



# Continuum of Care Permanent Supportive Housing Administration Manual

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## **Section 1: Program Introduction**

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The Continuum of Care (CoC) Program is designed to promote community-wide commitment to the goal of ending homelessness. The CoC Program provides funding for efforts by nonprofit providers and State and local governments to rehouse homeless individuals and families quickly while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness. The CoC Program also promotes access to and effective utilization of mainstream programs by homeless individuals and families while optimizing self-sufficiency among individuals and families experiencing homelessness.

Through the Continuum of Care Program, HUD has awarded funds to state and local governments to serve homeless persons with disabilities, such as serious mental illness, chronic substance abuse, physical disabilities and/or HIV/AIDS. The Program was built on the premise that housing and services need to be connected in order to ensure that these individuals or families remain permanently housed.

Permanent Supportive Housing (PSH) for those who have disabilities is designed to assist individuals and families who are experiencing homelessness and provide them with services needed to help them move into permanent housing, with the goal of long-term stability. More broadly, the program is designed to:

- Promote community-wide planning and strategic use of resources to address homelessness;
- Improve coordination and integration with mainstream resources and other efforts targeted to people experiencing homelessness;
- Improve data collection and performance measurement; and
- Allow communities to tailor its project(s) to the particular strengths and challenges within each community.

## **Section 2: Funding Process and Requirements**

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Each year, HUD awards Program funds competitively to States, units of local governments, and/or instrumentalities of State or local government, collectively known as recipients. The process is competitive internally within the CoC and externally nationwide. Recipients may contract with or sub-grant to other organizations or government entities, known as sub-recipients, to administer day-to-day project operations.

Local projects are typically implemented through partnerships that include:

- Indiana Housing & Community Development Authority (IHCDA)

- One or more nonprofit organizations and one sub-recipient that either owns or coordinates the leasing of housing for participants; and
- A network of supportive services providers. This could be the sub-recipient and/or other partners in the community.

### Eligible Applicants (sub-recipients)

Eligible applicants consist of - and must meet - criteria as outlined in 24 CFR 578.15.

Eligible entities are limited to private nonprofit organizations, States, local governments, and instrumentalities of State or local governments. For profit entities are not eligible to apply for grants or to be sub-recipients of grant funds. Eligible applicants must be designated by the CoC to submit an application for grant funds. IHCD submits the actual application for IHCD funded projects, and when awarded, the sub-recipient then enters into a contract with IHCD to administer day-to-day project operations.

### Indiana Permanent Supportive Housing Institute Requirement

The Indiana Balance of State (BoS) CoC requires that eligible applicants interested in applying for funding related to rehabilitation and/or construction of its project contact its local Regional Planning Council (RPC) and IHCD so they may apply for admission to the Indiana Permanent Supportive Housing Institute (IPSHI), which is only offered once a year. Applications are submitted through a competitive request for proposal (RFP) process overseen by the Corporation for Supportive Housing (CSH) and IHCD.

If the project is a scattered site development or the eligible applicant is not wanting to apply for funding related to rehabilitation and/or construction of its project or the eligible applicant already graduated from the IPSHI, a waiver can be completed and an application can be submitted to the CoC Board to request approval. If the waiver is approved by the CoC Board, the project may apply for funding in the next notice of funding availability (NOFA) cycle.

### Project Requirements

Projects are required to provide permanent supportive housing for persons with disabilities, who are homeless in accordance with HUD regulations for Category One (24 CFR 578.3 for HUD definition). Program funds must be used to provide assistance to a homeless individual who has a disability or a homeless family in which one adult has a disability (projects may serve both individuals and families within one project).

### Supportive Services Requirement

Permanent supportive housing projects must provide supportive services for the participants to enable them to live as independently as is practicable throughout the duration of their residence in the project.

Supportive services should be accessible, flexible, and target housing stability. The participant's needs and goals should be clearly reflected in the design of the supportive services program. Service programs may require adjustment as the needs and interests of individuals participants evolve and change. Supportive services should help ensure

stability, maximize each participant's ability to be self-sufficient, be appealing, and be easy accessible.

Projects may vary in how they provide services, but they must uniformly align housing stability as a basic and primary goal. In promoting housing stability, service providers must focus on helping participants meet their lease obligations, including payment of rent; maintaining a safe and healthy living environment; and allowing others the peaceful enjoyment of their homes. In addition, services should foster, to the extent possible, independent living. While a participant is not required to participate in supportive services, the services must be offered and the project service provider is required to attempt engagement in supportive services with participants.

### Coordinated Entry Requirement

The CoC Program interim rule (24 CFR 578.7(a)(8)) released in 2011 requires that projects operated by recipients and sub-recipients of the CoC Program must participate in the established Coordinated Entry process (CE). All sub-recipients are required to use the CE process to refer, admit, or serve clients in the CoC PSH program. Please refer to the [Coordinated Entry Policy and Procedure Manual](#) for details regarding the BoS Coordinated Entry Program. Failure to participate in the CE process can result in projects being defunded through the BoS CoC.

### Homeless Management Information System (HMIS)

Sub-recipients are required to enter participant data into the HMIS on a regular and consistent basis. Regular and consistent is defined within the IHCD Award Agreement as 5 business days of intake or discharge from the program. Sub-recipients are also required to do annual assessments within HMIS for program participants.

It is recommended that sub-recipients use the HMIS to run the HUD Data Quality Reports to ensure data is accurately reflected and up-to-date. The data within the HUD Data Quality Report is included within the Annual Progress Report (APR), which is required to be submitted to IHCD annually once the grant is ready to be closed out, which is then submitted to HUD as a final submission for the grant year.

For technical assistance, training, or questions on the HMIS, please contact the HMIS Help Desk by emailing [HMIShelpdesk@ihcda.in.gov](mailto:HMIShelpdesk@ihcda.in.gov).

