CT Youth Homelessness Demonstration Project (YHDP)
Managing Continuum of Care (CoC) Grants
Morning Session: Operational Components
Afternoon Session: Fiscal Components

November 27, 2018
Slides Updated 12/4/18

Agenda

o Welcome & Introductions

o Operational Components of Grant Management

o Fiscal Components of Grants Management

o Additional Resources

o Wrap-up and Evaluations

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Why are you here today?

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

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Learning Objectives – Session #1

- Understand responsibilities related to operational components of grant management including:
  - Determining & documenting participant eligibility
  - Income verification and rent calculation
  - CT YHDP RRH options
  - Housing Quality Inspections - Lead Paint requirements
  - Rent Reasonableness
  - Leasing & Occupancy requirements
- Understand risks associated with non-compliance

YOUR MISSION IF
YOU CHOOSE TO
COMPLETE IT....

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HUD Requirements

CoC Interim Rule:

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

YHDP 2016 NOFA:

https://www.hudexchange.info/resources/documents/YHDP-NOFA.pdf

YHDP Waivers:

- As of November 2018, CT YHDP has received one waiver for YHDP RRH:
  - Case management is not mandatory – providers must proactively engage participants including contacting them at least monthly.

- Otherwise, compliance with CoC Program Interim Rule is required.

Participant Eligibility

Age Requirements

- May not enroll participants under 18 until further notice, unless emancipated.
- No member of the household can be older than 24 at project entry.
- No age limit post project entry.

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Overview of Homeless Definition

HUD Category	Type
Category 1	Literally Homeless
Category 2	Imminent Risk of Homelessness
Category 3	*Homeless Under other Federal Statutes* *NOT ELIGIBLE FOR CT YHDP ASSISTANCE*
Category 4	Fleeing/Attempting to Flee Domestic Violence

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

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CoC Program Component Types & Participant Eligibility

YHDP Project Type	CoC Program Component Type	Eligible Participants
Shelter Diversion/Rapid Exit Fund	RRH	Categories 1,2,4
Youth Navigators	SSO	Categories 1,2,4
Crisis Housing	TH	Categories 1 & 4
Rapid Rehousing	RRH	Categories 1 & 4

Category 2 Youth Eligible only for Shelter Diversion/Rapid Exit and Navigator Services

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Category 1: Literal Homelessness

An individual or family who lacks a fixed, regular, and adequate nighttime residence

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Category 1 (cont.)

Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation:

Car/garage, Park, Abandoned building, Bus or train station, Airport, Camping ground

Living in a shelter designated to provide temporary living arrangements:

Emergency shelter, Transitional housing (CT YHDP Crisis Housing), Hotels and motels paid for by charitable organizations or federal/state/local government programs, Safe Haven

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Category 1 (cont.)

Exiting an institution (e.g., jail, hospital, juvenile detention)
- where they resided for less than 90 days
  - AND
- were residing in emergency shelter or place not meant for human habitation immediately before entering institution

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Category 2: Imminent Risk of Homelessness

Individual or family who will imminently lose their primary nighttime residence, provided that:

(i) Residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing

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Category 4: Fleeing DV

Youth fleeing or attempting to flee their housing or place where they are staying because of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence that has taken place in the house or has made them afraid to return to the house.

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Category 4 (cont.)

- Trading sex for housing

- Human Trafficking

- Physical abuse

- Violence (or perceived threat of violence) because of the sexual orientation or gender identity

- Emotional abuse (e.g. threats, intimidation)

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Category 4 (cont.)

- Family conflict causing youth to feel physically or emotionally unsafe

- Financial abuse (e.g., controlling income, identity theft to use credit)

- Active drug/illegal substance use in youth's housing

- Gang or neighborhood violence that is directed at youth in their home

- Other illegal activity that is putting a youth or a youth's child at risk

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Document Eligibility at Project Entry

- HUD requires documentation of homeless status up until the project entry date, i.e., the date on which the project offers and the participant accepts entry into the project

- May precede the date in which the participant is housed.

- Example: Participant accepts entry into RRH project on 12/14/18 & is housed on 12/24/18. Must document homelessness as of 12/13/18.

DOCUMENTATION
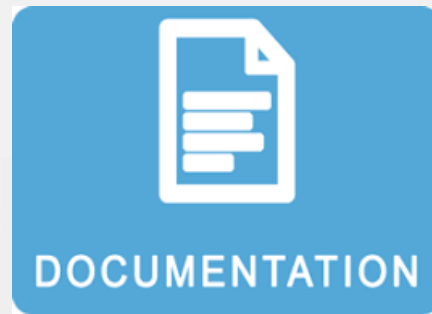
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HUD Definition of Family 24 CFR 5.403

Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

(1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or

(2) A group of persons residing together, including: (i) A family with or without children; elderly, near-elderly, disabled, remaining member of tenant family
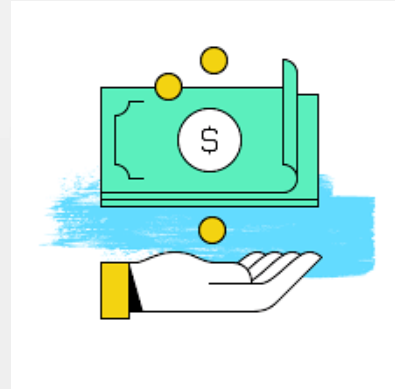

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Income Eligibility in Crisis Housing

CT BOS requires all TH participants to have income below 30% of AMI.

