisis response system must have the capacity to connect people experiencing homelessness with permanent housing programs, such as rapid re-housing and permanent supportive housing, and other stable housing options.

### **Role of the CoC/LPG**

The role of the CoC/LPG is to promote a communitywide goal of ending homelessness, provide funding for efforts to rehouse those who are homeless, promote access to mainstream programs, and optimize housing stabilization.

Each CoC/LPG must have a lead entity accountable for these goals and the responsibility to ensure effective communication to all stakeholders involved in the CoC/LPG's emergency crisis response system.

#### *Responsibilities*

The responsibilities of the CoC/LPG include governance and structure, system coordination and planning, designating and operating the HMIS, and designing a coordinated entry system.

#### *Governance and structure*

Each CoC/LPG is to have a board that represents the CoC/LPG and includes at least one homeless or formally homeless person. The responsibilities of the board depend on the authority delegated to the board by the CoC/LPG and must be documented in the CoC/LPG's governance charter. Other committees should be identified in the charter to carry out the responsibilities of the CoC/LPG.

#### *System coordination and planning*

At a minimum, the system should include coordinated outreach and engagement, entry and assessment, shelter, permanent housing, supportive services, and homeless prevention strategies. Written system standards must be established to guide the implementation of all homeless assistance services.

Planning efforts must ensure a coordinated and "right sized" system by conducting a point-in-time count, annual gaps analysis, participation in consolidated plan development, and consultation with Emergency Solutions Grant (ESG) recipients. In addition, the CoC/LPG must establish and monitor performance measures and take action against poor performers.

#### *Designating and operating HMIS*

Each CoC/LPG must designate a HMIS lead to carry out the day-to-day operations of the CoC HMIS.

#### *Coordinated entry*

CoC/LPG must operate a coordinated entry system that provides an initial, comprehensive assessment of households who are homeless and best connect them to the housing and services they need to return to, and stabilize in, permanent housing.

## Virginia Homeless Solutions Program

Virginia Homeless Solutions Program (VHSP) funds support the emergency crisis response system, a housing-focused approach to ensure homelessness is rare, brief, and one-time through coordinated community-based activities. The goals of VHSP are to assist households experiencing homelessness to quickly regain stability in permanent housing and to prevent households from becoming homeless. These activities are designed to reduce the overall length of homelessness in the community, the number of households becoming homeless, and the overall rate of formerly homeless households returning to homelessness.

## Key Outputs and Performance Measures

Grantees and CoC/LPGs will be evaluated and monitored on how well they achieve key outputs, performance measures, and processes.

Agencies will be required to report on the following outputs:

- Demographics
- Permanent housing placements
- Length of time receiving financial assistance (Targeted Prevention and RRH)
- Length of time receiving case management (Targeted Prevention and RRH)
- Capacity and utilization (Emergency Shelter Operations)
- Prior living situation (all project types)
- Insurance (all project types)

During agency and system monitoring, evaluations of the following processes will occur:

- Ensuring that all households at the entry point are assessed with a standardized assessment tool
- Entry point(s) are low-barrier and easily accessible
- Service providers refer appropriate households seeking shelter to the entry points
- Appropriate written policies and procedures are implemented (DHCD must review and approve these and all revisions)
- Individualized housing-focused case management is provided

## VHSP Funding

DHCD administers the Commonwealth of Virginia's homeless services resources through VHSP. These resources include approximately \$15 million in state and federal annual funding.

Funding Sources (approximate annual amounts)		
Name	Source	Amount
Emergency Solutions Grant	Federal – HUD	\$2,430,583
State General Funds – Homeless Assistance	Virginia	\$8,656,397 (\$1,078,000 set aside for RRH, \$100,000 of which is veteran-specific)
State General Funds – Homeless Prevention	Virginia	\$3,988,412
<b>TOTAL</b>		<b>\$15,075,392</b>

*\* Actual funding levels have not been determined at the writing of this document and could vary significantly from estimated amounts.*

DHCD will support CoC/LPG strategies and homeless service programs that align with state and federal goals to ensure there is an effective emergency crisis response system to homelessness in communities throughout the commonwealth.

VHSP funding will be administered based on a two-year funding cycle. DHCD will issue one-year (July 1, 2022 - June 30, 2023) grants to grantees as a result of an application process. These grants will be renewable based on performance, compliance, and available funds for a second year of funding (July 1, 2023 – June 30, 2024).

### **Grant Award Funding**

VHSP funds will be allocated through the community-based competitive application process.

The amount of funding received within any CoC/LPG is based on available funds and the application score that reflects the following:

- Local need;
- Alignment of the approach with state and federal goals;
- Alignment of proposed activities with state goals;
- Local coordination;
- Community and provider capacity;
- Data quality; and
- Performance outcomes.

While applications are community-based, grants are provided to specific organizations for eligible projects. There is a minimum contract request amount of \$25,000 per grantee; however, DHCD reserves the right to enter into contracts with grantees for less than \$25,000.

### **Match Requirement**

VHSP funds require a 25 percent match based on the total amount of funds allocated to the CoC/LPG. This match requirement may be met at the community and/or grantee level. This allows communities to use programs or services funded by local and private resources as a match for this funding. The match must be used to meet the VHSP goals: to reduce the number of persons who become homeless, to shorten the length of time persons are homeless, and to reduce the number of persons that return to homelessness. Match must be received and expended within the grant year and may not be used to meet multiple match requirements.

Allowable sources of match are cash, the fair rental value of any donated material or space and any salary paid from local or private sources which have not otherwise been charged to VHSP. Match resources also may include in-kind donations and volunteer labor. The worth of in-kind donations and labor are based on the value at the time of the donation or service rendered. To determine the volunteer hourly rate, consult Independent Sector's website <https://independentsector.org/value-of-volunteer-time-2021/>. The value of the volunteer rate presented is the average wage of non-management, non-agricultural workers. If a volunteer is providing a specialized skill, the [Bureau of Labor Statistics](#) has hourly wages by occupation that may be used to determine the value of a specialized skill.

### **Grantee Requirements**

Grantees are funded as a result of a community based application process which identifies specific organizations that will carry out homeless service activities. DHCD contracts directly with these individual organizations or grantees. Grantees must be non-profits that are current on 990 filings, housing authorities, planning district commissions or units of local government. Planning district commissions and housing authorities are not eligible to receive funding for shelter operations or rapid re-housing activities. However, units of local government may sub-grant rapid re-housing funding to housing authorities. See [Notice CPD-17-10 Sub-awarding Emergency Solutions Grants Program Funds to Public Housing Agencies and Local Redevelopment Authorities](#).

In addition to requirements set forth in the [Homeless and Special Needs Housing guidelines](#), each grantee must adhere to the following requirements including:

- Full participation in coordinated/centralized assessment system
- 100 percent of project participants assessed with community-based common assessment tool
- Coordination with other homeless services and homeless prevention providers
- Use of HMIS that meets HUD HMIS data standards (DV programs may use another data system, but must meet all HUD HMIS data standards and reporting requirements)
- Timely referral of eligible households for targeted prevention or rapid re-housing assistance through coordinated assessment/entry or coordination with providers
- Documentation of project participant homeless status and services provided
- Completion of a [housing barrier assessment](#) and [housing plan](#) that includes how permanent housing will be maintained once assistance is terminated
- Adherence to a primary focus on quick placement into permanent housing
- Adherence to a secondary focus on housing stability

#### *Housing First*

All programs must use a housing first approach focused on moving project participants into permanent housing as quickly as possible. Grantees must use housing stabilization support services and mainstream resources as needed to ensure housing stability. Grantees' program policies and procedures must reflect a Housing First approach.

#### *Harm Reduction*

All programs must emphasize a Harm Reduction approach. In accordance with Harm Reduction principles, programs must not require treatment or sobriety. Grantees must seek to work with project participants to reduce the negative consequences of the person's continued use of alcohol and/or drugs. Termination of assistance must not be based upon a person's continued use of alcohol and/or drugs or adherence to medical regimen. Efforts should include all possible approaches to assist the person to reduce or minimize the risk of these behaviors, while at the same time assisting them to move into, and stabilize in, permanent housing. Harm reduction is not intended to prevent the termination of a participant whose actions constitute a threat to the safety of other participants and staff. Grantees' program policies and procedures must reflect a Harm Reduction approach.

#### *Trauma Informed Care*

All programs must incorporate Trauma Informed Care policies and procedures into their program design and delivery of services. Trauma Informed Care is defined as: an organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma. Trauma Informed Care also emphasizes physical, psychological, and emotional safety for both project participants and providers, with the goal of rebuilding a sense of control and empowerment. Trauma Informed services take into account an understanding of trauma in all aspects of service delivery and place priority on the trauma survivor's safety and agency. Trauma Informed Services create a culture of nonviolence, learning, and collaboration. Grantees' program policies and procedures must reflect a Trauma Informed Care approach.

#### *Case Management Best Practices*

All programs must ensure staff providing case management and supportive services have the necessary skills and training to effectively serve project participants. All VHSP-funded case management and supportive services staff positions must have these skills and trainings listed within the job position description. These skills and training should include: Housing-Focused Case Management, Motivational Interviewing, Trauma-Informed Care, and Harm Reduction.

- *Housing-Focused Case Management* is a case management approach focused on housing stability and placement with an emphasis on the arrangement, coordination, monitoring, and delivery of services related to housing needs and improving housing stability. While showing empathy and respect, an effective case manager tailors their approach, methods of engagement, and services offered to meet the unique needs of each project participant household.
- *Motivational Interviewing* is a person-centered approach to working with project participants focused on evoking motivation for change and developing an actionable plan using self-identified goals.

#### *Homeless Participation*

Grantees must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance. If the grantee is unable to meet the requirement, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding. To the maximum extent practicable, the grantee must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities. This involvement may include employment or volunteer services.

#### *Prohibition Against Involuntary Family Separation*

The family unit must be accepted and sheltered as they present. Further, the age of a child under age 18 must not be used as a basis for denying a family admission to an emergency shelter that uses VHSP funding or services and provides shelter to families with children under age 18. All VHSP-funded service providers that provide shelter to families must do so regardless of the age of the child.

#### *Initial Screening*

All households seeking homeless assistance must be initially screened through coordinated or centralized assessment/entry. This screening must be completed in a manner that allows for the identification of households for prevention services and immediate referral to the appropriate provider. Initial screenings take place when the household is seeking assistance. All households seeking services, regardless of eligibility or ineligibility for any specific program, must receive appropriate referrals. Records must be maintained for all households denied services. See [Recordkeeping](#) requirements.

#### *Proof of Diversion*

All households seeking homeless assistance must be engaged in diversion, a problem-solving conversation to address the household's current housing crisis. Diversion is not meant to turn households away from accessing necessary services; rather, it is a strengths-based practice that helps households identify safe housing options and solutions based on their available resources, not those of the homeless crisis response system. This should include a discussion of alternative resources available to the household, linkages to mainstream and natural supports, and light-touch assistance such as short-term and one-time financial assistance.

Evidence of diversion must be documented at intake using case notes and/or a grantee's or CoC/LPG's established diversion tool.

#### *Strength-Based Housing Barriers Assessment and Housing Plan*

Once the initial housing crisis is addressed, the project participant household must receive a housing barriers assessment. A housing plan must be developed based on the initial assessment for each project participant household. In all cases, housing barrier assessments



and plans must be individualized to identify and address the unique household situation. All plans must be focused first on quickly obtaining permanent housing and second on obtaining and maintaining housing stability. Project participants must receive at least monthly housing-focused case management.

### *Environmental Reviews*

Environmental reviews (ER) are required for rapid re-housing when rental assistance is provided. Based on guidance provided by HUD Headquarters, DHCD will complete one ER that will cover the majority of the VHSP RRH projects. A grantee will need to complete an ER only if the unit is part of a complex with more than five units and falls in the 100 Year Flood Plain or on a Coastal Barrier. To determine if the unit is located in either of these two locations use the following resources:

- John H. Chafee Coastal Barrier Resources System Virginia: <http://www.fws.gov/ecological-services/habitat-conservation/cbra/maps/Locator/VA.pdf>
- Coastal Barrier Resources System Mapper: <http://www.fws.gov/cbra/Maps/Mapper.html>
- FEMA's National Flood Hazard Layer (mapping tool): <https://www.fema.gov/national-flood-hazard-layer-nfhl>

In addition, units in the following areas (*regardless of flood plain status but not coastal barrier status*) are not required to complete an additional ER:

Accomack	Hillsboro	Painter
Cheriton	Keller	Scottsburg
Clintwood	La Crosse	South Hill
Dendron	Melfa	The Plains
Galax	Montross	Troutdale
Gretna	Newsoms	

The environmental review is based on the building and surrounding geography, and not just the actual unit. Therefore, if a unit is located within a building or a complex the ER need only be conducted on the building or complex and not each unit. Environmental reviews are valid for five years, so if a unit, building, or complex has had a review within the last five years, an additional ER will not need to be conducted.