Victim service providers are held to the same standards on entering data into the ClientTrack database for domestic violence service providers. For technical assistance, training, or questions on the ClientTrack database, please contact the ClientTrack Help Desk by emailing [DVHelpdesk@ichda.in.gov](mailto:DVHelpdesk@ichda.in.gov).

### Serving Target Populations

Projects are required to serve the target population identified within the application. This only applies for projects who identified target populations during the application process. If a project feels a change needs to be made regarding the target population, the sub-

recipient must contact IHCD. The change request must go through IHCD, who will submit the request to HUD for approval.

## Executing Grant Agreements

As the HUD award recipient, IHCD will enter into an agreement directly with HUD upon the announcement of the CoC project award. IHCD then enters into an award agreement with the sub-recipient(s). The award agreement enforces the term of the agreement and period of performance. Regardless of execution date, funds will only be reimbursed for the term listed within the grant agreement.

When grant funds will be used for acquisition, rehabilitation, new construction, operating costs, or to provide supportive services, the recipient or sub-recipient must demonstrate that it has site control within the time frame established under 24 CFR 278.21. IHCD will work with the sub-recipient to establish site-control, if necessary.

## Match Requirement

Match is defined as actual cash or in-kind resources contributed to the grant. All costs paid for with matching funds must be for activities that are eligible under the CoC Program, even if the recipient or sub-recipient is not receiving CoC Program funds for that activity. All grant funds must be matched with an amount no less than 25% of the awarded amount (excluding the amount awarded to the leasing budget line item) with cash or in-kind resources. Match resources may be from public (not statutorily prohibited by the funding agency from being used as match) or private resources.

Initially, prior to the annual agreement being executed with HUD, the sub-recipient is required to provide IHCD with a match commitment letter. The requirements for match commitments are outlined below:

### **Cash Match**

Cash match must be provided by the sub-recipient that operates the project. The cash source can be from the grantee or entity that operates the project, the Federal government, state government, local government or private contributions. It is important to note that some Federal sources of funding outside of HUD do not allow their funds to be used as match. Applicants need to confirm with each source of funding whether the use of such funding for match purposes is permitted. CoC Programs funds cannot be used to match other CoC funded programs.

Letters of commitment for cash match must be on agency letterhead, signed by an authorized representative, and include the following:

- Name of the project to which the cash match will be provided;
- Establishment of the unconditional commitment, except for the award of the grant;

- Date that the funds will be available (this should specify the timing to coincide within the project program year);
- Source of the cash match; and
- Type of activities for which the funds will be used (e.g., case management, child care, education, utility deposits, etc.).

### **In-Kind Match**

The sub-recipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the grantee had to pay for them with grant funds, the costs would have been eligible under 24 CFR 578 Subpart D. The requirements of 24 CFR 84.23 applies. You must also supply a copy of the MOU with the match commitment letter.

Letters of commitment for in-kind match must be on agency letterhead, signed by an authorized representative, and include the following:

- Establishment of the unconditional commitment, except for the award of the grant, by the third party to provide the contribution;
- The specific service, goods, equipment or property to be provided;
- If a service, the profession of the persons providing the service;
- If a service, the hourly cost of the service to be provided; and
- The total value of the contribution.

Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the sub-recipient's organization. If the sub-recipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

**Services provided by a third-party requires an MOU between the sub-recipient and the third party. MOUs must be signed and dated by an authorized representative of the project applicant and the entity providing the contribution, and must, at the minimum contain the following:**

- Establishment of the unconditional commitment, except for the award of the grant, by the third party to provide the contribution;
- The specific service, goods, equipment or property to be provided;
- If a service, the profession of the persons providing the service;
- If a service, the hourly cost of the service to be provided;
- The total value of the contribution; and
- Agreement to provide sub-recipient with supporting documentation for services used as match



If at any time during the grant year the source of match changes, the sub-recipient must document the changes to ensure compliance with the match requirement. At the end of the program year, the sub-recipient is required to submit a detailed match report, along with supporting documentation, to IHCD for the grant to be closed out.

Please note, failure to provide supporting documentation or meet the minimum match requirement can result in repayment of grant funds.

## Section 3: Program Changes

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CoC Program Funds are awarded through a scored competitive process. The CoC Board must approve any changes requested by a recipient or sub-recipient prior to submission to HUD. Sub-recipients are required to submit a written detailed request to the IHCD for submission to the CoC Board. The request must detail why the request is being made and why it is necessary. Sub-recipients should contact CoC Program Staff with questions and request.

### Budget Modifications

The CoC encourages recipients and sub-recipients to spend grants fully to avoid funds being returned to HUD for repurposing. Spending grants fully allows projects to serve as many people as possible and reduce homelessness in the communities they serve. If sub-recipients determine that their projects are not able to spend down certain budget line items, they are encouraged to explore options to move funds to other budget line items to maximize spending.

The CoC Board, specifically the Resources and Funding Committee, is required to approve budget modification for CoC funded projects. This does not include budget changes that are submitted with the NOFA.

The following process applies to budget modification requests submitted to IHCD by sub-recipients:

- A request must be submitted in writing, on agency letterhead, and signed by an executive of the project. The budget modification form must be completed in full and submitted with the request.
- Once the Board receives the budget request it will be reviewed by the Collaborative Applicant. If any changes need to be made at this point, they will notify the project requesting the change.
- The budget request will be sent to the Chair of the CoC Board along with the Chair of the Resources and Funding committee. The chairs will review and approve or deny the modification within 10 days of the receipt of the change request.  
Once approved, the request will be submitted to HUD CPD by the Collaborative Applicant.

The guidelines below must be followed when requesting a budget modification:

- Budget modifications may only be made once during the grant year.



- If a project has Rental Assistance funds, no funds may be moved to Facility Operations.
- A maximum of 20% of funds for the overall grant can be in the Supportive Service line item.
- A maximum of 10% of funds for the overall grant can be in the Administration line item.
- No more than 10% of funds may be shifted from one approved eligible cost category to another in one budget modification request.