For more information see combined income limits:
https://www.ct.gov/doh/cwp/view.asp?a=4513&Q=53 1656&PM=1

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Is this young person eligible for YHDP assistance?
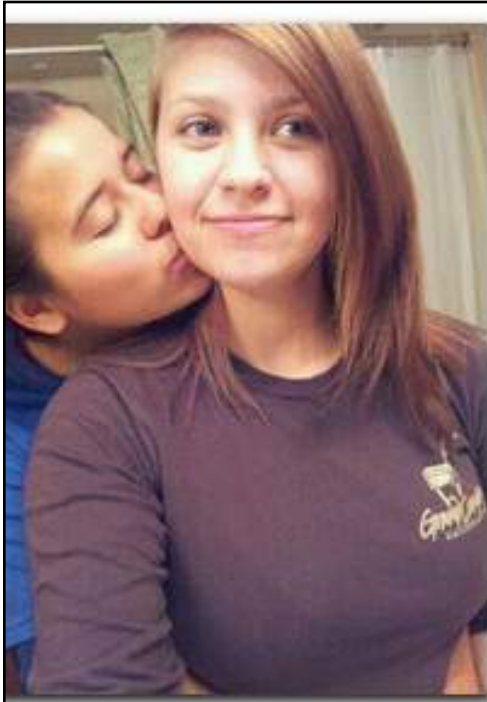
For which types of YHDP programs?

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Sam

Sam has been trying to stay away from his parents' house ever since local gang members started showing up there to recruit him. He's been crashing with friends, but their parents won't let him stay more than one or two nights. They keep telling him to go home, but he's afraid.

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Ruth and Denise

Ever since she came out, Ruth's brother has been acting scary. He says that what she is doing is wrong and makes him look bad. He's got a bad temper, and she started locking her bedroom door at night. The other night he broke the door. Now she's staying with her girlfriend, but Denise's dad wants her to pay rent. He says she can can pay him back as soon as she gets a job.

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Sahil and Rohan

Rohan is 20 and has been homeless on and off for a few years. Right now he is mostly sleeping in a friend's garage. It's pretty cool, because he doesn't pay anything, and he's got it set up nice, but now his brother, Sahil, is 18. Sahil is fed up with foster care and is staying with Rohan. Rohan wants to get a better place for his brother's sake.

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Ray

Ray's mom insisted on continuing to use his birth name and eventually she kicked him out. Ray has been staying in foster care for about two years, but will be discharged in 10 days. He's not sure where he is going to go.

HUD FAQ 1460

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Lila

Lila is 16 and lives with her mom in a family shelter. They need some help to rent a place, but the regular CT RRH program in their area is only helping people who are chronically homeless. They have been in shelter for 6 months.

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Homelessness Documentation Requirements	
Category	**Types of Documentation** *(worker is responsible for obtaining highest level of documentation possible)*
Category 1	• Third party documentation: HMIS or DV database printed record, letter from housing or service provider; or • Intake worker direct observation recorded in the file; or • Certification of homelessness by youth AND documentation of intake worker's attempts to verify information If exiting institution: Discharge paperwork or a written/oral statement from institution with beginning & end dates of stay OR certification by youth of stay AND documentation of worker's attempts to verify information. Also documentation of shelter or place not meant for human habitation prior to entering institution. *Youth can self-certify eligibility for emergency shelter or street outreach projects. No further documentation or attempts to verify are required.*

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Homelessness Documentation Requirements	
Category	**Types of Documentation** *(worker is responsible to obtain the highest level of documentation possible)*
Category 2	Documentation that youth will lose their housing within 14 days: • Notice of eviction or equivalent legal document; or • Proof of inability to continue to pay for hotel or motel; or • Statement by youth that they cannot continue to stay at the place they have been AND written or oral verification from owner or renter of housing obtained by intake worker OR documentation of intake worker's attempts to verify information; and • Documentation that the youth has no safe alternative housing, no financial or other resources, and no family or other support networks. Youth can self-certify this.

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Homelessness Documentation Requirements	
Category	**Types of Documentation** *(worker is responsible to obtain the highest level of documentation possible)*
Category 4	For providers that are not victim service providers: • Statement by youth that they are fleeing because of domestic or other violence AND • If the safety of the youth is not jeopardized, verification of the statement through written observation by staff, law enforcement, or legal assistance provider youth has sought assistance from OR documentation of intake worker's attempts to verify information and certification of the statement by the youth or intake worker For victim service providers: • Statement by youth that they are fleeing domestic or other violence AND • Certification of the statement by the youth or intake worker All providers must obtain a youth's self-certification that the youth has no safe alternative housing, no financial or other resources, and no family or other support networks. The intake worker should obtain any available documentation or statements supporting the youth's certification.