The environmental review form, *Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5 (Pursuant to 24 CFR 58.34(a) and 58.35(b))*, must be completed for each unit/complex that falls in the flood plain or coastal barrier where rental assistance is provided. DHCD will provide a partially completed form to be used for VHSP rapid re-housing projects.

### **Eligible Service Areas**

The VHSP funds are allocated to grantees within CoCs/LPGs within Virginia. Eligible service area requirements are intended to maximize the amount of available funds serving Virginia localities and are not intended to exclude services to any individuals or family based upon their last known address.

### **Eligible Activities**

There are eight categories of eligible VHSP activities:

- Outreach
- Centralized or Coordinated Assessment/Entry System
- Targeted Prevention
- Emergency Shelter Operations
- Rapid Re-housing



- CoC/LPG Planning
- HMIS
- Administrative Costs

VHSP activities and associated costs are intentionally focused on the implementation of an emergency crisis response system. Whenever possible, households experiencing a housing crisis should be diverted from entering the homeless services system through problem-solving conversations, linkages to mainstream and natural supports, and light-touch financial assistance through flexible funding sources.

This assistance is to prevent households from homelessness when possible, provide emergency shelter as necessary, rapidly move project participants to permanent housing, and ensure housing stability. VHSP assistance is not intended to provide long-term support, nor will it be able to address all of the financial and supportive services needs of households. Rather, assistance should be focused on housing stabilization, linkages to community resources, and mainstream benefits, and helping project participants develop a plan for preventing future housing instability. CoCs/LPGs must ensure that there is a clear process for determining the type, level, and duration of assistance for each project participant.

### **Outreach**

Outreach includes essential services related to reaching out to unsheltered homeless individuals and families, connecting them with emergency shelter, housing, or critical services.

Communities should share information across outreach teams and sites and engage with other systems, including law enforcement, hospitals and emergency departments, corrections, libraries, and job centers. These efforts should proactively seek all unsheltered people within the CoC/LPG geographic area, including people living in encampments or tent cities, and not be limited to serving only persons seeking assistance. All outreach should be person-centered and emphasize building rapport and trust as a means of helping people obtain housing with appropriate services.

### *Project Participant Eligibility*

Unsheltered homeless includes individuals or families who lack a fixed, regular, and adequate nighttime residence, such as an individual or family with a primary nighttime residence that is a public or private place not meant for human habitation including but not limited to a car, park, abandoned building, bus or train station, airport, or camping ground.

### *Requirements*

Outreach must be connected with the community's centralized or coordinated assessment/entry system.

### Required Documentation:

- Documentation of literal homeless status
- Strength-based housing barrier assessment and housing plan
- Evidence of connection with the community's coordinated entry process
- Coordination with mainstream resources

### *Expenses*

Eligible outreach costs include:

- Engagement and housing-focused case management
- Limited support services (requires DHCD pre-approval)
- Service location costs

- Other (requires DHCD pre-approval)

Engagement and housing-focused case management includes the costs of activities to locate, identify, and build relationships with unsheltered households experiencing homelessness and the cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the project participant. Engagement and housing-focused case management costs include staff expenses related to:

- Connecting with centralized or coordinated assessment system;
- Actively connecting and providing information and referrals to programs targeted to people experiencing homelessness and mainstream social services and housing programs;
- Purchasing items necessary for the household experiencing unsheltered homelessness to access housing such as the cost to secure identification;
- Conducting and documenting an initial assessment of needs and eligibility;
- Providing crisis counseling;
- Addressing urgent physical needs such as the costs to purchase tangible items related to meeting the health and safety needs of an unsheltered household such as meals, toiletries, or blankets;
- Completing a strength-based housing barriers assessment and corresponding individualized housing and service plans;
- Assisting a project participant in overcoming immediate barriers to obtaining housing;
- Monitoring and evaluating project participant progress; and
- Oversight and supervision of engagement and housing-focused case management staff.

Limited support services include the transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered persons to emergency shelter or other service facilities, or to connect households with other permanent housing solutions (such as reuniting with family or friends in another locality), may also be eligible. These costs include the use of public transportation and rideshare programs by the project participant.

Any limited support services provided must be based on project participant needs and address specific housing barriers and emergency health services and mental health service needs. These funds should be used as a last resort for support services and may not be used if other resources are available. Documentation of the need for a specific support service and the lack of other available resources must be included in the project participant file in cases where these funds are used to pay for essential services.

All limited support services costs must be pre-approved by DHCD.

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

### **Centralized or Coordinated Assessment/Entry System**

All CoCs/LPGs and DHCD homeless services grantees must use a local centralized or coordinated assessment/entry system. A local centralized or coordinated assessment/entry system is a best practice for a housing-focused approach targeted to helping households experiencing homelessness quickly regain stability in permanent housing.

All local centralized or coordinated assessment/entry system providers must engage households seeking homeless assistance in diversion.

The following are standards of an effective coordinated entry system:

- Provides and documents problem-solving conversations to address the immediate housing crisis;
- Provides coordinated project participant intakes, assessments, and referral;
- Covers the entire CoC/LPG geographic area;
- Affirmatively markets housing and support services regardless of race, color, national origin, religion, sex, age, familial status, or disability who are least likely to apply in the absence of outreach and maintains records of marketing activities;
- Provides easy access for individuals and families seeking housing or services;
- Provides a comprehensive and standardized assessment tool;
- Conducts regular evaluations to determine overall system effectiveness for process improvement measures;
- Has written standards that are low barrier for determining program eligibility, prioritization, and level of assistance; and
- Provides training protocols and at least one annual training opportunity to organizations that serve as access points or otherwise conduct assessments.

For additional information, visit: <https://www.hudexchange.info/programs/coc/toolkit/responsibilities-and-duties/#coordinated-entry>

### *Requirements*

Each centralized or coordinated assessment system must have in place written standards for determining program eligibility, prioritization, and level of assistance. Each system must conduct regular evaluations to determine overall effectiveness for process improvement measures.

CoC/LPGs must provide a local method and point-of-contact appropriate for referrals from state agencies and providers outside of their CoC/LPG. This contact must directly link individuals or providers to the centralized or coordinated assessment system.

All projects receiving VHSP funds for Centralized or Coordinated Assessment/Entry System must have projects set up as such in HMIS.

### *Expenses*

Eligible costs include:

- Service Location Costs
- Maintenance
- Travel
- Supplies
- Hardware/Software
- Staff salaries
- Other (requires DHCD pre-approval)

Service location costs such as rent for office space where access is provided to conduct assessments, printer/copier costs, and utilities for an office are eligible.

Maintenance costs may include staff costs accrued by the grantee in the performance of maintenance on a location where access is provided to centralized or coordinated assessments. Any maintenance or other contract for services must adhere to grantee procurement policies.

While travel costs are eligible, these must be documented as necessary. These include travel costs for staff to provide initial assessments where access either electronic or otherwise is not

readily available. Systems must be designed to provide coverage for the entire CoC/LPG. Every effort must be made to leverage technology and community-based resources.

Supplies are limited to those directly related to the provision of centralized or coordinated assessments. These include but are not limited to office supplies. Supplies do not include luxury items or items that go beyond what is necessary to provide for the centralized or coordinated assessment system.

Reasonable and appropriate costs of hardware or software required for the purposes of providing initial assessments through a centralized or coordinated system are eligible. Eligible costs include the purchase of software and/or user licenses, the leasing or purchasing of needed computer equipment, and cost for auxiliary aids and language services.

Staff costs to provide access to the centralized or coordinated assessment, conduct the initial assessments, make referrals, and implement diversion are eligible costs. These include salary, fringe, and associated costs..

### VHSP Participant Initial Eligibility

<b>Project Participant Initial Eligibility by Activity Type</b>	
<i>Eligible Activity</i>	<i>Project Participant Eligibility</i>
Prevention	<ul style="list-style-type: none"> <li>• At imminent risk of homelessness;</li> <li>• Household income below 30 percent of median family income; AND</li> <li>• No other resources</li> </ul>
Shelter	<ul style="list-style-type: none"> <li>• Literally homeless</li> <li>• At imminent risk of homelessness and diversion has been attempted</li> <li>• Individuals exiting institution (where they resided temporarily) with no resources or anywhere to go</li> <li>• Individuals fleeing domestic violence</li> </ul>
Rapid Re-housing	<ul style="list-style-type: none"> <li>• Literally homeless (shelter residents, living in other situations not meant for human habitation); or</li> <li>• Individuals who were literally homeless prior to entering an institution (where they resided temporarily – 90 days or fewer) and are exiting the institution with no resources or anywhere to go; AND</li> <li>• No other resources</li> </ul>

### Targeted Prevention

The crisis response system must attempt to prevent episodes of homelessness for individuals and households seeking shelter who are currently housed but at imminent risk of homelessness. Whenever possible and safe, households experiencing a housing crisis should be diverted from entering the homeless services system through problem-solving conversations, linkages to mainstream and natural supports, and light-touch financial assistance through flexible funding sources.

Communities should ensure that prevention financial assistance is targeted to households most likely to enter shelter but for the financial assistance. Prevention financial assistance is not intended to operate as an eviction prevention program. Non-financial prevention assistance should be leveraged where possible to divert households from homelessness. Financial assistance (e.g., rent assistance) should be provided as a last resort to prevent homelessness.

Duplication of assistance is not eligible. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program.

The following are examples of situations where prevention from homelessness may be feasible:

- Household living in someone else’s unit (doubled-up) where the right to occupy has been terminated
- Household living in their own unit where housing loss within 14 days is imminent and homelessness could be averted
- Household living in hotel/motel (paid for by household) and the household is unable to pay for additional nights

*Project Participant Eligibility*

Prevention assistance is limited to those households who will imminently lose their primary nighttime residence within 14 days and meet all other requirements. The household must have an income below 30 percent of MFI and lack the sufficient resources and support networks necessary to retain housing without assistance.

Prevention financial assistance beyond three months requires recertification of eligibility. This recertification must then be completed every three months based on the household’s project entry date for the duration of financial assistance. Recertification requires grantee documentation of the following:

- Project participant household income below 30 percent of MFI
- The household lacks the financial resources and support networks needed to remain in existing housing without Prevention assistance
- Housing stabilization services are being appropriately implemented

<b>Recertification Requirement</b>	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

*Requirements*

Prevention providers must coordinate with other service providers to ensure project participants receive services in a timely manner.

Provision of any financial assistance should be “needs-based,” meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

When households are moved into a new unit or stabilized into an existing unit and rent assistance is provided, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the unit location

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the

grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the project participant must pay themselves must not exceed the FMR for the area.

If the gross rent for the unit exceeds either the rent reasonableness standard or the FMR, grantees are prohibited from using VHSP funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Grantees must not make payments directly to project participants, but only to landlords or property management companies. In addition, an assisted property may not be owned by the grantee or their parent, subsidiary, or affiliated organization (see [Conflict of Interest](#)).

Monthly housing-focused case management is required but participation in all program services must be voluntary. Grantees must provide the appropriate level of case management in order to ensure housing stability.

Required documentation for all VHSP – Prevention Project Participant Client Files:

- Initial screening
- Proof of diversion at intake (see HSNH-VHSP Guidelines, page 22)
- Coordination with mainstream resources
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee’s grievance policy
- Completed *VHSP Prevention Project Participant Eligibility Requirements* with corresponding eligibility documentation
- Strength-based housing barrier assessments and housing plans;
- Grantees must use [HUD Published Income Limits](#) for determining income limits;
- Prevention financial assistance requires that the project participant head of household have the valid lease with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the project participant record; and
- Monthly housing-focused case management (e.g., updates on housing plan, noted progress toward housing stability, etc.).