### **Appeals Process:**

If the change is denied, the sub-recipient will be notified in writing and will have the chance to appeal the decision. The appeal must be received in writing within 5 business days of the denial. The CoC Executive Committee will review the appeal at their next Executive Committee meeting and will notify the project of the date of the meeting within 5 business days of the receipt of the appeal. A response to the appeal will then be sent to the project within 5 business days of the Executive Committee meeting date. Please note that HUD can still deny a budget modification even if it is approved by the CoC Board.

## **Section 4: Administrative Requirements**

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Sub-recipients are required to maintain policies and procedures for administering CoC programs that align with the regulations set forth in 24 CFR 578, the sub-recipients award agreement with IHCD, and this manual.

### **Conflict of Interest**

(a) Procurement. For the procurement of property (goods, supplies, or equipment) and services, the Sub-recipient must comply with the codes of conduct and conflict-of-interest requirements under 2 CFR 200.317 and 200.318.

The Sub-recipient must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engage in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by the Award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Sub-recipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the Sub-recipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The

standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Sub-recipient.

(b) Continuum of Care board members. No Continuum of Care board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.

(c) Organizational conflict. An organizational conflict of interest arises when, because of activities or relationships with other persons or organizations, the Sub-recipient is unable - or potentially unable - to render impartial assistance in the provision of any type or amount of assistance using PSH Funds, or when a covered person's, as in paragraph (d)(1) of this section, objectivity in performing work with respect to any activity assisted with PSH Funds is or might be otherwise impaired. Such an organizational conflict would arise when a board member of an applicant participates in decision of the applicant concerning the award of a grant, or provision of other financial benefits, to the organization that such member represents. It would also arise when an employee of a Sub-recipient participates in making rent reasonableness determinations under 24 CFR 578.49(b)(2) and 24 CFR 578.51(g) and housing quality inspections of property under 24 CFR 578.75(b) that the Sub-recipient, or related entity owns.

(d) Other conflicts. For all other transactions and activities, the following restrictions apply:

1) No covered person, meaning a person who is an employee, agent, consultant, officer, or elected or appointed official of the Sub-recipient who exercises or has exercised any functions or responsibilities with respect to activities assisted under this Agreement, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under this Agreement, may obtain a financial interest or benefit from an assisted activity, have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one-year period following his or her tenure.

2) Exceptions. Upon the written request of the Sub-recipient, IHCD may grant an exception to the provisions of this section on a case-by-case basis, taking into account the cumulative effects of the criteria set forth in 24 CFR 578.95 (d)(2)(ii).

## Board Representation

In accordance with 24 CFR 578.75(g), the sub-recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policymaking entity of the sub-recipient, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or assistance provided with PSH funds. This requirement is waived if the sub-recipient is unable to meet such requirements and obtains HUD approval for a plan to otherwise consult with homeless or formerly homeless persons when considering and making policies and decisions. IHCD will work with the sub-recipient to obtain the necessary approval for a waiver, if needed.

## Recordkeeping Requirements

The Sub-recipient must maintain sufficient records to enable HUD to determine whether it is meeting the requirements of the PSH Program, including: the following:

- (a) Homeless status. Acceptable evidence of the homeless as status is set forth in 24 CFR 576.500(b).
- (b) Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different Continuum of Care due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under 24 CFR 578.51(c)(3), the Sub-recipient must retain documentation specified in 24 CFR 578.103(5).
- (c) Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the Sub-recipient must keep documentation of annual income as specified in 24 CFR 578.103(6).
- (d) Program participant records. In addition to evidence of “homeless” status or “at-risk-of-homelessness” status, as applicable, the Sub-recipient must keep records for each program participant that document:
  - (i) The services and assistance provided to that program participant, including evidence that the Sub-recipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in 24 CFR 578.37(a)(1)(ii)(F); and
  - (ii) Where applicable, compliance with the termination of assistance requirement in 24 CFR 578.91.
- (e) Housing standards. The Sub-recipient must retain documentation of compliance with the housing standards in 24 CFR 578.75(b), including inspection reports.
- (f) Services provided. The Sub-recipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The Sub-recipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- (g) Match. The Sub-recipient must keep records of the source and use of contributions made to satisfy the match requirement in 24 CFR 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

- (h) Conflicts of interest. The Sub-recipient must keep records to show compliance with the organizational conflict-of-interest requirements in 24 CFR 578.95(c), the Continuum of Care board conflict-of-interest requirements in 24 CFR 578.95(b), the other conflict requirements in 24 CFR 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in 24 CFR 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- (i) Homeless participation. The Sub-recipient must document its compliance with the homeless participation requirements under 24 CFR 578.75(g).
- (j) Faith-based activities. The Sub-recipient must document their compliance with the faith-based activities requirements under 24 CFR 578.87(b).
- (k) Affirmatively Furthering Fair Housing. The Sub-recipient must maintain copies of its marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in 24 CFR 578.93(c).
- (l) Other federal requirements. The Sub-recipient must document its compliance with the federal requirements in 24 CFR 578.99, as applicable.
- (m) The Sub-recipient must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
- (n) Other records specified by HUD. The Sub-recipient must keep other records specified by HUD.

Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the Award under which the program participant was served.

## Confidentiality

In addition to meeting the specific confidentiality and security requirements for HMIS data, the Sub-recipient must develop and implement written procedures to ensure:

- (1) All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
- (2) The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and

(3) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the Sub-recipient and consistent with State and local laws regarding privacy and obligations of confidentiality

(4) The Sub-recipient must adopt procedures to ensure that all participant information is handled and maintained in a confidential manner and in compliance with the requirements of all applicable state or federal laws, rules, and regulations, including, but not limited to, those relating to the release of Social Security numbers in I.C. § 4-1-10 and the notice of security breach provisions in I.C. § 4-1-11.