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Third-party documentation

✓ On agency letterhead
✓ Signed
✓ Dated
✓ Include name and title of the person signing

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Other documents youth may need

• Identification

• If parenting: Children's birth certificates or proof of custody if not indicated as parent on birth certificate

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CT YHDP RRH

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Additional RRH Eligibility Requirements

Have gross household income that is below 50% of Area Median Income (AMI) at project entry

Have gross household income that is below 30% of AMI at each periodic re-assessment for continued assistance

For Bridge to PSH : Full SPDAT must be completed and person must be prioritized for PSH in accordance with protocols determined by the Progressive Engagement Work Group. Participants can be moved to the bridge RRH subsidy at any time once these criteria are met.

For more information see combined income limits: https://www.ct.gov/doh/cwp/view.asp?a=4513&Q=531656&PM=1

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Rental Assistance Ceilings	Reassessment Schedule
Rental assistance is provided for the shortest amount of time necessary to prevent return to homelessness as follows: Months 1-3 80% of rent Months 4-6 60% of rent Months 7-9 40% of rent Months 10-12 20% of rent. Subsidy amount is adjusted as necessary to cap combined tenant rent and utility allowance contribution at 65% of gross household income.	• When a participant reports an income decrease, projects document income & recalculate rent. • Projects also document income & recalculate rent monthly for all participants using the 65% cap. • Projects reassess for continued eligibility for assistance every 3 months. If gross household income is sufficient to pay full rent or exceeds 30% of AMI for the jurisdiction discontinue rental assistance.

Youth NOT Prioritized for bridge to PSH

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	Rental Assistance Schedule	Reassessment Schedule
Youth prioritized to bridge to PSH	• Rental assistance is provided for up to 24 months until available PSH vacancy. • Participants are required to pay a combined total of 40% of their adjusted gross monthly income towards rent and the utility allowance. • Follows CoC rules for calculating adjusted income.	• Projects assess participant income & calculate rent at least annually. • When a participant reports an income change, projects document income and re-calculate rent. • Participants remain eligible for RRH for up to 24 months pending PSH availability & must be moved promptly to an available PSH unit.

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Other CT RRH Requirements

- Tenant rent contribution for households utilizing the 65% cap is based on gross income without any deductions (does not apply to bridge model).

- Where tenant rent contribution is based on income (i.e., Bridge model or households utilizing 65% cap) calculations follow CoC rules for utility allowance.*

- Household income must consider all household members.

- Where the subsidy is calculated as a percent of rent, use contract rent (i.e. rent owed to the landlord plus utility allowance – required by HUD).*

- Assets up to $5,000 do not impact tenant rent. Exception approval is required to provide RRH assistance to anyone with assets exceeding $5,000.

*https://www.hudexchange.info/news/hud-publishes-notice-cpd-17-10-and-notice-cpd-17-11/

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Other CT RRH Requirements (cont.)

- If continued assistance is authorized by DOH, the subsidy will continue to pay 20% of rent with adjustments to the subsidy amount, as necessary, to cap combined tenant rent and utility allowance contribution at 65% of gross household income (does not apply to bridge model).

- Case management assistance, if necessary, may continue up to 6 months beyond the termination of rental assistance.

- Under no circumstances can rental assistance and/or case management continue beyond 24 months from project entry.

- Exceptions should be rare and in response only to unusual extenuating circumstances and must be approved in writing by DOH.

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Review

For RRH, gross household income must be below 50% of AMI at _____:

Project Entry

True or False: RRH participants must have gross household income that is below 30% of AMI at each periodic re-assessment for continued assistance

True

A tenant's contribution is capped to keep it below 65% of gross or adjusted income?

Gross

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Income Verification & Rent Calculation

APPLIES ONLY TO YHDP RRH PROJECTS

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CoC Program Component Types & Participant Rent/Occupancy Fee Requirements

YHDP Project Type	CoC Program Component Type	Participant Rent/Occup Fees
Shelter Diversion/Rapid Exit Fund	RRH	None – Must be established in CoC Written Standards
Youth Navigators	SSO	None
Crisis Housing	TH	None
Rapid Rehousing	RRH	As described in CoC Written Standards

Projects may not charge any additional fees.

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Utilities – Rental Assistance

If tenant pays separately for utilities:

Monthly Allowance for Utilities (except telephone) **+** Total Monthly Rent **=** Contract Rent

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Example - Alex and Kate

Neither Alex nor Kate have any income right now. They are getting help from YHDP RRH. Their rent is $1100/month and the navigator was unable to find a unit with utilities included. The PHA established utility allowance for their unit is $120.

Contract Rent: $1100 + $120= $1220

They are required to pay 65% of gross income $0*.65=0

They pay nothing for rent.

The RRH program pays the utility allowance of $120 directly to the utility company. A local church agrees to pay any remainder of the utilities they owe for the first month until one of them finds work.