In addition, the following documentation is required for all VHSP – Prevention Project Participants receiving rent assistance:

- A completed copy of the [HUD rent reasonableness worksheet](#) with the applicable [Fair Market Rents \(FMR\) for the area](#) noted, and
- A copy of the completed utility allowance worksheet must be included in the project participant file. Grantees must utilize the appropriate utility allowance for any utilities paid by the project participant separate from rent. The local housing authority’s or [Virginia Housing’s](#) appropriate regional allowances may be used to calculate the rent standard.

### *Expenses*

Non-financial prevention assistance should be leveraged where possible. Financial assistance (e.g., rent assistance) should be provided as a last resort to prevent homelessness.

Eligible targeted prevention costs include:

- Rent assistance
- Rent arrears



- Housing stabilization financial assistance
- Housing stabilization case management
- Housing search and placement
- Housing stabilization services
- Service location costs

#### *Rent Assistance and Rent Arrears*

Rental assistance is tenant-based rental assistance that allows individuals and families to obtain and remain in rental units. These funds cannot be used for mortgage assistance.

Grantees must determine the amount of rental assistance provided, such as “shallow subsidies” (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies. Grantees may require a project participant to share in the costs of rent.

No project participant may receive more than 24 months of assistance during any three-year period of time. Assistance with any portion of rent during a month counts as a month toward the 24-month limit.

Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the project participant to obtain or retain a housing unit. Rental arrearage assistance should only be used to prevent homelessness.

If funds are used to pay rental arrears, arrears must be included in determining the total period of the project participant’s rental assistance, which may not exceed 24 months. While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistance limit of 24 months.

Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months.

Funds may not be used to pay damage costs incurred by the tenant.

Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

#### *Housing Stabilization Financial Assistance*

Funds may be used to provide financial assistance to help project participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security deposit and last month’s rent (if applicable)
- Utility payments, including utility deposits and arrears
- Moving costs
- Application fees
- Project participant travel costs

Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to project participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.



Funds may be used for up to 24 months of utility payments for each project participant in any three-year period of time, provided that the project participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24-month limit.

The grantee must use the Virginia Housing (VH) or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance with utilities may be structured where the project participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may estimate the total number of months covered. In these cases, the grantee must document the basis for the estimation.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

Funds may be used for reasonable project participant costs directly related to housing stabilization efforts. Project participant travel costs may include the cost for bus, taxi, or ride share services for the project participant during the housing search or unit leasing process.

#### *Housing Stabilization Case Management*

Funds may be used for housing stabilization case management. This includes the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing. Project participants must receive housing-focused case management at least once a month.

This assistance cannot exceed 24 months during the period the project participant is living in permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Fees for use of auxiliary aids and language services
- Oversight and supervision of housing-focused case management staff

Prevention funds can be used for housing-focused case management alone. That is, although rental assistance cannot be provided independent of case management services, case management can be provided independent of rental assistance. For example, case

management could be provided after the term of a project participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded.

“Stand alone” case management or other services can also be provided to support project participants who receive rental assistance through non-VHSP funds, as long as the individual or family is eligible for assistance at the time of the intake.

#### *Housing Search and Placement*

Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include education of tenant rights and responsibilities, lease requirements, securing utilities, moving arrangements, representative payee services concerning rent and utilities, and landlord outreach and mediation. Costs may also include expenditures associated with assessing housing unit compliance with property standards, lead-based paint requirements, and rent reasonableness. Expenses associated with staff salaries in the role of housing locator are eligible costs.

#### *Housing Stabilization Services*

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

#### *Service Location Costs*

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

### **Emergency Shelter Operations**

Whenever possible, households experiencing a housing crisis should be diverted from entering the homeless services system through problem-solving conversations, linkages to mainstream and natural supports, and light-touch financial assistance through flexible funding sources.

In cases where the prevention of homelessness is not possible or safe, emergency shelter may be used as a temporary measure. Shelter operations will support low-barrier, housing-focused emergency shelter for households experiencing homelessness in Virginia. Types of shelters may include scattered site, congregate, seasonal, or hotel/motel vouchers. Transitional housing is not eligible under this program.

The focus of all shelter stays is:

- To quickly obtain permanent housing (primary focus)
- To obtain housing stability (secondary focus)

#### *Project Participant Eligibility*

1. Literally homeless: individuals and families who lack a fixed, regular, and adequate nighttime residence including those residing in a shelter or a place not meant for human habitation and those exiting an institution where they resided temporarily
2. At imminent risk of homelessness: individuals and families who will imminently lose their primary nighttime residence within 14 days and diversion has been attempted

3. Households fleeing or attempting to flee domestic violence who are either literally homeless or at imminent risk of homelessness (category one and two above)

### *Requirements*

Coordination with prevention resources must be established and maintained to ensure timely referrals where appropriate. Grantees must work with local prevention services to help identify and refer all households seeking shelter where prevention of homelessness would be a viable alternative.

Participants are immediately assisted to obtain permanent housing to ensure shelter stays are minimized.

Grantees must not implement a maximum length of stay in VHSP-funded emergency shelter for persons and households experiencing homelessness.

Homeless assistance case management and services are needs-based and housing-focused with minimal barriers.

Shelters must meet basic habitability standards, pass annual fire inspections, and comply with the Americans with Disabilities Act (ADA) and Fair Housing Act standards. If the shelter is not ADA compliant, the grantee must have a plan to meet the needs of households with disabilities.

### Required Documentation:

- Proof of diversion at intake (see HSNH-VHSP Guidelines, page 23)
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- Strength-based housing barrier assessment and housing plan
- Coordination with mainstream resources

### *Expenses*

Most costs associated with the operation of a shelter are eligible. These include:

- Service Location Costs
- Security
- Maintenance
- Supplies
- Housing-focused case management
- Limited support services (requires DHCD pre-approval)
- Other (requires DHCD pre-approval)

Service location costs must be for actual leasing costs accrued by the grantee for the housing unit(s), hotel/motel vouchers, or building(s) where temporary shelter and essential services are provided. These funds may not be used to reimburse the grantee for costs associated with a mortgage or loan on the property. Other costs include rent for office space, printer/copier costs, and utilities for an office.

Both security and maintenance costs may include staff and supply costs accrued by the grantee in the performance of security and/or maintenance. Any security, maintenance, or any other contract for services must adhere to grantee procurement policies.

As condominium fees cover maintenance and sometimes utilities associated with a unit, these are allowable for grantee-owned properties utilized for programs funded through this program.

Supplies are limited to those directly related to meeting basic health and safety needs of project participants during the shelter stay. These include but are not limited to office supplies, cleaning supplies, food costs for meals provided, and bathroom supplies. Supplies do not include luxury items or items that go beyond meeting basic health and safety needs of project participants. The grantee should contact their program administrator for further guidance.

Case management must be housing-focused. Costs include:

- Conducting initial assessments
- Completing a strength-based housing barriers assessment and corresponding individualized housing and service plans
- Assisting a project participant in overcoming immediate barriers to obtaining housing.
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Fees for use of auxiliary aids and language services
- Oversight and supervision of engagement and housing-focused case management staff

Any support services provided must be based on project participant needs and address specific housing barriers including the cost to secure personal identification. These funds should be used as a last resort for support services and may not be used if other resources are available. Documentation of the need for a specific support service and the lack of other available resources must be included in the project participant file in cases where these funds are used to pay for essential services. All support services costs must be pre-approved by DHCD.

Transportation costs of project participants may be eligible under the “other” category. This includes the cost of transporting project participants to shelter sites from designated pick up locations in the case of shelter models that require mass transportation. The cost of transporting emergency shelter project participants to other permanent housing solutions (such as reuniting with family or friends in another locality), may also be eligible. All “other” costs must be pre-approved by DHCD and adhere to grantee procurement policies.

### **Rapid Re-housing**

Rapid re-housing is an intervention designed to help individuals and families quickly exit homelessness and return to permanent housing. Rapid re-housing assistance is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are tailored to the unique needs of the household.

Core components:

1. Housing identification
2. Rent and move-in assistance
3. Rapid re-housing case management and services

#### *Project Participant Eligibility*

Rapid re-housing assistance is limited to literally homeless households. These are households who lack a fixed, regular, and adequate nighttime residence. This includes those currently residing in a shelter and those exiting an institution (where they resided temporarily for 90 days or fewer) with no housing resources.

Veteran rapid re-housing assistance is limited to literally homeless households wherein a member of the household is a veteran. A veteran is any military member who has been released from their obligation to continue service in the armed forces. To be eligible for services an

honorable discharge is not required; all veterans are eligible regardless of discharge type. Veteran rapid re-housing is an eligible cost sub-category for state funded rapid re-housing only.

Duplication of assistance is not eligible. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program.

All rapid re-housing financial assistance beyond three months requires recertification of eligibility. This recertification must then be completed every three months based on the household's project entry date for the duration of financial assistance. Recertification requires grantee documentation of the following:

- Project participant household income below 30 percent of MFI
- The household lacks the financial resources and support networks needed to remain in existing housing without Rapid Rehousing assistance
- Housing stabilization services are being appropriately implemented

<b>Recertification Requirement</b>	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

### *Requirements*

Provision of any financial assistance should be needs based, meaning that grantees should work closely with each project participant household to determine the level and length of financial assistance necessary to obtain and maintain housing in the near term.

Rapid re-housing assistance usually begins prior to the project participant entering housing. For VHSP rapid re-housing, projects in HMIS should be set up as follows:

1. The project entry date is the date the person eligible for VHSP rapid re-housing assistance is admitted to the project, even if only in initial stage of engagement. Rapid re-housing is the only residential program that allows the project entry date to be earlier than the project participant's move in date.
2. The Universal Data Elements and any other information required at project entry.
3. When the project participant moves into permanent housing, enter the date the household physically moved into the housing unit in the residential move-in date field.

When households are moved into a new unit and rent assistance is provided, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the project participant must pay themselves must not exceed the FMR for the area.

If the gross rent for the unit exceeds either the rent reasonableness standard or the FMR, grantees are prohibited from using VHSP funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Grantees must not make payments directly to project participants, but only to landlords or property management companies. In addition, an assisted property may not be owned by the grantee or their parent, subsidiary or affiliated organization (see [Conflict of Interest](#)).

Monthly housing-focused case management is required but participation in all program services must be voluntary. Grantees must provide the appropriate level of case management in order to ensure housing stability.

Required documentation for all VHSP – RRH Project Participant client files:

- Initial screening
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- Completed *VHSP Rapid Re-housing Project Participant Eligibility Requirements*.
- Strength-based housing barriers assessments and housing plans.
- Grantees must use [HUD Published Income Limits](#) for determining income limits
- Rapid re-housing financial assistance requires that the project participant head of household have the valid lease with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the project participant file.
- Monthly housing-focused case management is required. Grantees must provide the appropriate level of case management in order to ensure housing stability.
- Grantees must have written agreements with both the project participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability and must include:
  - A provision requiring the owner to give the grantee a copy of any notice to the project participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the project participant.
  - The same payment due date, grace period, and late payment penalty requirements as the project participant's lease.
  - The term of the rental assistance agreement for the period of time they anticipate providing assistance.
- Documentation of veteran status (as appropriate)\*
  - Veterans Department of Defense (DD) Form 214 Certificate of Release Discharge from Active Duty
  - VBA Statement of Service (SOS)
  - VHA Veteran identity card
  - VISTA printout from VHA healthcare provider
  - Hospital Inquiry System (HINQS)
  - VBA letter of service connected disability payment or non-service connected pension

\* If documents proving veteran status are not immediately available, an Affidavit of Veteran Status signed by the veteran can be used to allow grantees to enroll veterans and initiate supportive services.

In addition, the following documentation is required for all VHSP – Rapid Rehousing Project Participants receiving rent assistance:

- A completed copy of the [HUD rent reasonableness worksheet](#) with the applicable [Fair Market Rents \(FMR\) for the area](#) noted, and



- A copy of the completed utility allowance worksheet must be included in the project participant file. Grantees must utilize the appropriate utility allowance for any utilities that are paid by the project participant separate from rent. The grantee may use the local housing authority's or [VH's](#) regional allowances in order to calculate the rent standard.