Confidential information means any individually identifiable information, whether oral or written, about the participants who receive services and/or assistance from the PSH Program. Employees, agents, contractors or others who require access to confidential participant information must sign a confidentiality agreement commensurate with the conditions set forth in this Agreement.

## Termination of Assistance

(1) Termination of assistance. According to 24 CFR 578.91, the Sub-recipient may terminate assistance to a program participant who violates program requirements or conditions of occupancy. Termination does not bar the Sub-Recipient from providing further assistance at a later date to the same individual or family.

(2) Due process. In terminating assistance to a program participant, the Sub-recipient 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:

- i. Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
- ii. Written notice to the program participant containing a clear statement of the reasons for termination;
- iii. A review of the decision, in which the program 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
- iv. Prompt written notice of the final decision to the program participant.

(c) Hard-to-house populations. If Sub-recipient is providing permanent supportive housing for hard-to-house populations of homeless persons it must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a program participant's assistance is terminated only in the most severe cases.

## Environmental Reviews

CoC Program activities that are subject to environmental review include:

- Acquisition, rehabilitation, new construction
- Leasing Projects
- Sponsor based and project based rental assistance, which includes SRA scattered site in the community

CoC Program activities that are categorically excluded include:

- Tenant Based Rental Assistance (TRA)
- Supportive Services
- Operating Costs
- HMIS

No activities can be performed on a project site until the environmental review has been approved by IHCD and provided to HUD for approval.

If environmental issues are found, mitigating measure required by HUD/IHCD for the original property must be carried out or an alternative eligible property must be selected.

Additional information regarding environmental reviews can be found on the IHCD website: <https://www.in.gov/myihcd/2650.htm>. Contact the IHCD CoC Analyst for questions regarding environmental reviews.

### Affirmatively Furthering Fair Housing

Sub-recipients are required to implement the program in a manner that affirmatively furthers fair housing, which means:

1. Affirmatively market their housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or handicap who are least likely to apply in the absence of special outreach, and maintain records of those marketing activities;
2. Where a Sub-recipient encounters a condition or action that impedes fair housing choice for current or prospective program participants, provide such information to the jurisdiction that provided the certification of consistency with the Consolidated Plan; and
3. Provide program participants with information on rights and remedies available under applicable federal, State and local fair housing and civil rights laws.

### Accessibility and Integrative Housing and Services for Persons with Disabilities

Sub-recipient must comply with the accessibility requirements of the Fair Housing Act (24 CFR part 100), Section 504 of the Rehabilitation Act of 1973 (24 CFR part 8), and Titles II and III of the Americans with Disabilities Act, as applicable (28 CFR parts 35 and 36).



In accordance with the requirements of 24 CFR 8.4(d), Sub-recipient must ensure that their program's housing and supportive services are provided in the most integrated setting appropriate to the needs of persons with disabilities.

## Nondiscrimination and Equal Opportunity

The nondiscrimination and equal opportunity requirements are set forth in 24 CFR 5.105(a) and are applicable. The sub-recipient may exclusively serve a particular homeless subpopulation in permanent housing if the housing addresses the need identified by the CoC for the geographic area and meets one of the following:

1. The housing may be limited to one sex where such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex;
2. The housing may be limited to a specific subpopulation, so long as admission does not discriminate against any protected class under federal nondiscrimination laws in 24 CFR 5.105 ( e.g., the housing may be limited to homeless veterans, victims of domestic violence and their children, or chronically homeless persons and families).
3. The housing may be limited to families with children.
4. If the housing has in residence at least one family with a child under the age of 18, the housing may exclude registered sex offenders and persons with a criminal record that includes a violent crime from the project so long as the child resides in the housing.
5. Sober housing may exclude persons who refuse to sign an occupancy agreement or lease that prohibits program participants from possessing, using, or being under the influence of illegal substances and/or alcohol on the premises.
6. If the housing is assisted with funds under a federal program that is limited by federal statute or Executive Order to a specific subpopulation, the housing may be limited to that subpopulation (e.g., housing also assisted with funding from the Housing Opportunities for Persons with AIDS program under 24 CFR part 574 may be limited to persons with acquired immunodeficiency syndrome or related diseases).
7. The Sub-recipient may limit admission to or provide a preference for the housing to subpopulations of homeless persons and families who need the specialized supportive services that are provided in the housing (e.g., substance abuse addiction treatment, domestic violence services, or a high intensity package designed to meet the needs of hard-to-reach homeless persons). While the housing may offer services for a particular type of disability, no otherwise eligible individuals with disabilities or families including an individual with a disability, who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

## Outreach Activities

The Sub-recipient must use its best efforts to ensure that eligible hard-to-reach persons are served by the PSH Program. The Sub-recipient is expected to make sustained efforts



to engage eligible persons so that they may be brought into the program. Outreach should be primarily directed toward eligible persons who have a nighttime residence that is an emergency shelter or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings ( e.g., persons living in cars, streets, and parks). Outreach activities are considered to be a supportive service, and the value of such activities that occur after the execution of the grant agreement may be included in meeting the matching requirement.

### Violence Against Women Reauthorization Act of 2013 (VAWA)

VAWA requirements are set forth in 24 CFR part 5, subpart L (Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking). All sub-recipients with CoC funded projects must meet the VAWA requirements and have procedures in place.

- a. **Notification of Occupancy Rights Under VAWA and Certification Form:** Sub-recipients are required to ensure that the notice of occupancy rights set forth in HUD Form 5380 and the certification form set forth in HUD Form 5382 is provided to each individual or family applying for permanent housing and each program participant receiving PSH assistance at the following times:
  - i. When a individual or family is denied permanent housing;
  - ii. When a program participant is admitted to permanent housing;
  - iii. When a program participant receives notification of eviction;
  - iv. When a program participant is notified of termination of assistance; and
  - v. With any termination of rental assistance.

The sub-recipient is required to ensure that for each tenant receiving assistance with PSH funds, the owner or manager of the tenant's housing unit provides the notice of occupancy rights.