Subsidy pays: full $1100 to landlord for rent.

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Example – Kristy's Rent Calculation

Is getting help from RRH. Her gross income $220 & her rent is $800 per month. She pays her own utilities. The PHA approved utility allowance for her unit is $80/month.

Rent: $800 + $80= $880

She is required to pay 65% of gross Income: $220*.65 = $143

Kristy pays: $143 for rent and the utility allowance ($80 util allowance + $63 rent), plus any remainder of utilities owed

Subsidy pays: $800-$63=$737 to the landlord for rent

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Mandatory Annual Income Deductions- Applies to RRH Bridge to PSH model only

- $480 for each dependent

- $400 for any elderly or disabled family (includes single adult). All CH tenants should receive.

- Reasonable child care expenses to enable work or education

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

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Assistance Animals are NOT Pets

◦ "*An assistance animal is not a pet. It is an animal that works, provides assistance or performs tasks for the benefit of a person with disabilities, or provides emotional support that alleviates one or more symptoms or effects of a person's disability.*" FHEO Notice 2013-01

◦ The costs associated with it are deductible as unreimbursed medical expenses to the extent that the costs are not covered by another funding source:
  ◦ Food
  ◦ Veterinary

Example – Jay's Rent Calculation

Jay is getting YHDP RRH assistance while he waits for a PSH unit. His income is $750, & his rent is $950 per month. He pays his own utilities. The PHA approved utility allowance for his unit is $125/month. He has no unreimbursed medical expenses or assistance animals.

Contract Rent: $950 + $125= $1075

Adjusted Income: ($750 * 12 - $400)/12) = $716

40% of Adjusted Income: $716*.4 = $286

Joe pays: $125 for the utility allowance, plus any remaining utilities he owes, plus $286 - $125 = $161 to landlord for rent

Subsidy pays: $950 - $161 = $789 to landlord for rent

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What counts as income?

All amounts that go to any family member not specifically excluded. Includes:

- Social Security, disability, pensions, death benefits
- Unemployment, worker's compensation, severance
- Welfare assistance
- Alimony & child support
- Regular gifts
- Wages/Salary, Overtime, Tips, Commissions, Bonuses (full amount prior to deductions)
- Net income from business/profession

24 CFR 5.609: https://www.law.cornell.edu/cfr/text/24/5.609

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Common Examples of Income Excluded

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

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Income Documentation

- Participant must agree to supply the information or documentation necessary to verify the income of all household members.
- Retain proof of income and supporting documentation for deductions in participant files.
- Participants can self-certify zero income.

Barack Obama and Co.
1600 Pennsylvania Ave NW
Washington, USA

SHOW ME THE MONEY!
Payment to You

What's Coming to Me

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Fluctuations in Income

- If it is not feasible to anticipate annual income, anticipate for a shorter period; re-determination required at the end of the period.
  - EXAMPLE: For a job with seasonal fluctuations in hours, you might re-determine quarterly.

- Participants must report decreases and increases to monthly income of more than $40 within 10 days of the change.

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Review

If a young person's grandmother sends him $50/month for groceries does that count as income?

Yes

If a young person's girlfriend gives her $100 for her birthday does that count as income?

No

Does the utility allowance cover 100% of utilities?

Not Usually – the utility allowance covers only the amount specified by the PHA.

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Housing Requirements

MUST BE COMPLETED PRIOR TO USE OF COC FUNDS

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Housing Quality Inspections

- Inspection required prior to occupancy for housing assisted through rental assistance or leasing

- Re-inspection required annually

- HUD Housing Quality Standards Checklist
  http://portal.hud.gov/hudportal/documents/huddoc?id=52580.pdf

- Be sure form is signed and dated and unit indicated matches lease.

- Acceptability criteria defined at:

https://www.hud.gov/sites/documents/DOC_11754.PDF

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Does the unit pass, if…

One burner on the stove does not work?

No. All burners on the stove or range must work.

Unit has only a dorm size refrigerator?

Depends. Must be appropriate based on size of the family.

Unit has 1 bedroom for a family of 3?

Depends. Unit must have at least one bedroom or living/sleeping room for every 2 persons. Other than very young children, children of opposite sex may not be required to share bedroom or sleeping area.

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Lead-based Paint

- Applies to all assisted units constructed prior to 1978 and if there will be a child under 6 years of age or a pregnant woman residing in the unit

- Units must be inspected to identify deteriorated paint (i.e., chipping, cracking, chalking, damaged, separated from substrate).

- Staff conducting inspections should complete web-based training

- Document participant receipt of Lead Hazard Information Pamphlet available at: https://www.hud.gov/program_offices/healthy_homes/enforcement/disclosure

- RRH must share data with local health department

- For more information see: http://www.hud.gov/offices/lead/training/visualassessment/h00100.cfm

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Rent Reasonableness

- Required for units assisted with leasing or rental assistance funds

- Must be reasonable based on comparable units in the community & may not exceed rents currently being charged by the same owner for comparable unassisted space:
  - ✓ Units assisted with leasing or Rental Assistance funds cannot exceed FMR and must be reasonable

- Must determine whether the rent charged is reasonable, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

- Document 3 comparable units – rent for assisted unit must not be higher than comparable units

- Sample "Rent Reasonableness Checklist and Certification" form:
  https://www.hud.gov/sites/documents/19671_RENTREASONABLECHE.PDF

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Can a unit be used as a comparable, if…

It's a unit being subsidized for another participant?