### *Expenses*

Eligible rapid re-housing costs include:

- Rent assistance
- Veterans rent assistance (State RRH only)
- Rent arrears
- Veterans rent arrears (State RRH only)
- Housing stabilization financial assistance
- Veterans housing stabilization financial assistance (State RRH only)
- Housing stabilization case management
- Housing search and placement
- Risk Mitigation Fund (State RRH only)
- Housing stabilization services
- Service location costs (State RRH only)

### *Rental Assistance and Rent Arrears*

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units. Funds cannot be used for mortgage assistance.

Grantees must determine the amount of rental assistance provided, such as shallow subsidies (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies. Grantees may require a project participant to share in the costs of rent.

No project participant may receive more than 24 months of assistance during any three-year period of time. Assistance with any portion of rent during a month counts as a month toward the 24-month limit.

Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the project participant to obtain a housing unit.

If funds are used to pay rental arrears, arrears must be included in determining the total period of the project participant's rental assistance, not to exceed 24 months. While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistances limit of 24 months.

Any individual or family receiving assistance beyond any arrears or fees and two current months of rent or financial assistance must be evaluated and recertified as eligible every three months.

Assistance should be needs-based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the project participant maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Funds may not be used to pay damage costs incurred by the tenant.



The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness and be at or below [Fair Market Rents \(FMR\)](#) for the area.

Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

#### *Veterans Rental Assistance and Rent Arrears*

Follow the above guidelines for VHSP Rental Assistance and Rent Arrears and document veteran status as indicated under [RRH Requirements](#).

#### *Housing Stabilization Financial Assistance*

Funds may be used to provide financial assistance to help project participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Utility payments
- Utility arrears
- Moving costs
- Application fees

Funds may be used to pay for security deposits, including utility deposits, for project participants. This is eligible in the case where the project participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source. Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to project participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.

Funds may be used for up to 24 months of utility payments for each project participant in any three-year period of time, provided that the project participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24-month limit.

The grantee must use the VH or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance with utilities may be structured where the project participant pays a portion of the utilities. Utilities are limited to water/sewer, heating oil, gas, and electricity. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities which must be included in the 24-month limit. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. As the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases, the grantee must document the basis for the estimation.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

#### *Veteran Housing Stabilization Financial Assistance*

Follow the above guidelines for VHSP Housing Stabilization Financial Assistance and document veteran status as indicated under [RRH Requirements](#).

#### *Housing Stabilization Case Management*

Funds may be used for housing stability case management. These are the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing. Project participants must receive housing-focused case management at least once a month.

This assistance cannot exceed 30 days during the period the project participant is seeking permanent housing and cannot exceed 24 months during the period the project participant is living in permanent housing. All project participants must be moved as quickly as possible to permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Fees for use of auxiliary aids and language services
- Oversight and supervision of housing-focused case management staff

Rapid re-housing funds can be used for housing-focused case management alone. Although rental assistance cannot be provided independent of case management, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a project participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded.

“Stand alone” case management or other services can also be provided to support project participants who receive rental assistance through non-VHSP funds, as long as the individual or family is eligible for VHSP assistance at the time of the intake evaluation.

#### *Veteran Housing Stabilization Case Management*

Follow the above guidelines for VHSP Housing Stabilization Case Management and document veteran status as indicated under [RRH Requirements](#).

#### *Housing Search and Placement*

Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include staff costs related to: tenant counseling, assisting individuals and families to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, and outreach and negotiation with property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead requirements, and rent

reasonableness. Costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

#### *Housing Stabilization Services*

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

#### *Risk Mitigation Funds*

Risk mitigation funds are eligible under VHSP – State Rapid Rehousing in an effort to increase the number of housing units available to persons exiting homelessness. This activity seeks to improve outreach and engagement efforts between grantees, the households they serve, and landlords or property owners. Eligible risk mitigation fund costs include: (i) the cost to repair damages incurred by the project participant not covered by the security deposit, and (ii) up to two months' rent or until the vacancy is filled, whichever comes first, in situations where a tenant has left before the end of a lease. Both eligible expense types are offered as a last resort to maintain landlord relationships and encourage the continued reduction of rental barriers.

Any payment of risk mitigation funds must be counted toward the project participant's 24-month of assistance limit.

#### *Service Location Costs*

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office under VHSP – State Rapid Rehousing.

#### **CoC/LPG Planning (limited to ten percent of total VHSP base budget)**

CoC and Balance of State LPG lead organizations may use CoC/LPG Planning funds to meet any of the planning needs of the CoC/LPG.

#### *Expenses*

Eligible costs include coordination activities, project evaluation, project monitoring, HSNH application activities, developing a CoC/LPG system, training related to the emergency crisis response system, stipends for persons with lived experience serving on leadership board or advisory groups, and compliance activities.

CoC/LPG planning costs are limited to ten percent of the total VHSP base for the entire CoC or balance of state local planning group. The base includes outreach, prevention, shelter operations, rapid re-housing, and centralized or coordinated assessment/entry.

#### **HMIS (limited to five percent of total VHSP base budget)**

HMIS is a local information technology system used to collect project participant-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Each continuum of care is responsible for selecting an HMIS software solution that complies with HUD's data collection, management, and reporting standards.

#### *Requirements*

Grantees will be required to conduct data collection and reporting through the use of HMIS that meets HUD HMIS data standards, regardless of receipt of VHSP-HMIS funding. Grantees  
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primarily serving survivors of domestic violence and sexual assault may use another data system, and must meet all HUD HMIS data standards and reporting requirements. There are reporting requirements for both the grantee and the CoC/LPG.

Grantees (including domestic violence service providers) are required to provide VHSP reports and aggregate data to DHCD and the CoC/LPG. This includes the Consolidated Annual Performance and Evaluation Report (CAPER), the primary reporting mechanism for Emergency Solutions Grants (ESG), which is part of VHSP funding. This report requires that data be reported through a special Comma Separated Value (CSV) export.

#### *Expenses*

Homeless Management Information System (HMIS) expenditures are limited to five percent of the total VHSP base funding amount which includes outreach, prevention, shelter operations, rapid re-housing, and centralized or coordinated assessment/entry.

#### *Eligible HMIS Activities*

Reasonable and appropriate costs associated with operating a HMIS for purposes of collecting and reporting data required under this program and analyzing patterns of use of funds are eligible. Eligible costs include the purchase of HMIS software and/or user licenses, leasing or purchasing needed computer equipment for providers and the central server, costs associated with data collection, entry and analysis, and staffing associated with the operation of the HMIS, including training.

For DV shelter service providers, costs associated with a comparable system are eligible.

#### *Ineligible HMIS Activities*

HMIS activities that are ineligible include planning and development of HMIS systems, development of new software systems, and replacing current state and local government funding for an existing HMIS.

#### **Administrative Costs (limited to five percent of total VHSP base budget)**

Administrative costs may include accounting for the use of grant funds, preparing reports for submission to DHCD, obtaining program audits, similar costs related to administering the grant after the award, and associated staff salaries. Administrative costs also include staff training for program and case management, as long as this training is directly related to the provision of an emergency crisis response system. As with all billed expenditures, billing for administrative costs must be based on actual costs incurred during a particular period. Office supplies are eligible administrative costs.

No more than five percent of the total VHSP base funding amount may be spent on administrative costs. The base includes outreach, prevention, shelter operations, rapid re-housing, and centralized or coordinated assessment/entry.

While it is not necessary to detail administrative costs on reimbursements, grantees must be able to document all administrative costs and will be required to produce said documentation at the time of either on-site or desk monitorings.

## Housing Opportunities for Persons With AIDS (HOPWA)

The Housing Opportunities for Persons With AIDS (HOPWA) program was authorized by the National Affordable Housing Act of 1990 and revised under the Housing and Community Development Act of 1992, to provide states and localities with the resources and incentives to devise and implement long-term comprehensive strategies for meeting the housing needs of low-income persons with Acquired Immunodeficiency Syndrome (AIDS) and related diseases, and their families. Activities of primary importance are providing housing assistance and services that assist this population to maintain housing stability where they can maintain complex medication regimens and address HIV/AIDS related problems.

Funds are appropriated annually by Congress to the U.S. Department of Housing and Urban Development (HUD) for administration of this program. HOPWA funds are then awarded by formula to eligible states and Eligible Metropolitan Statistical Areas (EMSAs) that meet the minimum number of cumulative AIDS cases. States and metropolitan areas coordinate use of HOPWA funds with their respective Consolidated Plans, a collaborative process whereby the state or metropolitan area establishes a unified vision for community development actions.

As an eligible state, the Commonwealth of Virginia receives a HOPWA formula grant, administered by the Department of Housing and Community Development (DHCD). DHCD grants these HOPWA funds to eligible grantees (that operate outside the state’s EMSAs) based on a community-based application. DHCD will issue one-year contracts to HOPWA providers (sub-grantees) as a result of the HSNH application process.

### Eligible Service Areas

Funds received through these awards will only support project participants in programs within Virginia’s non-eligible metropolitan statistical areas (listed in the chart below). HOPWA-eligible metropolitan areas receive their HOPWA allocations directly from HUD and have specific guidelines and separate processes not included within this application process or program.

DHCD’s intention is to provide HOPWA services to eligible individuals and households within Virginia’s non-entitlement area. As resources permit, HOPWA grantees are required to provide services to eligible individuals and households outside the grantee services area.

<b>Counties of:</b>			
Accomack	Charlotte	King George	Prince Edward
Albemarle	Craig	Lancaster	Richmond
Alleghany	Cumberland	Lee	Roanoke
Amherst	Dickenson	Louisa	Rockbridge
Appomattox	Essex	Lunenburg	Rockingham
Augusta	Floyd	Mecklenburg	Russell
Bath	Fluvanna	Middlesex	Scott
Bedford	Franklin	Montgomery	Shenandoah
Bland	Frederick	Nelson	Smyth
Botetourt	Giles	Northampton	Tazewell
Brunswick	Grayson	Northumberland	Washington
Buchanan	Greene	Nottoway	Westmoreland
Buckingham	Greensville	Orange	Wise
Campbell	Halifax	Page	Wythe
Caroline	Henry	Patrick	
Carroll	Highland	Pittsylvania	

<b>Independent Cities of:</b>			
Bedford City	Danville	Lynchburg	Salem
Bristol	Emporia	Martinsville	Staunton
Buena Vista	Galax	Norton	Waynesboro
Charlottesville	Harrisonburg	Radford	Winchester
Covington	Lexington	Roanoke City	

### **Grantee Requirements**

In addition to requirements set forth in the [Homeless and Special Needs Housing Grantee Requirements](#), each grantee must adhere to the following requirements:

#### *Local Coordination*

Grantees should partner with other service providers (public and private) to coordinate project participant services and fully leverage the available resources in the particular service area.

#### *Housing Assessments and Plans*

All project participant files must contain an individualized housing assessment and housing and service plan with evidence of annual updates and ongoing progress. Housing assessments and plans assist in ensuring that participants achieve greater housing stability by receiving HOPWA assistance. Regulation 24 CFR 574.500(b) (2) states that the grantee (DHCD) will ensure that each project agrees to “conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program”. The housing assessment is the foundation for the development of an individualized housing and service plan that includes gathering participant information about current finances, past rental history, behavioral history and other service needs. The sub-grantee should assess housing and supportive service needs at the point of intake or application and create plans for housing stability. These plans must be updated at least annually.

[HOPWA Grantee Oversight Resource Guide](#) - This resource discusses in more detail HOPWA requirements, eligibility and monitoring requirements. It also has useful tools and forms that may assist in running the HOPWA program. Not all activities described in the guide are part of the DHCD HOPWA program.

Duplication of assistance is not eligible. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program.

[HOPWA Program Administration Toolkit](#) - The resources located here are designed to help grantees that receive HOPWA funding comply with applicable laws and regulations and administer programs more efficiently and effectively. Some of the forms that may be useful are HOPWA HQS Habitability Standards, STRMU tracking sheet, housing application and assessment, project participant files checklist, etc.