- b. **Request for VAWA Protections:** If a tenant seeks VAWA protections set forth in 24 CFR part 5, subpart L, the tenant must submit the request to the sub-recipient. The sub-recipient must determine whether the tenant is entitled to protection under VAWA and immediately advise the tenant of determination. If the tenant is entitled to the protection, the sub-recipient must notify the owner in writing that the tenant is entitled to the protection under VAWA and work with the owner and the tenant. Any further sharing or disclosure of the program participant's information will be subject to the requirements in 24 CFR 5.2007(c).
- c. **Emergency Transfers:** The sub-recipient is required to use and implement the emergency transfer plan set forth in HUD Form 5381, which should be modified for the PSH program. The sub-recipient is responsible for determining if the tenant qualifies for an emergency transfer under the plan. The sub-recipient is required to provide HUD Form 5383 to a tenant that is requesting an emergency transfer. With respect to tenants who qualify for an emergency transfer and who wish to make an external emergency transfer when a safe unit is not immediately available, the Sub-recipient the individual or family shall have priority over all other

applicants for rental assistance, transitional housing, and permanent supportive housing projects funded under this part, provided that: The individual or family meets all eligibility criteria required by Federal law or regulation or HUD NOFA; and the individual or family meets any additional criteria or preferences established in accordance with 24 CFR 578.93(b)(1), (4), (6), or (7). The individual or family shall not be required to meet any other eligibility criteria or preferences for the project. The individual or family shall retain their original homeless or chronically homeless status for the purposes of the transfer.

- d. **Confidentiality:** Any information submitted to the Sub-recipient regarding a tenant's protections under VAWA, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking (confidential information), shall be maintained in strict confidence by the owner and the sub-recipient.
  - i. The Sub-recipient shall not allow any individual administering assistance on behalf of the Sub-recipient or any persons within their employ (e.g., contractors) or in the employ of the Sub-recipient to have access to confidential information unless explicitly authorized by the Sub-recipient for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.
  - ii. The Sub-recipient shall not enter any confidential information into any shared database or disclose such information to any other entity or individual, except to the extent that the disclosure is:
    - i. Requested or consented to in writing by the individual in a time-limited release;
    - ii. Required for use in an eviction proceeding or hearing regarding termination of assistance from the CoC Program; or
    - iii. Otherwise required by applicable law.
- e. **Remaining Participants:** If a family receiving PSH assistance separates under 24 CFR 5.2009(a), the family's tenant-based rental assistance and any utility assistance shall continue for the family member(s) who are not evicted or removed. The family's eligibility for the housing program was based on the evicted individual's disability or chronically homeless status, the remaining tenants may stay in the project until the expiration of the lease in effect at the time of the qualifying member's eviction. Otherwise, if a family living in a project funded by CoC PSH funds separates, the remaining tenant(s) will be eligible to remain in the project.
- f. **Prohibited Denial/Termination:** Sub-recipients are responsible for ensuring that any applicant for or tenant of PSH may not be denied admission to, denied assistance under, termination from participation in, or evicted from housing on the

basis that the applicant or tenant has been a victim of domestic violence, dating violence, sexual assault, or stalking.

- g. **Construction of Lease Terms:** A sub-recipient is required to ensure that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as:
  - i. A serious or repeat violation of a lease for PSH-assisted housing by the victim or threatened victim; or
  - ii. Good cause for terminating the assistance, tenancy or occupancy rights to PSH-assisted housing of the victim of such incident.
- h. **Termination on the Basis of Criminal Activity:** A tenant who is receiving PSH assistance may not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:
  - i. The criminal activity is engaged in by a member of the household of the tenant or any guest for another person under the control of the tenant, and
  - ii. The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking.
- i. **Lease Addendum:** The sub-recipient is responsible for ensuring that the landlord or property manager uses the PSH lease Addendum with VAWA protections. The sub-recipient must ensure that each tenant has the PSH lease addendum created by IHCD that incorporates all requirements that apply to the landlord or the lease of the PSH assisted rental housing under 24 CFR part 5, subpart L, including the prohibited basis for eviction and restriction constructing lease terms under 24 CFR 5.2005(b) and (c).

## Section 5: Claims

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This section does not address eligible costs under the CoC program, but claims requirements. Eligible Costs, broken down by budget line item, can be found under Section 5: Eligible Costs.

### Reimbursement Claims

Sub-recipients are required to submit claims for reimbursement to IHCD for eligible program expenses. Claims must be submitted once a month, on or before the 20<sup>th</sup> of the month (12 claims per operating year), along with the completed claim form\*, supporting documentation, and the LOCCS form. Claims must be submitted through the Authority DMS Online Management System ([www.ihcdaonline.com](http://www.ihcdaonline.com)).

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\* Approved forms are located on the IHCD partners' website.

Consistent and timely claim submission is important to ensure reimbursement of eligible expenses. If a claim is more than 90 days behind, IHCD or HUD can deny payment. The last claim of the award agreement is required to be submitted no later than 30 days after the agreement end date. Failure to submit the final claim within 30 days can result in the claim being denied for payment by IHCD or HUD.

Failure to provide supporting documentation or an accurate/complete LOCCS form will result in claims being denied. Questions regarding denied claims or question related to claims submission can be directed via email to: [claims@ihcda.in.gov](mailto:claims@ihcda.in.gov). Questions regarding eligible expenses should be directed to the CoC Program Staff.

## Repayment of Ineligible Expenses

If at any time a sub-recipient or IHCD discovers that the sub-recipient was reimbursed with Program funds for ineligible expenses, the sub-recipient will be required to repay these funds back to IHCD out of non-federal sources.

When IHCD discovers or is otherwise notified that repayment is necessary, IHCD will send a letter via email to the sub-recipient. The letter will specify the amount that it must repay, the reason it must be repaid, and the date the repayment must be received by IHCD. The due date of repayment is thirty (30) business days from the date referenced in the notification letter. Failure to issue repayment within thirty (30) days of the notification date will result in current and future claims of the sub-recipient being held by IHCD.