No. You cannot use subsidized units as comparables.

It's rent is higher than the assisted unit?

No. All three comparable units must have equal or less expensive rent than the comparable unit.

It has 2 bedrooms and the assisted unit is a 1BR?

No. Units must be comparable in size, location, quality, amenities, etc.

It has utilities included and the assisted unit does not?

No. Units must be comparable in size, location, quality, amenities, etc.

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Leases & Occupancy agreements

- Permanent housing must have an initial one year lease agreement.

- Crisis housing must have at least a monthly agreement.

- Rental assistance projects must have leases between the program participant and the landowner.

- Leasing projects must have a lease between the recipient or subrecipient and the landowner.

- Agreement/lease should provide formal due process rights and be consistent with housing first principles.

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Tips and Resources

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Tips for Success

- Use resources provided on handout.

- Use YHDP Homelessness Verification Form

- Include supervisory review of eligibility documentation as a standard intake process.

- Use RRH Rent Calculation Tool (pending) – will be available at www.ctbos.org

- Review files for compliance at least annually.

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2019 HIC/PIT

- YHDP projects are required to participate in the annual HIC/PIT Count.

- For more information and to ensure your project is signed-up to receive HIC/PIT updates please contact Jackie Janosko at jjanosko@cceh.org or 860 721-7876 x111.

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Resources

CoC Interim Rule:

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

YHDP Main Page:

https://www.hudexchange.info/programs/yhdp/

Ask HUD a YHDP Question:

https://www.hudexchange.info/program-support/my-question/

Reaching Home Youth & Young Adult Workgroup

http://www.pschousing.org/youth-and-young-adults-homelessness-workgroup

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Wrap-up & Evaluations

THANKS FOR PARTICIPATING!

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Overview of Fiscal Requirements

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Learning Objectives – Session #2

- Understand responsibilities related to fiscal components of grant management including:
  - Eligible Activities and Expenses
  - Indirect vs. Project Admin Costs
  - Cash & In-kind Match
  - Documentation of Staff Time
  - Procurement Requirements

- Understand risks associated with non-compliance

- Understand strategies to fully spend CoC funds

- Know where to locate additional information

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HUD Requirements

CoC Interim Rule:

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

YHDP 2016 NOFA:

https://www.hudexchange.info/resources/documents/YHDP-NOFA.pdf

YHDP Waivers:

- As of November 2018, CT YHDP has received one waiver – not related to fiscal requirements.

- Compliance with CoC Program Interim Rule fiscal requirements is required.

Examples of impermissible fees

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

- Program fees
- Air conditioning fees
- Lost key fees
- Legal fees
- Security deposits
- Damage fees
- Mandatory savings

Source: CoC Program Interim Rule Section 578.87(d); HUD AAQ Question ID 75171

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Eligible Costs	Approved Costs
All costs included in the CoC Program interim rule	• Each project has approved budget line items
	• Recipients may only spend CoC Program funds on approved costs
	• HUD approval is required to amend the budget to spend money on CoC Program eligible costs other than those that were included in the project budget approved through the application process

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Determining Costs

Costs are only eligible if they are:
◦ Associated with a HUD-eligible client
◦ One of the SNAPS eligible activities
◦ Delineated in the Technical Submission and the approved budget
◦ Documented
◦ Reasonable, allowable and allocable
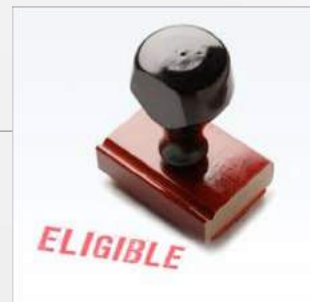
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Determining Cost Eligibility

✓ If properly procured, cost is reasonable

✓ If on approved budget, cost is allowable

✓ If directly linked to grant, cost is allocable

If costs are reasonable, allowable and allocable…they are eligible for federal reimbursement

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Review

Can projects expend CoC funds on expenses that are eligible under the CoC Program Interim Rule but not delineated in the approved project budget?

No

If the CoC Program Interim Rule does not specify that an expense is ineligible can you assume it's eligible?

No

What risks does a project face if they charge an ineligible expense?

HUD may issue a monitoring finding and recapture the funds.

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Eligible Costs – Rental Assistance

- Can pay up to 100% of the rent (if participant has no income)

- May also be used for:
  - ✓ Security deposit (up to 2 months)
  - ✓ First and last month's rent
  - ✓ Damages due to participant action (not to exceed one month's rent, one time/participant/unit only at exit from unit)
  - ✓ Administering Rental Assistance (HQS inspections, rent calculation, rent reasonableness)

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Eligible Costs – Rental Assistance

- Assistance may continue:
  - ✓ A maximum of 30 days from the end of the month in which the unit was vacated, unless unit is occupied by another eligible person.
  - ✓ When a participant is staying in an institution for less than 90 days.
- If the qualifying household member has died or been institutionalized for more than 90 days, assistance may continue until lease expiration.