#### *HOPWA Financial Management Training*

The Office of HIV/AIDS Housing (OHH) has worked with the HOPWA technical assistance staff at ICF International to develop a [Financial Management Online Training course](#). This is a new approach to training that allows grantees and other community partners to access vital information remotely. This tool is designed to provide important information about the regulations and practices of the HOPWA program and to benefit a variety of staff. The training covers many topics including HOPWA financial management standards, management of personnel and non-personnel costs, HOPWA rental assistance and reporting, auditing and oversight of grantees. All organizations that receive HOPWA funding must have documentation on file for all applicable staff that the Financial Management Training was completed.



HOPWA Oversight Training: <https://www.hudexchange.info/trainings/hopwa-oversight-training/>

Getting to Work: A Training Curriculum for HIV/AIDS Service Providers and Housing Providers: <https://www.hudexchange.info/trainings/dol-hud-getting-to-work-curriculum-for-hiv-aids-providers/>

HOPWA Financial Management Training course: <https://www.hudexchange.info/trainings/courses/hud-hopwa-financial-management-online-training/>

### *Environmental Reviews*

Environmental reviews (ER) are required when rental assistance is provided. The environmental review form, *Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5 (Pursuant to 24 CFR 58.34(a) and 58.35(b))*, must be completed for each unit/complex that falls in the flood plain or coastal barrier where rental assistance is provided.

### *Confidentiality*

Grantees must not use any identifying information that could compromise a participant's confidentiality regarding HOPWA assistance. For example, checks to property owners, envelopes, letterhead, and other printed material should not contain any language that might indirectly disclose a participant's HIV status.

### *HOPWA HQS*

Habitability standards inspections are required for each unit subsidized (Tenant Based Rental Assistance [TBRA] or permanent housing placement) with HOPWA assistance (except Short Term Rent, Mortgage, and Utility [STRMU]). Each unit must pass a housing quality inspection to ensure the housing is safe and sanitary and in compliance with local and state housing codes, licensing standards, and any other jurisdictional requirements, and the HOPWA program habitability standards as outlined in 24 CFR 574.310(b). Housing quality inspections are made at initial move-in and annually during the term of the rental assistance. Prior to occupancy by the HOPWA-funded tenant, the unit must be inspected and approved by the grantee. The staff member performing the inspection does not need any special training, just familiarity with the HOPWA guidelines. The grantee should use the [HOPWA HQS Habitability Standards](#) form that covers the standards set out in the HOPWA regulations.

### *Lead-Based Paint Requirements*

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M, and R shall apply to housing occupied by families receiving assistance through HOPWA, with the exception of studio units. HUD's lead-based paint rules apply to all housing assisted with TBRA or STRMU. Specifically, lead-based paint rules apply when:

- Housing to be assisted was constructed before 1978; and
- Residents will include a pregnant woman or a child 6 years of age or younger.
- All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided.

Staff must complete an [online training course](#) before performing visual assessments and retain the certification on file.

### **Project Participant Eligibility**

There are two basic elements of HOPWA eligibility:

- Household has at least one person who has Acquired Immunodeficiency Syndrome (AIDS) or related diseases (Human Immunodeficiency Virus, that is, HIV infection). This includes households where the only eligible person is a minor. Medical verification of status is required.
- The household must be at or below 80 percent of Area Median Income (AMI). Income limits are available on HUD's website at: <https://www.huduser.gov/portal/datasets/il.html>.

Grantees must document and date the determination of income eligibility, using the [HUD Income Calculator](#). This documentation including all required source documentation must be included in the project participant file. In the case of no household income, a project participant certified statement of no income is allowable.

All participant files must contain documentation of an intake assessment that verifies the participants' eligibility to receive HOPWA assistance. Low-income people living with Acquired Immunodeficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) diagnosis and their families are eligible to receive HOPWA assistance. Acceptable medical documentation of HIV status includes:

- A statement of HIV verification signed by a physician, certified health care worker, or HIV testing site representative;
- Social Security Administration records indicating the nature of a disability determination;
- Other relevant federal program records verifying HIV status.

Participant eligibility status, household composition, and rental payments must be recertified at least annually. The grantee must have a method in place for tracking participant eligibility and verifying income that looks for changes in income, family composition, and circumstances. The grantee must have policies and procedures that require the participant to notify the organization of any changes during the course of a program year.

Grantees must have signed releases of information from HOPWA participants that allow for obtaining and storing HIV status documentation. As part of a private medical record, such information is highly confidential and protected by state laws that govern HIV status information (see [Confidentiality Policy](#)).

Eligible beneficiaries are individuals or households with a total household income at or below 80 percent of the median income for the area (Area Median Income or AMI), as defined by HUD. HUD AMIs are calculated annually for individual localities and organized by number of persons in the household. Area Median Income charts: <https://www.huduser.gov/portal/datasets/il.html>. For detailed information and online training material regarding how to calculate annual income, visit [HUD's website](#). In calculating eligibility, the entire household income must be taken into account, not just the income of the HOPWA-eligible person. The number of persons living in the household applying for assistance must also be verified. A statement from the participant regarding household composition is acceptable documentation.

The grantee must have income verification for all adult members of a household (including any minor's income). If an adult member of a household has no verifiable income, the grantee must have the person sign a certification stating that he/she has no income.

Income documentation should reflect current income. Typically, income statements should be less than 90 days old based on the date of eligibility determination. Eligibility must be verified annually, taking into account possible changes in household income.

To receive HOPWA housing assistance and supportive services, at least one family member must have HIV/AIDS and the household must income-qualify. The HOPWA-eligible person in

any household can be a minor. The minor child must reside in the household at least 51 percent of the time. However, an adult with custodial authority must accompany the eligible minor. In such a case, the “head of the household” is the custodial adult.

### **Eligible Activities**

The 2020-22 HOPWA funds will support direct housing assistance to those most in need and supportive services for the HOPWA-eligible individuals.

- Tenant-based Rental Assistance (TBRA)
- Short-term Rent, Mortgage, and Utility (STRMU) Assistance
- Supportive Services
- Housing Information Services (limited to three percent)
- Administrative Costs (limited to seven percent)

### **Tenant-based Rental Assistance (TBRA)**

Tenant-based rental assistance is a rental subsidy used to help participants obtain permanent housing in the private rental housing market that meets housing quality standards and is rent reasonable. Working much like the Section 8 Housing Choice Voucher Program, HOPWA tenant-based assistance pays the difference between the Fair Market Rent and the tenant’s portion of the rent. With TBRA, the HOPWA grantee makes rental payments directly to property owners or property management companies. While the HOPWA subsidy covers a portion of the full rent, the tenant also pays a portion based on their adjusted income or gross income.

There are three key elements for the determination of the HOPWA TBRA assistance:

- Calculation of gross and adjusted household income;
- Calculation of tenant rent payment (based on income); and
- Calculation of HOPWA subsidy payment.

### *Requirements*

In addition, participant files must contain proper documentation to support any use of the Earned Income Disregard. The Earned Income Disregard, as it is commonly called, allows qualified individuals and families receiving housing assistance to keep more of their earned income for a period of up to two years following an increase in employment income. The [HOPWA Program Administration Toolkit](#) provides guidance on implementing the Earned Income Disregard for the purpose of calculating project participant income and resident rent payment.

All units must comply with HOPWA rent and habitability standards.

Participant eligibility status, household composition, and rental payments should be recertified at least annually. The grantee should have a method in place for tracking participant eligibility and verifying income that looks for changes in income, family composition, and circumstances. The grantee must have policies and procedures in place that require the participant to notify the grantee of income changes during the course of a program year.

Grantees may enter into annual renewable contracts with project participants. Grantees will be required to ensure that all property and occupancy standards continue to be met through the entire contract period. Grantees must reexamine participant’s family income, size, and composition at least once a year.

Grantees must not make payments directly to project participants, but only to landlords or property management companies.

Required Documentation:

- Properly calculated household income;

- Income verification using third-party sources (e.g., pay stubs, earning statements, checks, W-2 forms, and income tax returns);
- If a participant reports no income, a signed and witnessed “Verification of No Income”;
- [Determination of income eligibility](#) (does not require a signature);
- Properly calculated project participant rent payment;
- Verification that the HOPWA subsidy was properly calculated, including use of utility allowances (when applicable) and FMR rent standards;
- [Verification of rent reasonableness](#);
- Verification that the housing meets habitability and lead standards;
- Housing assessment and plan (completed at least annually);
- Verification of HIV/AIDS status; and
- Copy of valid lease.

### *Expenses*

Eligible costs include rent (not mortgage payments) and utility costs.

For further guidance on rent and utility cost calculations, refer to [HUD’s HOPWA Grantee Oversight Resource Guide](#), Chapter 4, Tenant Based Rental Assistance.

HOPWA participant rent payments will be the higher of two amounts:

- 10 percent of gross household income;
- 30 percent of adjusted income.

### **Short-term Rent, Mortgage, and Utility (STRMU) Assistance**

STRMU is time-limited housing assistance designed to prevent homelessness and increase housing stability for project participants with an emergency need. Used in connection with other HOPWA activities and other local, state, and federal resources, STRMU can lead to long-term solutions to housing problems for participants receiving this time-limited housing assistance.

### *Project Participant Eligibility*

STRMU is designed to be a short-term, needs-based intervention to prevent homelessness. Individuals must meet the following additional criteria in order to receive STRMU assistance:

- Project participant must be currently housed. Homeless individuals are not eligible for STRMU assistance. Assistance is provided to help homeowners and renters remain in their current place of residence.
- Project participant must be able to document that he/she has a legal right to occupy premises or has responsibility for the utility payment. Examples of acceptable documentation are as follows:
  - *Rental payments*: Project participant must be named tenant under valid lease or referenced in lease as occupant of the premises.
  - *Mortgage payments*: Project participant must demonstrate that he/she is owner of mortgaged property (mortgage, deed of trust, title insurance policy).
  - *Utility payments*: Project participant must have account in their name or proof of responsibility to make utility payments (copies of money orders, cancelled checks, receipts).
- Project participant must demonstrate he/she does not have the resources to meet rent, mortgage, or utility payments and, in the absence of STRMU assistance, would be at risk of homelessness.
  - Documentation of a default or late payment notice is not required; project participant can provide copies of bank statements and bills to demonstrate need.

### *Requirements*

Grantees may provide assistance for a period of up to 21 weeks in any 52-week program year period (for example, not exceeding 21 weeks in the period of July 1, 2020-June 30, 2021). The

amount of assistance varies per project participant depending on funds available, tenant need and program guidelines. STRMU is intended for project participants with an emergency need and not intended to provide long-term financial assistance.

#### Example of “Emergency Need”

- Grantee experiences a sudden loss of income due to changes in health
- Grantee has lost employment and has not yet been found eligible for SSDI
- Grantee’s household loses a source of income when family composition changes
- Due to above, grantee family faces eviction, foreclosure or utilities shut-off
- Grantee faces extraordinary and unexpected health care costs

Grantees must not make payments directly to project participants, but only to landlords or property management companies.

Grantees may establish caps (limits) for rent, mortgage, or utility assistance.

#### Required Documentation:

- AIDS/HIV status;
- [Documentation of determination of income eligibility](#) (does not require a signature);
- Properly calculated household income;
- Need for STRMU assistance;
- Time limits are consistent with 21 weeks of assistance in a 52-week program year (for example: Not exceeding 21 weeks in period between July 1, 2022-June 30, 2023);
- Housing meets lead-based paint requirements;
- Housing assessment and plan updated at least annually; and
- Copy of valid lease.

#### *Expenses*

##### Eligible STRMU expenses include:

- Rent and mortgage assistance
  - Must be reasonable and represent actual housing costs
  - The amount of assistance provided is not limited to Fair Market Rents or “reasonable rent” limits
  - Unlike other forms of HOPWA assistance, tenants are not required to pay 30 percent of their income towards the rent or mortgage payment. However, if they are able, project participants should pay a portion of their housing costs as any portion paid by the tenant does not count against the 21-week STRMU benefit ceiling. If grantees decide on this method, they must have a policy and procedure in place to ensure that this is calculated and documented clearly and tracked appropriately. The policy and procedure must be pre-approved by DHCD.
- Late fees
  - Late fees and other penalties may be paid if, in the event of nonpayment, the household is at risk of eviction or loss of housing.
  - Utility assistance late fees may be paid
- Utility payments

##### Ineligible STRMU expenses include:

- Security deposits and first month’s rent
  - STRMU assistance is designed to help homeowners and renters stay in their current place of residence; as a result, security deposits and first month’s rent are not eligible costs under STRMU. However, these costs are eligible as permanent housing placement costs (under the supportive services activity).
- Moving assistance

- Household supplies and furnishings
- Automobile expenses
- Telephone expenses
  - Telephone expenses are not payable as a utility expense under STRMU. However, such expenses may be covered as a supportive service expense in limited circumstances.