If the sub-recipient is unable to repay the entire amount due that is owed within thirty (30) days of the notification date, a proposed repayment plan must be submitted in writing, via email, to the CoC Analyst and the CoC Manager. The repayment plan must include specific dates and dollar amounts that the sub-recipient will pay until the entire amount owed is repaid. Once the repayment plan is received, IHCD program staff will review the plan within fifteen (15) business days. The sub-recipient will be notified in writing if the repayment plan is approved or denied. If the repayment plan is approved the sub-recipient must follow the Repayment Process (below) to repay funds on the dates and in the amounts agreed upon in order to prevent current and future claims of the sub-recipient from being held by IHCD. If the repayment plan is denied, the sub-recipient will be notified of a new due date in a revised notification letter and the sub-recipient must follow the Repayment Process (below). Failure to repay funds by the due date will result in current and future claims of the sub-recipient being held by IHCD.

A repayment claim must be submitted by the sub-recipient through the Authority DMS Online Management System. When submitting claims through DMS, the sub-recipient must select the option to file a repayment claim. If at any time assistance is needed with filing a repayment claim the sub-recipient can send an e-mail to [claims@ihcda.in.gov](mailto:claims@ihcda.in.gov) . Once a repayment claim is submitted, a check must be mailed along with a copy of the repayment request letter to:

Indiana Housing and Community Development Authority  
ATTN: Community Services

30 South Meridian Street, Suite 900  
Indianapolis, IN 46204

### Appeal Process

If the sub-recipient disagrees with the request for repayment of funds an appeal must be submitted in writing via email within ten (10) business days of the date on the notification letter. Once the appeal is received, IHCD program staff will respond within fifteen (15) business days acknowledging receipt of the appeal and to request additional documentation, if necessary. Once the appeal has been reviewed and a decision has been made, IHCD will send the sub-recipient a notification letter via email containing the outcome of the appeal. The notification letter will specify a new due date, new amount due, etc., as applicable. Failure to issue repayment by the date specified in the notification letter will result in current and future claims of the sub-recipient being held by IHCD.

Appeals should be submitted in writing, via email, to the Director of Community Services.

## Section 6: Eligible Participants

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Participants are required to meet two main eligibility criteria to be eligible for the CoC PSH program. The individual must be:

1. Homeless
2. Disabled

### Homeless Criteria

There are 4 categories of homelessness set forth in 24 CFR 578.3. CoC PSH funds received through IHCD can only be used to serve persons under **Category 1**.

**Category 1**, meaning literally homeless, is defined as an individual or family who lacks a fixed, regular, or adequate nighttime residence meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation;
- 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**
- 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.

### Chronically Homeless Criteria

In December 2015, HUD published the Final Rule on Defining “Chronically Homeless”. CoC recipients and sub-recipients must comply with the regulations promulgated by this rule as of January 15, 2016. Click [here](#) for more information from the HUD Exchange regarding Chronic Homeless training opportunities.

Chronically homeless is defined as:

1. A “homeless individual with a disability,” as defined in Section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who:
  - a. Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
  - b. Has 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 (4) occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living in a place not meant for human habitation, a safe haven, or in an emergency shelter. Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;
2. An individual who has been residing in an institutional care facility, including jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
3. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

## DedicatedPLUS Projects

In the FY2017 CoC Program Competition, HUD created the DedicatedPLUS concept that allows for more flexibility to communities, particularly those that previously had dedicated 100 percent of the PSH resources to chronic homelessness. All new PSH projects are required to either be (1) 100 percent dedicated to chronic homelessness or (2) DedicatedPLUS. Renewal PSH projects are able to choose to change their classification to DedicatedPLUS as part of their project application.

DedicatedPLUS allows projects to dedicate beds to those experiencing chronic homelessness, and in these cases the expectation is that those beds serve individuals and families meeting HUD’s definition of chronic homelessness and be filled

by another chronically participant there are not chronically homeless personal located within the region.

## Disability Criteria

To qualify for the PSH program, the participant must have a mental, emotional, and/or physical impairment that meets the following criteria:

1. As a result of his/her disability, the need for treatment is expected to be of a long, continued, and indefinite duration; AND
2. The disability substantially impedes his/her ability to live independently; AND
3. Is of such nature that the disability could be improved by more suitable conditions.

If the participant is disabled by chronic problems with alcohol and/or drugs, the person's disability must meet the following criteria:

Problematic use/abuse of alcohol and/or drugs that: 1) has occurred for at least 12 months AND 2) has caused serious difficulties in interpersonal relationships as evidenced by disruptions in employment, loss of housing, and/or loss of role in family structures or other important relationships.

## Section 7: Documenting Participant Eligibility

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Participant's eligibility documentation should be kept in their client file and falls under record keeping requirements as outlined in 24 CFR 578.103.

### Documenting Homelessness

Documentation of a participant's homeless status should document up until the night before housing move-in, but can allow a break of no more than seven (7) days in documentation.

The following are acceptable types of documentation:

1. Third-party Documentation<sup>†</sup>
  - a. An individual record of a stay in an emergency shelter, a safe haven, or from a street outreach contract from the Homeless Management Information System (HMIS);
  - b. A written observation by an outreach or intake worker of encounters with the individual or head of household that includes a description of the conditions where the individual or head of household was living or is currently living;

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<sup>†</sup> Third party documentation must be on letterhead, dated, and signed by outreach or intake worker, the housing provider, or service provider. Community members providing third-party verification are not required to use letterhead, but should sign, date and provide contact information if available.



- c. A written observation by a community member that has observed where the individual or head of household was living or is currently living; and
  - d. A written referral by another housing or service provider.
2. Self-certification<sup>‡</sup>
- a. Certification from the individual seeking assistance.