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Eligible Costs - Leasing

- Can pay up to 100% of the rent (regardless of participant income)

- May also be used for:
  - ✓Security deposit (up to 2 months) – additional damages beyond security not eligible
  - ✓First and last month's rent
  - ✓Administering Leasing (HQS inspections, rent calculation, rent reasonableness)

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Eligible Costs - Utilities

- Utilities (electric, gas, water) are a leasing or rental assistance cost if included in the rent.

- For leasing projects, utilities are an operating cost, if not included in the lease.

- For rental assistance projects, utilities are a rental assistance cost, if not included in the lease.

- Utilities are a supportive service cost, if the structure is used as a supportive service facility.

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Eligible Costs - Operating

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

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

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Ineligible Costs - Operating

Costs not included in your approved budget

Grant may not fund:

- ✓ Rental assistance and Operating in the same unit/ structure
- ✓ Maintenance and repair costs included in the lease
- ✓ Food (eligible under supportive service)

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Review

How long can you continue to pay rent when someone is incarcerated?

89 days or until the end of the lease for families

What is the maximum eligible security deposit amount?

Up to 2 months' rent

Can you use rental assistance funds to reimburse a landlord for damages to enable a lease renewal?

No. Damages are only allowable at exit from a unit.

Can you pay for furniture in a CoC rental assistance project

Projects may use matching funds to pay for furniture.

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Eligible Costs – Supportive Services

Address the needs of the program participants to help obtain and maintain housing:		
Annual assessment	Employment assistance/job training	Mental health
Moving	Food	Outpatient health
Case Management	Housing Search/counseling	Outreach
Child Care	Legal Services	Substance abuse treatment
Education	Life Skills Training	Transportation
Utility deposits	Any unlisted cost is ineligible. Check CoC Program Interim Rule for limits on listed expenses.	

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Ineligible Costs – Supportive Services

- Costs not included in your approved budget
- Staff training and the costs of obtaining professional licenses or certifications - training on the CoC Program only is an eligible cost under project administration.
- Gift Cards
- Car repairs or maintenance on behalf of participant:
  - ✓ if public transportation is insufficient in the area
  - ✓ may not exceed 10% of Blue Book value

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Eligible Costs – Supportive Services

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

✓maintenance & repair

✓building security

✓furniture

✓utilities

✓equipment

If supportive services are provided directly by recipient/subrecipient, salary and benefits or supplies and materials for providing supportive services are eligible.

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Review

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

No

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

No

Can CoC Rental Assistance projects pay for participant utility deposits?

Projects may use supportive services funds or matching funds to pay for utility deposits.

Are utility arrearages an eligible CoC Program expense?

No

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Eligible Costs – Project Administration

General management, oversight, and coordination:
- ✓ Preparing program budgets and schedules
- ✓ Developing compliance systems
- ✓ Monitoring compliance
- ✓ Developing agreements with subrecipients and contractors
- ✓ Preparing reports and documents for HUD
- ✓ Coordinating audit and monitoring findings resolution
- ✓ Evaluating the program against state objectives
- ✓ Managing/supervising the functions above
- ✓ Third party contracts: Legal, accounting, and audit services
- ✓ Rental or purchase of equipment, insurance, utilities, office supplies, rental/maintenance of office space

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Eligible Costs – Project Administration (2)

- Training on CoC requirements and attending HUD-sponsored CoC trainings
- Environmental review

Costs not listed are ineligible.

- Must allocate administrative costs to actual eligible expenses & may not bill admin at a standard rate (e.g., 7%).

- Recipients must share at least 50% of project administrative funds with its sub-recipients.

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Ineligible Costs – Project Administration

- Staff and overhead costs directly related to carrying out operating, leasing, rental assistance, and support services activities are eligible under those activities not admin.
  EXAMPLES:
  - HQS Inspections
  - Rent Reasonableness Determinations
  - Supervision of Property Management and Social Services Staff

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What Are Administrative Costs?
What Are Indirect Costs?

Project administrative costs are specified at **24 CFR 578.59** – all expenses specified are eligible for reimbursement as Administrative Costs

- Includes overall program management, coordination, monitoring and evaluation
- Also includes specific activities such as monitoring subrecipients, training on CoC requirements and environmental reviews
- Activities not listed at 578.59 are not eligible to be reimbursed as administrative costs in CoC program

Indirect, Facilities and Administrative Costs - 2 CFR 200.56 – costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved.