### **Supportive Services**

Supportive services are important tools in helping project participants and family members stabilize their living situations and help address care needs of persons living with HIV infection. To be eligible for supportive services, a project participant and family members are not required to receive housing financial assistance.

The primary purpose of HOPWA programs is housing assistance.

#### *Requirements*

Services provided with HOPWA funds must focus on supporting the housing stability of project participants. All supportive service expenses for the HOPWA program must be documented as being last resort. The sub-grantee must document reasonable efforts to qualify recipients for other programs that might pay for supportive services in the project participant’s individual housing service plan.

In addition, sub-grantees must report the following at the end of the year:

- The number of eligible households that received the specific service;
- The amount expended by the sub-grantee in the specific category; and
- The value of other non-HOPWA funds leveraged for this activity.

[Permanent housing placement](#) is also designated as supportive services in the reporting forms, but as separate budget line items and tracked separately as a data element.

#### Required Documentation:

- Documentation of HIV status;
- [Documentation of determination of income eligibility](#) (does not require a signature);
- Properly calculated household income;
- Documentation of need for supportive service assistance;
- Housing assessment and plan;
- Recipients of supportive services are eligible, as defined by HOPWA regulations;
- The activity itself is an eligible HOPWA activity;
- The services are adequate and appropriate for the level of support required by participants; and
- Records of supportive services to validate beneficiary data and reported expenditures.

#### *Expenses*

The following are eligible expenses under HOPWA Supportive Services and need to be reported in HOPWA year-end performance reports:

- Adult day care and personal assistance
- Alcohol and drug abuse services
- Case management/advocacy/coordination of benefits
- Child care
- Education
- Employment assistance and training for persons with HIV/AIDS



- Health and medical services (health services may only be provided to “individuals with acquired immunodeficiency syndrome or related diseases and not to family members” (24 CFR 574.300b(7))
- Legal services
- Life skills management
- Nutritional services (including meals)
- Mental health services
- Outreach
- Transportation

### **Permanent Housing Placement**

Permanent housing placement services may be used to help eligible persons establish a new residence where ongoing occupancy is expected to continue. It may be used to complement other forms of HOPWA housing assistance.

#### *Requirements*

Permanent Housing Placement is a subset of supportive services that is tracked separately.

#### *Expenses*

Eligible permanent housing placement costs include:

- Housing location services
- Permanent housing placement financial assistance

#### *Housing Location Services*

Housing location services funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include housing referral and tenant counseling (understanding a residential lease and its obligations, mediation of disputes, etc.).

#### *Permanent Housing Placement Financial Assistance*

Funds may be used to provide financial assistance to help project participants access housing.

Eligible expenses include:

- Application fees and credit check expenses
- First month’s rent and security deposit (not to exceed two months’ rent)
- One-time utility connection fees and processing credit

These costs, including security deposits, are not considered rental assistance and should be billed as a supportive service. Placement costs cannot exceed the value of two months’ rent in the new unit. Further, such funds should be designated to be returned to the sub-grantee’s HOPWA program when beneficiaries vacate the new unit. Returned funds should be recorded and tracked as program income and used for HOPWA program purposes.

Ineligible permanent housing expenses include but are not limited to moving costs, standard furnishings, and housekeeping/household supplies.

### **Housing Information Services (limited to three percent of total HOPWA budget)**

HOPWA allows for payment of HMIS costs and participation.

#### *Requirements*

If participating in HMIS, the HOPWA providers must use the system to enhance service coordination and project participant access to community assistance programs and must collect all of the Universal Data Elements and Program-Specific Data Elements. See [HOPWA Program HMIS Manual](#).

### *Expenses*

Sub-grantees may use up to three (3) percent of the overall HOPWA award for HMIS costs. Sub-grantees should use the Housing Information Services line item for HMIS costs associated with tracking project participant access and services (data entry).

However, when the systems are developed or are being used by staff for data reporting, the costs are considered administrative costs and are subject to the applicable administrative cost limit.

### **Administrative Costs (limited to seven percent of total HOPWA budget)**

Eligible administrative costs include expenses that support program operations, such as bookkeeping and the compilation and reporting of data.

### *Requirements*

As with all billed expenditures, billing for administrative costs must be based on actual costs incurred during a particular period.

As with personnel costs, basing administrative charges on a straight pro-rated amount of the total grant (e.g., seven percent of the total amount awarded to the grantee divided into constant monthly increments) may be helpful for budgeting but is not adequate. Rather, administrative charges should be based on the actual monthly program costs, which should vary each month.

While it is not necessary to detail administrative costs on reimbursements, grantees must be able to document all administrative costs and will be required to produce said documentation at the time of either on-site or desk monitorings.

## **Virginia Housing Trust Fund: Homeless Reduction Grant**

The goal of the Virginia Housing Trust Fund Homeless Reduction Grant program is to reduce homelessness in the Commonwealth of Virginia. DHCD will support continuum of care (CoC)/balance of state local planning group (LPG) strategies and homeless service projects that are or will be a part of an effective emergency crisis response system to ensure that homelessness is rare, brief, and one-time.

The Homeless Reduction Grant program must be coordinated with other community-based activities. All CoCs, LPGs, and DHCD homeless services grantees use a local centralized or coordinated assessment/entry system. A local centralized or coordinated assessment/entry system is the best practice for a housing-focused approach targeted toward helping households experiencing homelessness quickly regain stability in permanent housing.

### **Background**

The Virginia Housing Trust Fund is estimated to increase significantly this fiscal year. It is estimated that \$8,300,000 will be available for HTF Homeless Reduction Grants this fiscal year. This funding amount is subject to change. This funding provides grants for targeted efforts to reduce homelessness. Priority consideration will be given to efforts to reduce the number of youth and families experiencing homelessness. Funding will be awarded to projects best aligned with state and federal goals to end homelessness in communities throughout the commonwealth.

### **Eligible Grantees**

Eligible grantees are units of local government, non-profit organizations, housing developers (non-profit and for-profit), Community Housing Development Organizations (CHDOs), single purpose organizations, or limited liability corporations (LLCs). The preferable grantee is the primary partner in the LLC, development team, or the individual organization that will have the ongoing responsibility for the project. Proposed projects that will leverage multiple partners and subcontracts are allowable.

The grantee is the entity responsible for compliance. DHCD may not enter into program contracts with any grantee with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues. However, DHCD will work with all interested parties toward the resolution of outstanding issues, as appropriate.

### **Grantee Requirements**

Each grantee must adhere to the requirements set forth in the [Homeless and Special Needs Housing guidelines](#).

### **Eligible Activities**

Eligible projects are designed to reduce homelessness, are located within Virginia, and include:

- Rapid Re-housing
- Underserved Populations Innovation Project
- Permanent Supportive Housing (housing stabilization services and rental assistance for chronically homeless)
- Administrative Costs

### **Rapid Re-housing**

Rapid re-housing is an intervention designed to help individuals and families quickly exit homelessness and return to permanent housing. Rapid re-housing assistance is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are tailored to the unique needs of the household.

Core components:

1. Housing identification
2. Rent and move-in assistance
3. Rapid re-housing case management and services

#### *Project Participant Eligibility*

Rapid re-housing assistance is limited to literally homeless households. These are households who lack a fixed, regular, and adequate nighttime residence. This includes those currently residing in a shelter and those exiting an institution (where they resided temporarily for 90 days or fewer) with no housing resources.

Duplication of assistance is not eligible. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program.

All rapid re-housing financial assistance beyond three months requires recertification of eligibility. This recertification must then be completed every three months based on the household's project entry date for the duration of financial assistance. Recertification requires grantee documentation of the following:

- Project participant household income below 30 percent of MFI
- The household lacks the financial resources and support networks needed to remain in existing housing without Rapid Rehousing assistance
- Housing stabilization services are being appropriately implemented

<b>Recertification Requirement</b>	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

#### *Requirements*

Provision of any financial assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

When households are moved into a new unit, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the project participant must pay themselves must not exceed the FMR for the area.

If the gross rent for the unit exceeds either the rent reasonableness standard or the FMR, grantees are prohibited from using VHSP funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Grantees must not make payments directly to project participants, but only to landlords or property management companies. In addition, an assisted property may not be owned by the grantee or their parent, subsidiary or affiliated organization (see [Conflict of Interest](#)).

Monthly housing-focused case management is required but participation in all program services must be voluntary. Grantees must provide the appropriate level of case management in order to ensure housing stability.

#### Required Documentation:

- All project participants must receive an initial screening
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- All project participants must receive initial eligibility certification using DHCD's *VHSP Rapid Re-housing Project Participant Eligibility Requirements*.
- All households must have strength-based housing barriers assessments and housing plans.
- Grantees must use [HUD Published Income Limits](#) for determining income limits
- A copy of the [HUD rent reasonableness worksheet](#) and [Fair Market Rents \(FMR\) for the area](#) must be completed and included in the project participant file.
- A copy of the completed utility allowance worksheet must be included in the project participant file. Grantees must utilize the appropriate utility allowance for any utilities that are paid by the project participant separate from rent. The grantee may use the local housing authority's or [Virginia Housing's](#) appropriate regional allowances in order to calculate the rent standard.
- Rapid re-housing financial assistance requires that the project participant head of household have the valid lease with a landlord or a master lease agreement that is in compliance with tenant/landlord laws in their name. For master lease agreements, these must be legally binding for a duration of at least 6 months and participation in any program or service must not be a requirement for tenancy. A copy of the lease must be included in the project participant file.
- Monthly housing-focused case management is required. Grantees must provide the appropriate level of case management in order to ensure housing stability.
- Grantees must have written agreements with both the project participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability and must include:
  - A provision requiring the owner to give the grantee a copy of any notice to the project participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the project participant.
  - The same payment due date, grace period, and late payment penalty requirements as the project participant's lease.
  - The term of the rental assistance agreement for the period of time they anticipate providing assistance.

#### *Expenses*

Eligible rapid re-housing costs include:

- Rent assistance
- Rent arrears
- Housing stabilization financial assistance

- Housing stabilization case management
- Housing search and placement
- Housing stabilization services
- Service location costs

#### *Rental Assistance and Rent Arrears*

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units. Funds cannot be used for mortgage assistance.

Grantees must determine the amount of rental assistance provided, such as shallow subsidies (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies. Grantees may require a project participant to share in the costs of rent.

No project participant may receive more than 12 months of assistance. Assistance with any portion of rent during a month counts as a month toward the 12-month limit.

Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the project participant to obtain a housing unit.

If funds are used to pay rental arrears, arrears must be included in determining the total period of the project participant's rental assistance, a period not to exceed 12 months. While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistance limit of 12 months.

Any individual or family receiving assistance beyond any arrears and two months of rent and financial assistance must be evaluated and recertified as eligible every three months.

Assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the project participant maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Funds may not be used to pay damage costs incurred by the tenant.

The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness and be at or below [Fair Market Rents \(FMR\)](#) for the area.

Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited.

#### *Housing Stabilization Financial Assistance*

Funds may be used to provide financial assistance to help project participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Utility payments and arrears
- Moving costs
- Application fees



Funds may be used to pay for security deposits, including utility deposits, for project participants. This is eligible in the case where the project participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source. Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to project participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.

Funds may be used for up to 12 months of utility payments for each project participant in any three-year period of time, provided that the project participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 12-month limit.

The grantee must use the Virginia Housing or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance with utilities may be structured where the project participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities; however, the past due months must be included in the 12-month limit. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twelve month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. The basis for the estimation must be included in the client file.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

#### *Housing Stabilization Case Management*

Funds may be used for housing stability case management. These are the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing. Project participants must receive housing-focused case management at least once a month.

This assistance cannot exceed 12 months during the period the project participant is living in permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Fees for use of auxiliary aids and language services

Rapid re-housing funds can be used for housing-focused case management alone. Although rental assistance cannot be provided independent of case management, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a project participant's rental assistance expires, as long as the 12-month cap for each type of assistance is not exceeded.