When documenting chronic homelessness, a participant can only self-certify up to 3 months of their homelessness. Each project is permitted to serve up to 25 percent of the individuals and families in an operating year who do not have at least 9 months of their stays in a place not meant for human habitation, safe haven, or emergency shelter documented by a third-party. If any more than 3 months of homelessness is not documented by a third-party, the participant will count towards the 25% allowance. The project is responsible for tracking self-certifications that contribute towards the maximum allowance of 25%. More information from HUD regarding documenting chronic homelessness and the 25% allowance within each project can be found [here](#). Forms are provided by IHEDA for documenting literally homeless and chronic homeless status. These forms can be found on the IHEDA Partner's Website.

## Documenting Disability

The Disability Documentation Form, which can be found on the IHEDA Partner's Website, must be completed and on file for all participants.

The following sections of the Disability Documentation Form must be completed with accompanying documentation, if applicable:

Section A: This section provides tenant information and complete disability criteria.

Section B: This section must be completed and signed by a medical professional that is licensed to diagnose and treat in the state of Indiana. This includes a medical doctor (MD), Licensed Physician's Assistant (PA), Licensed Nurse Practitioner (NP), or medical professional trained to make such a determination (example: Ph.D.). Persons with a LCSW, MDW, ACSW, or BSW titles do not qualify and may not sign the form as verification of disability for a participant.

In place of the signature of a medical professional, the following documentation can be provided:

1. Social Security Administration (SSA) documentation
  - a. SSA verification letter
  - b. Social Security Disability Income (SSDI) check copy
  - c. Supplemental Security Income (SSI) check copy
2. Veterans Administration (VA) documentation

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<sup>‡</sup> Self-certification must be signed and dated by the individual seeking assistance.

- a. VA disability check copy

If intake staff are recording observation of disability, the intake staff must sign the form in Section B. Documentation must be provided within 45 days of the signature on the form for the participant to remain eligible for the program.

## Section 8: Eligible Costs

This section outlines the costs that are eligible for reimbursement with CoC funding by budget line item. Eligible costs are determined using the CoC Program Interim Rule (24 CFR 578). Documentation to support eligible costs must be submitted with monthly claims for reimbursement to IHCDCA.

CoC program funds may be used to pay indirect costs in accordance with 24 CFR 200, as applicable. Indirect costs may be allocated to each budget line item noted below, in accordance with cost eligibility guidelines. Reference OMB Circulars A-87 or A-122, or 24 CFR 200, as applicable.

Only the eligible costs submitted on the CoC application budget and/or amendment request are allowable. If an eligible cost was not included when the budget and/or amendment was submitted, a request to include the cost must be submitted to IHCDCA. If the necessary change requires additional review, IHCDCA will forward to the CoC Board of Directors, and with their approval to the HUD CPD Field Office. Currently, the only eligible budget line items under the projects funded by IHCDCA consist of Rental Assistance, Project Administration, and/or Supportive Services.

### Rental Assistance

Costs under Rental Assistance must be eligible in accordance with 24 CFR 578.51.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Rental Assistance	N/A	Funds may be used to provide rental assistance for homeless individuals and families. Rental assistance for the PSH program is long-term. Rental assistance may be tenant-based, project-based, or sponsor based, depending on what was proposed in the project application.	Gross rent must be reasonable to other comparable units in the area and must be documented through a rent reasonable valuation completed on <a href="http://www.GoSection8.com">www.GoSection8.com</a> .  Gross rent may exceed HUD FMR rates but must be reasonable.
		Security Deposits in an amount not to exceed two months of actual rent are eligible. An	

		advance payment of the last month's rent is eligible is it accompanies a security deposit and first month's rent.	
		Funds may be used, in an amount not to exceed one month's rent, to pay for any damages to housing due to the action of a program participant. Damage costs may only be accrued once per participant, and are incurred at the time a participant exits a housing unit.	
		If a unit assisted under this section is vacated before the expiration of the lease, the assistance for the unit may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless occupied by another eligible person. Brief periods of stays in institutions, not to exceed 90 days for each occurrence, are not considered vacancies.	
		For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. Leases must be automatically renewable upon expiration for terms that are a minimum of one month	

		long, except on prior notice by either party.	
		Funds cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, state, or local sources.	
		The cost to repair unit damages are not allowable.	Repair and maintenance are only eligible under operating costs. Operating costs are unallowable in the same program as rental assistance.
		HQS inspections are an allowable cost under Rental Assistance.	Providers that own their property may not conduct their own HQS inspections.
		Income verification, subsidy calculations, processing of rental assistance payments, and briefings or guidance on rental assistance subsidy process are all activities that are eligible under Rental Assistance.	If these activities are eligible to be charged to another budget line item, they should not be charged to Rental Assistance.

## Supportive Services

Costs under Supportive Services must be eligible in accordance with 24 CFR 578.53. The services must be necessary to assist program participants to obtain and maintain housing. Sub-recipients must conduct an annual assessment of the service needs of the program participant and are required to adjust services according.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Supportive Services	Annual Assessment of Service Needs	The cost of providing annual assessments of the services needs of program participants are eligible.	

	Assistance with Moving Costs	Reasonable one-time moving costs are eligible, including truck rental and hiring a moving company.	Moving costs are only allowable under supportive services.
	Case Management	The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participants are eligible. The may include:	
		Counseling;	
		Developing, securing, and coordinating services;	
		Using the centralized coordinated entry system;	Each region in the BoS has a Coordinated Entry Lead Agency.
		Obtaining federal, state, and local benefits;	
		Monitoring and evaluating program participant progress;	
		Providing information and referrals to other service providers;	
		Providing ongoing risk assessment and safety planning with victims of domestic violence; and	
		Developing individualized housing and service plans, including housing stabilization.	
Child Care		The costs of establishing and operating child care, and providing child-care vouchers, for children experiencing homelessness are	