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What are the categories of Indirect Costs

Indirect = Costs incurred for common, overall organizational goals and objectives and cannot be readily allocated to individual projects or activities of the organization

Two broad categories

◦ **Administrative**
  ◦ Executive staff, personnel, fiscal
◦ **Facilities**
  ◦ Used for joint organizational purposes

Possible Classification of Administrative Expenses

Expense Item	Admin	Indirect
Executive Director, support staff, related expenses	✖	✖
Fiscal office, CFO, financial staff, audit expense	✖	✖
Information technology – CIO, IT infrastructure	✖	✖
Monitoring of subrecipients, including travel costs	✖	
Environmental Reviews	✖	
Training on CoC Requirements	✖	
APR	✖	
General legal services	✖	✖
Costs for goods and services required for program administration	✖	✖

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Are Indirect and Administrative Costs Charged Differently?

Administrative costs are billed as direct costs - They must be billed based on actual costs incurred with backup for staff hours and benefits and reimbursable expenses

Indirect costs are billed based on a percentage of adjusted direct costs – once the rate is established (or the de minimis rate accepted) the costs can be billed without the necessity of backup documentation

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Administrative Expenses Personnel Activity Log					
Staff Name	Staff Title	Activity Date	Eligible Activity	Brief Description	Hours
EXAMPLE: Jane Doe	Project Manager	4/10/18	Administration	Completion of Annual Performance Report	8
EXAMPLE: Sam Jones	Exec Dir	4/15/18	Administration	Prepare program budget for program year	6
EXAMPLE: Jane Doe	Project Manager	4/25/18	Administration	Conduct environmental review for 4 units	4
By signing below, I hereby certify that the tasks described in this log have been completed					
Staff Signature:				Date:	
Supervisor Signature:				Date:	

Staff Billed to Administrative Costs Needs to be supported by Activity Log

Two Types of Indirect Cost Rates

Negotiated Indirect Cost Rate

Costs and methodology for deriving costs must be approved by 'cognizant agency'

Grantees must determine:

1. Whether to charge indirect

2. Whether to seek a negotiated rate or accept the de minimis rate

3. Methodology for determining rate

10% De Minimis Rate

200.414(f) any non-Federal entity that has never received a negotiated indirect cost rate… may elect to charge a de minimis rate of **10% of modified total direct costs** (MTDC) which may be used indefinitely

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CoC Application indicating intent to use de minimis rate

6A. Funding Request

* 1. Do any of the properties in this project have an active restrictive covenant? Yes

* 2. Was the original project awarded as either a Samaritan Bonus or Permanent Housing Bonus project? Yes

* 3. Does this project propose to allocate funds according to an indirect cost rate? Yes

Indirect cost rate proposals should be submitted as soon as the applicant is notified of a conditional award. Conditional award recipients will be asked to submit the proposal rate during the e-snaps post-award process.

Applicants with an approved indirect cost rate must submit a copy of the approval with this application.

* a. Please complete the indirect cost rate schedule below:

Administering Department/Agency	Indirect Cost Rate	Direct Cost Base
U.S. HUD	10%	$463,908

* b. Has this rate been approved by your cognizant agency? No

* c. Do you plan to use the 10% de minimis rate? Yes

4. Renewal Grant Term: 1 Year

Callouts: Indicate intent here · How is this calculated? · Indicate 10% rate here

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De Minimis Rate – What can be charged to grant?

- No approval is required
- This does not equal 10% of total project costs – it is 10% of modified total direct costs
- If using de minimis, this is the ceiling on what can be charged to Federal government
- If using, funds available for each budget line will include funding for indirect and fewer resources for direct services

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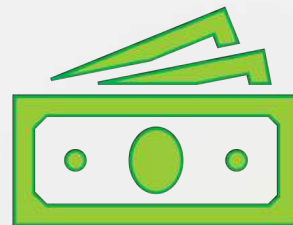
Considerations

The 10% de minimis indirect rate may be very useful to CoC grantees

If used instead of administrative costs, calculated correctly, and documented, it could simply billing for grantees

Depending on grant might provide fewer dollars

Be very careful if charging both administrative and indirect costs – there are significant risks of duplicate billing – Funding for administrative costs – either as Admin or Indirect Costs cannot exceed 10% of grant funds 578.63(C)

What type of expense is this?

Staff salary for conducting HQS inspections
  - ✓ Rental Assistance

Benefits for case management supervisor
  - ✓ Supportive Services

Staff salary and travel costs to attend HUD training
  - ✓ Administrative

Staff salary to compile the APR
  - ✓ Administrative

Costs associated with payroll management
  - ✓ Indirect (possibly admin if can be readily allocated to individual project & supported by activity log)

Salaries for IT staff who maintain the agency's network
  - ✓ Indirect (possibly admin if can be readily allocated to individual project & supported by activity log)

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Fully Spending Grant Funds

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CT BOS 2019 Spending Criteria

- Projects over $2M must spend at least 95% & leave less than $75K unspent.
- Projects under $100K must spend at least 90%.
- All other projects must spend at least 95% & leave less than $50K unspent.

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Tracking Under Spending

Funds not spent are returned to Washington – not available to CoC

All project partners are responsible for closely monitoring spending on all CoC grants:

- Regularly assess expenditures against the pro-rated grant amount available on each eligible budget line item (e.g., Rental Assistance, Leasing, Operating, Supportive Services, Project Administrative Costs).