“Stand alone” case management or other services can also be provided to support project participants who receive rental assistance through non-VHSP funds, as long as the individual or family is eligible for VHSP assistance at the time of the intake evaluation.

#### *Housing Search and Placement*

Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include staff costs related to: tenant counseling, assisting individuals and families to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, and outreach and negotiation with property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead requirements, and rent reasonableness. Costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

#### *Housing Stabilization Services*

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

#### *Service Location Costs*

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

### **Underserved Populations Innovation Project**

The purpose of the Underserved Populations Innovation Project is to support innovative local efforts to serve members of an underserved population experiencing homelessness and pilot new models of assistance to determine the array of interventions necessary to serve the target population.

#### *Client Eligibility*

The Underserved Population Innovation Project targets members of an underserved population that are experiencing homelessness.

Underserved populations are defined by a lack of resources targeted towards providing culturally appropriate and trauma-informed services for a vulnerable population.

Examples of underserved populations include but are not limited to:

- Persons 60 years of age or older
- Unaccompanied youth aged 18 to 24
- Persons identifying as LGBTQ+

- Persons with disabilities, including physical or cognitive impairments, or substance use disorder
- Persons living in rural areas
  - “Rural” encompasses all population, housing, and territory not included with an urban area as indicated by the U.S. Census Bureau’s [2020: Virginia Core Based Statistical Areas and Counties Map](#).

Projects serving monolithic groups based on race, color, national origin, or religious ideologies will not be permitted for the use of HTF – HRG funding.

All projects, unless otherwise stated, must utilize the U.S. Department of Housing and Urban Development (HUD) Category 1 definition of literal homelessness.

Literal Homelessness is defined as:

Any individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- (i) Has a primary nighttime residence that is a public or private place not meant for human habitation;
- (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

Grantees targeting unaccompanied homeless youth may choose to employ the following two definitions of homelessness:

1. U.S. Department of Education (ED)

Subtitle VII-B of the McKinney-Vento Homeless Assistance Act defines homeless children and youths as follows: The term "**homeless children and youths**"—

- A. means individuals who lack a fixed, regular, and adequate nighttime residence (within the meaning of section 11302(a)(1) of this title); and
- B. includes—
  - i. children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
  - ii. children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings (within the meaning of section 11302(a)(2)(C) of this title);
  - iii. children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
  - iv. migratory children (as such term is defined in section 6399 of title 20) who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii). 42 U.S.C. § 11434a(2)

Subtitle VII-B of the McKinney-Vento Homeless Assistance Act defines unaccompanied youth as follows: The term “**unaccompanied youth**” includes a youth not in the physical custody of a parent or guardian. 42 U.S.C. § 11434a(6)

2. U.S. Department of Housing and Urban Development (HUD)

Category 1: Literally Homeless - Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- (iv) Has a primary nighttime residence that is a public or private place not meant for human habitation;
- (v) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- (vi) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

Housing solutions assistance must be offered without preconditions (such as employment, income, absence of criminal record, or sobriety).

*Eligible Activities*

There are three categories of Underserved Populations Innovation Project activities:

- Innovative Project Planning
- Homeless Underserved Populations Outreach/Engagement
- Housing Solutions

All HTF – HRG – Underserved Populations Innovation Projects must include the Innovative Project Planning activity and may or may not include Homeless Underserved Populations Outreach/Engagement, and/or Housing Solutions.

*Innovative Project Planning*

Innovative Project Planning funds may be used to develop and/or pilot new models of assistance to best meet the needs of underserved populations experiencing homelessness. All projects must be designed to meet the unique needs of the target population in their community.

Requirements

The project must be designed to meet at least one of the following core components:

1. Effectively identify and engage members of the underserved population at risk of or experiencing homelessness and connect them with trauma-informed, culturally appropriate, and developmentally and age-appropriate interventions;
2. Intervene early when members of the underserved population do become homeless and work to divert the individual or household from the experience of homelessness when safe and appropriate;
3. Develop coordinated entry systems to identify members of the underserved population for appropriate types of assistance and to prioritize resources for the most vulnerable;
4. Ensure access to safe shelter and emergency services when needed;
5. Ensure assessments respond to the unique needs and circumstances of members of the underserved population and emphasize strong connections to and supported exits from mainstream systems as needed;
6. Create individualized services and housing options tailored to the needs of each individual or household, and include measurable outcomes across key indicators of performance, including education and employment;

7. Perform a needs assessment of the capacity of the current local crisis response system and existing projects to serve members of the underserved population;
8. Develop an assessment to determine the level of housing and supportive services needs of members of the underserved population experiencing homelessness. This should include a recommendation for type of housing intervention to be utilized based on the individual or household's level of need;
9. Review opportunities in the local crisis response system and system's existing projects to implement best practices that are specifically focused on helping members of the underserved population to stabilize in housing and implement the types of housing interventions which are most successful in resolving the housing crisis and setting up the individual or household for an enhanced quality of life (i.e. addressing connections to healthcare and mitigating social isolation);
10. Maintain an inventory of the community's resources to support members of the underserved population, especially those that assist with stabilization;
11. Develop a collaborative partnership to address discharge planning with institutions such as jails or other corrections facilities, hospitals, addiction treatment facilities, child welfare facilities, or mental health programs; AND/OR
12. Establish an inter-disciplinary coalition between the CoC/LPG leadership, community homeless services projects, and mainstream resources that serve members of the underserved population.

All projects must provide opportunity for involvement by members of the underserved population. Members of the underserved population including homeless and formerly homeless individuals, must be involved in the development, implementation, and evaluation of the Innovative Project Planning and any input must be implemented to the extent that is appropriate for the project and feasible within statutory and regulatory guidelines.

All projects must also review opportunities to raise funding and create proposals that establish new Housing First projects or expand existing projects that support housing-focused solutions for members of the underserved population experiencing homelessness.

#### Expenses

Eligible costs include coordination activities, project planning and design activities, consulting fees, project evaluation, and training related to the pilot project. Stipends and consulting fees as compensation for individuals with lived experience for their participation and shared expertise are eligible expenses.

#### *Homeless Underserved Populations Outreach/Engagement*

Homeless Underserved Populations Outreach/Engagement includes essential services related to identifying and engaging members of the underserved population at risk of, or experiencing homelessness, and connecting them with trauma-informed, culturally appropriate, and developmentally and age-appropriate interventions.

Outreach services should coordinate a comprehensive set of strategies, spanning the homeless crisis response system, other systems of care, and mainstream resources as appropriate for the underserved population. For example, projects designed to serve unaccompanied homeless youth aged 18 to 24 should work with schools, the child welfare system, the criminal processing system, drop-in centers, hotlines, and 2-1-1 Virginia.

Whenever possible, outreach services should employ prevention and diversion strategies, and otherwise secure immediate access to low-barrier crisis housing and services for members of the underserved population should they so choose. Prevention and diversion strategies may

include: connecting and/or reunifying individuals with members of their family or other natural supports (as defined by each household).

#### Requirements

All outreach efforts must be client-centered and tailored to the unique needs of the underserved population.

#### Required Documentation

- Individualized service plan, to include housing options
- Evidence of connection with the community's coordinated entry process (as appropriate)
- Coordination with mainstream resources

#### Expenses

Eligible Homeless Underserved Populations Outreach/Engagement costs include:

- Essential Services – Case Management
- Essential Services - Limited Support Services (requires DHCD pre-approval)
- Service location costs
- Other (requires DHCD pre-approval)

#### Essential Services – Case Management

Funds may be used for engagement and housing-focused case management. These are the costs of locating, identifying, and building relationships with youth experiencing homelessness and the cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the youth program participant. Costs include staff expenses related to:

- Connecting with centralized or coordinated assessment system;
- Actively connecting and providing information and referrals to programs targeted to people experiencing homelessness and mainstream resources and housing programs;
- Conducting and documenting an initial assessment of needs and eligibility;
- Providing crisis counseling;
- Addressing urgent physical needs;
- Completing a strength-based housing barriers assessment and corresponding individualized housing and service plans;
- Assisting a program participant in overcoming immediate barriers to housing; and
- Monitoring and evaluating program participant progress.

#### Essential Services - Limited Support Services

Includes the transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the use of public transportation and rideshare programs by the project participant.

#### Service Location Costs

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

#### *Housing Solutions*

Members of the underserved population experiencing homelessness should be connected to appropriate and choice-driven service options and swiftly moved into time-limited (Host Homes-only) or permanent or non-time-limited housing options. All services and housing options should be: individualized and tailored to the needs of each individual or household, trauma-informed, culturally and linguistically appropriate, and developmentally and age-appropriate.



All housing solution financial assistance beyond three months requires recertification of eligibility. This recertification must then be completed every three months for the duration of financial assistance. Recertification requires grantee documentation of the following:

- Program participant household income below 30 percent of MFI;
- The household lacks the financial resources and support networks needed to remain in existing housing without financial assistance; AND
- Housing stabilization services are being appropriately implemented.

Recertification Requirement	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

Eligible housing solutions activities include:

- Host Homes
- Rapid Re-housing (including Shared Housing)
- Innovative Permanent Housing Solutions
- Housing-Stabilization Case Management

#### *Host Homes*

Host homes is a model in which a family agrees to permit an individual or household to reside in the home with them. While staying in a host home, the individual or household are able to engage in housing stabilization services and work toward self-determined goals.

#### Requirements

In order to be eligible, the residence must be in a community-based setting, the family may or may not be related to the individual or household, and the length of stay may or may not be time-limited.

Grantees must establish a host home screening and training process. All prospective host families must complete the screening and training process prior to hosting the individual or household in their home. The screening must include a background check, an interview with the prospective host family, and a home visit. The training must be a comprehensive training program, conducted in-person or via webinar, to orient host families to the host home program, review program requirements, and discuss expectations of the host home. The training program should also provide training on issues related to, among others:

- Homelessness in your community, to include details specific to the experience of homelessness among the underserved population
- Personal biases
- Cultural competency
- Communication and conflict resolution
- LGBTQ+
- Trauma and resiliency

Grantees must not make payments directly to project participants, but only to host home head of household.

#### Required Documentation

- Grantees must have written agreements with the host family that states their willingness to house the project participant. If there are additional expectations set by the host home, this must be documented.

- Grantees must document how household costs are determined and employ the same method for all program participants (ex. pro-rata, compare costs before and after the project participant joined the household, etc.).
- Grantees must certify completion of host home screening and training process for each host family.
- Monthly housing-focused case management is required. Grantees must provide the appropriate level of case management in order to ensure housing stability.

## Expenses

Eligible Host Home expenses include:

- Host home support
- Host home recruitment
- Temporary housing placement (hotel or motel)
- Housing stabilization services
- Service location costs
- Other (requires DHCD pre-approval)

### Host Home Support

Recognizing that the addition of another person in the home may increase costs to the family, funding may be used to subsidize the additional costs attributable to housing the project participant. Costs may include:

- Food
- Basic needs support
- Transportation
- Utilities

### Host Home Recruitment

Funds may be used for host home recruitment. This includes the costs of recruiting host homes, conducting background checks and host home interviews, and developing and providing the host home training program.

### Temporary Housing Placement

When an appropriate emergency shelter placement is unavailable, funds may be used for hotel/motel vouchers only until the desired housing placement is available. The need for temporary housing placement must be documented in the program participant's file.

### Housing Stabilization Services

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

### Service Location Costs

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

### *Rapid Re-housing (including Shared Housing), and Innovative Permanent Housing Solutions*

Funds may be used to provide tenant-based rental assistance. Innovative Permanent Housing Solutions means any permanent housing solution that does not fall within the definitions of host HSNH – HTF – HRG 2022

homes or rapid re-housing (including shared housing). Examples of Innovative Permanent Housing Solutions are the use of residential care homes for older adults and master leasing units. The permanent housing solution, including any innovative permanent housing solution, must meet all of the requirements listed below.

#### Requirements

Provision of any financial assistance should be needs-based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

When households are moved into a new unit, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area, AND
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area.

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the program participant must pay themselves must not exceed the FMR for the area.

Grantees must not make payments directly to program participants, but only to landlords or property management companies.