- Promptly determine reason for under spending and whether the under spending is anticipated to continue and result in funds not being fully spent at the end of the grant term.

- Track spending over time to identify patterns that may indicate that the project is regularly unable to fully spend allocated funds.

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Reducing Under Spending -

Serve more households than indicated in your project application.

- This does not require a grant agreement amendment.

For RRH project application budgets, don't assume each household you serve will receive 100% rent for the full 12 months.

- RRH projects may anticipate serving more than one household during a year in a single budgeted unit -does not mean that households are sharing units
  - Example #1: If anticipating average length of RA at 50% of FMR for 12 months in a project budgeted for 10 units, you would plan to actually serve 20 households/year.
  - Example #2: If anticipating average length of RA at 50% of FMR for 6 months in a project budgeted for 10 units, you would plan to actually serve 40 households/year.

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Reducing Under Spending (2)

Apply for rental assistance at less than FMR to offset tenant payments (renewal only).

- Would occur upon submission to HUD of the next renewal application.

- Reduction would be permanent - critical that changes be informed by a careful assessment to avoid a short-fall.

- Notify the CoC in advance so funds can be reallocated or seek grant amendment to move funds to supportive services line.

Budget modifications

- Shifting up to 10% from one approved eligible activity to another activity – does not require a grant agreement amendment.

- Shifting more than 10% from one approved eligible activity to another activity – requires a HUD approval of a grant agreement amendment.

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Reducing Under Spending (3)

Give money you are unable to spend regularly back to the CoC for reallocation.

Other strategies

- Promptly fill staff vacancies.

- Review CoC Program eligible expenses for opportunities to use CoC funds to support eligible costs (security deposits, damages, participant transportation, etc.)

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Other fiscal requirements

"Don't worry, Fred... the Business Analysts are on top of all the new regulations."

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Documenting Time

- Timesheets suffice for employees who work in a single indirect cost activity (e.g. accounting)

- Timesheets, with periodic certifications, suffice for employees who work on a single federal award category (e.g. supportive services)

- For employees who work on more than one project, activity, direct and/or indirect, timesheets must be supported by personnel activity logs (can also use case notes, maintenance logs)
- Time sheets must reconcile to activity logs
- Sample activity log available at www.ctbos.org

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Procurement Overview

Procurement policies must be in place

Must follow written procedures and document compliance

Four procurement methods available
◦ Small purchase
◦ Sealed bid
◦ Request for proposals (RFP)
◦ Non-competitive

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Most Common for CoC Projects:
Small Purchase

May be used for purchases below $150,000

Requirements include
◦ Getting 3 to 5 competitive quotes
◦ Selecting the most reasonable offer
◦ Using purchase orders or petty cash to purchase

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Match Requirements

- Match requirement - 25% cash or in kind for all line items except leasing
- Match is provided to the CoC Program grant - **not** to a budget line item
- Matching funds can only be used on eligible CoC Program costs (any eligible cost – not limited to approved budget line items)
- Example: $100,000 of operating funds may be matched with $25,000 cash that is expended on eligible supportive services or with $25,000 worth of in-kind eligible supportive services

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Understanding Match

- The total match requirement can be met through **cash, in-kind, or a combination** of the two.
- Full match amount committed in the application must be met
  - ✓HUD monitors based on that amount.
  - ✓No advantage to committing more than the minimum required amount.
- Value of commitments of land, buildings, & equipment may be claimed only once

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What Is Not Match?

x Participant income (e.g. public benefits)

x Participant savings

x Cash or any in kind contribution used as match for another grant.

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Documenting Cash Match

- Must show that the funds were recorded on the agency books during the operating year.

- Must show that the funds were expended on eligible expenses during the operating year.

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Documenting In-Kind Cash Match - Services

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

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

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

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Cash vs. In-kind Match

- In states like CT, with large local expenditures for human services, projects can usually demonstrate sufficient cash match.

- Match is only in-kind if it is a donation of services, goods, materials, or equipment

- In-kind match requires an MOU. An agency cannot provide an in-kind match to itself. In-kind match must be provided by a third party.

- Since documentation of in-kind match is significantly more onerous, projects should use cash match whenever possible.

DONATION

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What type of match is it?

Recipient or sub-recipient agency staff provide case management funded through a DMHAS contract?

Cash Match

Building utilities not covered by the CoC grant are paid by the recipient agency and funded through private sources?

Cash Match

Mental health services are provided to participants by a sub-recipient and funded through SAMSHA?

Cash Match

Board member provides legal services at no cost?

In-kind Match

FQHC operated by a community partner provides outpatient health services to participants?

In-kind Match

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Tips for Success

- Use resources provided on handout.
- Ensure you are correctly billing admin.
- Consider whether to claim indirect in next application.
- Use cash match and don't over commit.
- For staff working on multiple projects or budget line items complete personnel activity logs.

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HOUSING
INNOVATIONS

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