#### Required Documentation

- Initial screening
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- Strength-based housing barriers assessments and housing plans.
- A copy of the [HUD rent reasonableness worksheet](#) and [Fair Market Rents \(FMR\) for the area](#) must be completed and included in the project participant file.
- A copy of the completed utility allowance worksheet must be included in the project participant file. Grantees must utilize the appropriate utility allowance for any utilities that are paid by the project participant separate from rent. The grantee may use the local housing authority's or [Virginia Housing's](#) appropriate regional allowances in order to calculate the rent standard.
- Rapid re-housing financial assistance requires that the project participant head of household have a valid lease with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the project participant file. If grantee is master leasing, the grantee must have a sublease with the head of household. A copy of the master lease as well as a copy of the sublease must be included in the project participant file.
- Monthly housing-focused case management is required. Grantees must provide the appropriate level of case management in order to ensure housing stability.

- Grantees must have written agreements with both the project participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability and must include:
  - A provision requiring the owner to give the grantee a copy of any notice to the project participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the project participant.
  - The same payment due date, grace period, and late payment penalty requirements as the project participant's lease.
  - The term of the rental assistance agreement for the period of time they anticipate providing assistance.

## Expenses

Eligible rapid re-housing (including shared housing) and innovative permanent housing solutions costs include:

- Rental assistance
- Rent arrears
- Housing stabilization financial assistance
- Housing search and placement
- Housing stabilization services
- Temporary housing placement
- Service location costs
- Other (requires DHCD pre-approval)

## Rental Assistance and Rent Arrears

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units. Funds cannot be used for mortgage assistance. Grantees must determine the amount of rental assistance provided, such as shallow subsidies (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies. Grantees may require a program participant to share in the costs of rent.

No program participant may receive more than 12 months of assistance.

Assistance with any portion of rent during a month counts as a month toward the 12-month limit.

Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the program participant to obtain a housing unit.

If funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant's rental assistance, not to exceed 12 months. While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistance limit of 12 months.

Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months. Assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the program participant maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Funds may not be used to pay damage costs incurred by the tenant.

The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness and be at or below Fair Market Rents (FMR) for the area.

Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

#### Housing Stabilization Financial Assistance

Funds may be used to provide financial assistance to help program participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Utility payments
- Utility arrears
- Moving costs
- Food costs
- Transportation
- Application fees

Funds may be used to pay for security deposits, including utility deposits, for program participants. This is eligible in the case where the program participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source. Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to program participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.

Funds may be used for up to 12 months of utility payments for each program participant in any three-year period of time, provided that the program participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 12-month limit.

The grantee must use the VH or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance with utilities may be structured where the program participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities; however, the past due months must be included in the 12-month limit. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twelve month limits are based on assistance with one or more of the basic utilities per month. As the number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases, the grantee must document the basis for the estimation.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

Funds may be used for emergency food to assist an eligible household with obtaining and maintaining permanent housing. Costs for food may include delivery services if no other food source is available. Documentation of connection to mainstream resources such as Supplemental Nutrition Assistance Program (SNAP) and/or local food banks should be documented in the project participants' file.

Funds may be used for transportation to obtain and maintain permanent housing. Transportation expenses are limited to ride share, bus passes, or other methods of public transportation.

#### Housing Search and Placement

Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include staff costs related to: tenant counseling, assisting individuals and families to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, and outreach and negotiation with property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead requirements, and rent reasonableness. Costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

#### Housing Stabilization Services

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

#### Temporary Housing Placement

When an appropriate emergency shelter placement is unavailable, funds may be used for hotel/motel vouchers only until the desired housing placement is available. The need for temporary housing placement must be documented in the program participant's file.

#### Service Location Costs

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

#### Housing Stabilization Case Management

Funds may be used for housing stability and housing-focused case management. These are the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing.

This assistance cannot exceed 12 months during the period the project participant is living in permanent housing.



These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Fees for use of auxiliary aids and language services

Clients must receive housing-focused case management at least once per month.

Rapid re-housing funds can be used for housing-focused case management alone. Although rental assistance cannot be provided independent of case management, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a project participant's rental assistance expires, as long as the 12-month cap for each type of assistance is not exceeded.

"Stand alone" case management or other services may also be provided to support project participants who receive rental assistance through non-HTF – HRG funds, as long as the individual or household is eligible for HTF – HRG assistance at the time of the intake evaluation.

### **Permanent Supportive Housing (Housing Stabilization Services and Rental Assistance for Chronic Homeless)**

Permanent supportive housing (PSH) for chronic homelessness is an evidence-based housing intervention that combines decent, safe, and affordable community-based housing, non-time-limited affordable housing assistance, and wrap-around supportive services for individuals experiencing chronic homelessness. In PSH, individuals and households are ensured the rights of tenancy under state and local landlord tenant laws while being linked to voluntary and flexible supports and services designed to meet tenants' needs and preferences. The goal of PSH is to assist individuals and households in achieving housing stability.

To be eligible, the CoC/LPG must have adopted HUD's notice ([CPD-16-11](#)) prioritizing persons experiencing chronic homelessness and other vulnerable persons experiencing homelessness in permanent supportive housing.

#### *Project Participant Eligibility*

Permanent Supportive Housing program targets individuals and families who meet the HUD definition of chronic homelessness:

- Chronic homelessness: individuals and families who have been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last three years that total 12 months; and, have an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of two or more of those conditions. For further clarification, see the [HEARTH: Defining "Chronically Homeless" Final Rule](#).

Core Components

- Individually tailored and flexible supportive services that are voluntary, can be accessed 24 hours a day/7 days a week, and are not a condition of ongoing tenancy;
- Leases that are held by the tenants without limits on length of stay; and
- Ongoing collaboration between service providers, property managers, and tenants to preserve tenancy and resolve crisis situations that may arise.

### Key Outcomes and Objectives

Permanent Supportive Housing projects are evaluated and monitored on how well they are achieving key project outcomes and objectives. Outcomes are measured at both the community- and project-level and include:

- Households served and length of assistance
- Percentage households stabilized in the permanent supportive housing project
- Percentage households exited to a permanent destination (efficacy of the grantee's Move On strategy)

### *Requirements*

All programs must adhere to a housing first approach focused first on moving project participants into the permanent supportive housing project as quickly as possible and second on obtaining and maintaining housing stability. Projects must use housing stabilization support services and mainstream resources as needed to ensure housing stability.

Monthly housing-focused case management is required but participation in all program services must be voluntary. Grantees must provide the appropriate level of case management in order to ensure housing stability. All services must be designed and implemented to ensure project participants remain independently housed. All services must be individualized to meet the needs of the project participant.

Projects must strive to meet a participant to case manager ratio of no greater than 15:1 to ensure effective and appropriate provision of case management and supportive services. Projects that are unable to meet this expectation must provide a written description of how they will ensure effective and appropriate provision of case management and supportive services, and, if applicable, how they will work toward meeting this goal in the future.

Grantees must ensure coordination with mainstream resources and community-based supports to improve housing stability of project participants. Mainstream resources are publicly funded programs that provide services, housing and income supports. They include federal, state, and local programs such as Temporary Assistance for Needy Families (TANF), Medicare, Medicaid, and Housing Choice Vouchers, that provide housing, health care, income supports, and other forms of assistance. Community-based supports include formal and informal programs and resources offered by faith-based organizations, nonprofit agencies, members of the community, and other institutions.

Grantees must establish a sustainability plan to ensure program services, including supportive services and rental assistance, are able to continue once Housing Trust Fund – Homeless Reduction Grant funding ends.

Provision of any financial assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

A program participant must be the tenant on a lease (or sublease) for an initial term of at least one year that is renewable and is terminable only for cause. Further, leases (or subleases) must

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be renewable for a minimum term of one month. Permanent supportive housing is permanent housing with indefinite leasing or rental assistance paired with supportive services.

When households are moved into a new unit, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the project participant must pay themselves must not exceed the FMR for the area.

If the gross rent for the unit exceeds either the rent reasonableness standard or the FMR, grantees are prohibited from using VHSP funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Grantees must not make payments directly to project participants, but only to landlords or property management companies.

#### Move-On Strategies

Grantees must develop and implement Moving On strategies aimed at identifying permanent supportive housing project participants who may no longer need or want the intensive services offered in PSH but continue to need assistance to maintain their housing. Moving On strategies must include partnerships between the CoC/LPG, grantee, and mainstream housing programs such as public housing, the Housing Choice Voucher program, and HUD-funded multifamily housing providers.

#### Termination of Assistance

The grantee may terminate assistance to a project participant who violates project requirements or conditions of occupancy. Termination under this section does not bar the grantee from providing further assistance at a later date to the same individual or household.

In terminating assistance to a project participant, the grantee must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

1. Providing the project participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
2. Written notice to the project participant containing a clear statement of the reasons for termination;
3. A review of the decision, in which the project participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
4. Prompt written notice of the final decision to the project participant.

Grantees that are providing permanent supportive housing for chronically homeless must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a project participant's assistance is terminated only in the most severe cases.

#### Required Documentation

- Initial screening
- Documentation of referral of project participant from the CoC/LPG's coordinated entry system to the PSH project
- Strength-based housing barriers assessments and housing plans
- Monthly housing-focused case management is required. Grantees must provide the appropriate level of case management in order to ensure housing stability.
- Grantees must have written agreements with the project participant to identify the terms of the permanent supportive housing project. This should specifically provide guidance for addressing issues which could impact housing stability
- Evidence of coordination with mainstream resources and community-based supports
- Grantees must certify (at least annually) that appropriate housing stabilization services are being implemented
- Permanent supportive housing rental assistance requires that the project participant head of household have a valid lease (or sublease) with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the project participant file. The lease must have an initial term of at least one year that is renewable and is terminable only for cause. Further, leases (or subleases) must be renewable for a minimum term of one month.
- For project participants receiving rental assistance, grantees must have written agreements with both the project participant and the landlord that identify the terms of the financial assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability and must include:
  - A provision requiring the owner to give the grantee a copy of any notice to the project participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the project participant.
  - The same payment due date, grace period, and late payment penalty requirements as the project participant's lease.
  - The term of the rental assistance agreement for the period of time they anticipate providing assistance.

#### *Expenses*

- Housing stabilization services
- Rental assistance

#### *Housing Stabilization Services*

The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent supportive housing.

These costs include:

- Conducting initial assessments
- Provision of case management and housing stabilization services
- Counseling
- Facilitating access to mainstream resources and community-based supports
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers

- Developing individualized housing and service plans

### *Rental Assistance*

Rental assistance is tenant-based or project-based rental assistance that may be used to enable individuals and families to obtain and remain in permanent supportive housing rental units. Funds must not be used for mortgage assistance.

Under tenant-based rental assistance, project participants select any appropriately sized unit within the CoC or LPG's geographic service area, although grantees may restrict the location under certain circumstances to ensure the availability of the appropriate supportive services.

Under project-based rental assistance, project participants reside in a housing unit owned or leased by a grantee and the rental assistance is dedicated to that unit.

Grantees must determine the amount of rental assistance provided, such as shallow subsidies (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies, based on the unique needs of the project participant. Grantees may require a project participant to share in the costs of rent.

Grantees must not request reimbursement for any portion of the rent paid for by the project participant under the HTF-HRG grant.

Assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the project participant maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Funds may not be used to pay damage costs incurred by the tenant.

The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness and be at or below [Fair Market Rents \(FMR\)](#) for the area.

All project participants receiving rental assistance must be offered the appropriate housing stabilization and supportive services necessary to maintain their permanent supportive housing or engage in Move On strategies.

### **Administrative Costs (limited to three percent of total HTF-HRG budget)**

Administrative costs may include accounting for the use of grant funds, preparing reports for submission to DHCD, obtaining program audits, similar costs related to administering the grant after the award, and associated staff salaries. Administrative costs may also include staff training for program and case management, as long as this training is directly related to the provision of an emergency crisis response system.

As with all billed expenditures, billing for administrative costs must be based on actual costs incurred during a particular period.

No more than three percent of the requested funding amount may be spent on administrative costs.

While it is not necessary to detail administrative costs on reimbursements, grantees must be able to document all administrative costs and will be required to produce said documentation at the time of either on-site or desk monitorings.