		eligible. Children must be under the age of 13 unless they are disabled. Disabled children must be under the age of 18.	
		The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.	
		Eligible costs include the costs of providing meals/snacks and developmental activities.	
Education Services		The costs of improving knowledge and basic educational skills are eligible. These may include instruction or training in consumer education, health education, substance abuse prevention, literacy, ESL & GED classes.	
		Component services and activities are screening, assessment, and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.	
	Employment Assistance and Job Training	The costs of establishing and operating employment assistance and job training programs are eligible. These may include classroom, online and/or computer instruction, on-the-job instruction, and services that assist individuals in securing employment,	

		acquiring learning skills, and/or increasing earning potential.	
		Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates	
		The cost of providing reasonable stipends to participants in these employment programs is also eligible.	
		Services that assist individuals in securing employment consist of the following:	
		Employment screening, assessment, or testing;	
		Structured job skills and job-seeking skills;	
		Special training and tutoring, including literacy training and prevocational training;	
		Books and instructional material;	
		Counseling and job coaching; and	
		Referral to community resources.	
	Food	The cost of providing meals or groceries to program participants.	
	Housing Search and Counseling Services	The costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible	



		Component services and activities are tenant counseling; assisting individuals and families to understand leases; securing utilities; and making moving arrangements	
		Other eligible costs include the following	
		Mediation with property owners and landlords on behalf of eligible program participants;	Funds may not be used to pay for eviction costs.
		Credit counseling, accessing a free credit report, and resolving personal credit issues; and	
		The payment of rental application fees.	Background checks are considered an eligible cost if included as part of a rental application fee or as a program eligibility fee.
	Legal Services	Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing.	
		Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking; appeal of veterans and	

		public benefit claim denials; landlord tenant disputes; and the resolution of outstanding criminal warrants. Legal services for immigration and citizenship matters and issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are ineligible.	
		Component services or activities may include receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling.	
		Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub-recipient is a legal services provider and performs the services itself, the eligible costs are the sub-recipient's employees' salaries and other costs necessary to perform the services.	
	Life Skills Training	The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services	

		must be necessary to assist the program participant to function independently in the community	
		Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.	
	Mental Health Services	Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals.	
		Component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.	
	Outpatient Health Services	Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:	
		Providing an analysis or assessment of an individual's health problems and the	

		development of a treatment plan;	
		Assisting individuals to understand their health needs;	
		Providing directly or assisting individuals to obtain and utilize appropriate medical treatment;	
		Preventive medical care and health maintenance services, including inhome health services and emergency medical services;	
		Provision of appropriate medication;	
		Providing follow-up services; and	
		Preventive and non-cosmetic dental care.	
	Substance Abuse Treatment Services	The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible	
		Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible. Training costs are unallowable. Any costs that are not included in the budget detail submitted with the application.	
	Transportation	Eligible costs include the following:	
		The costs of program participant's travel on public transportation or in a vehicle provided by the sub-recipient to and	Transportation for clients must be logged and verifiable. Sub-recipients should develop a policy to

		from medical care, employment, child care, or other services eligible under this section;	ensure that client transportation costs are being appropriately allocated and tracked.
		Mileage allowance for service workers to visit program participants and to carry out housing quality inspections;	
		The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants;	
		The cost of gas, insurance, taxes, and maintenance of the vehicle;	
		The costs of sub-recipient staff to accompany or assist program participants to utilize public transportation; and	
		If public transportation options are not sufficient within the area, the recipient may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle.	
	Utility Deposits*	Utility deposits are an eligible cost as a one-time fee, paid to utility companies.	
	Direct Provision of Services	If the service described in this section is being directly delivered by the sub-recipient, eligible costs for those services also include:	

		The costs of labor or supplies, and materials incurred by the sub-recipient in directly providing supportive services to program participants; and	
		The salary and benefit packages of the recipient and sub-recipient staff who directly deliver the services.	Work-related telephone, cell phone, and internet services for staff members are considered eligible costs.

*\*Telephone, cable, and internet service are not eligible utilities.*

### Project Administration

Up to 10 percent of any grant awarded may be used for project administration. Costs under Project Administration must be eligible in accordance with 24 CFR 578.59.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Project Administration	General Management, Oversight, and Coordination	Costs of overall program management, coordination, monitoring, and evaluation. These costs include necessary expenditures for the following:	
		Salaries, wages, and related costs of the recipient's staff, the staff of sub-recipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related	All salary and wages must be documented by timesheets with hours worked on the project by each day. Timesheets must be approved by the employee and a supervisor.

		costs of each person whose job includes any program administration assignments. The sub-recipient may use only one of these methods for each fiscal year grant.	
		Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and	
		Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.	
	Training on Continuum of Care Requirements	Costs of providing training on CoC requirements attending HUD-sponsored CoC trainings.	
	Environmental Reviews	Costs of carrying out the environmental review responsibilities under 24 CFR 578.31.	

## Section 9: Types of Rental Assistance and Required Documentation

Under the BoS CoC, projects are only funded for Tenant-Based Rental Assistance (TRA) and/or Sponsor-Based Rental Assistance (SRA). TRA, SRA, and other components of rental assistance are found and explained in 24 CFR 578.51.

### Tenant-based Rental Assistance (TRA)

Through the TRA model, program participants locating housing of their choice in the private rental market. If the participant later moves to another unit, the participant is able

to take the rental assistance and use it in the new unit. Although TRA program participants have the ability to move and retain the rental assistance, sub-recipient administering the TRA may limit where participants live if it is necessary to facilitate the coordination of supportive services. Sub-recipients may require program participants to live in a specific area for their entire period of participation, or in the specific structure for the first year and in the specific area of their geographic area of the remainder of the period of participation in the program.

#### Required Documents for TRA:

1. Lease between participant and landlord
2. Rental Assistance Payment (RAP) Agreement between the participant and sub-recipient\*
3. Rental Assistance Payment (RAP) Agreement between the landlord and sub-recipient\*
4. VAWA Lease Addendum\*

*\*Approved forms are located on the IHCDCA partners' website.*

### Sponsor-based Rental Assistance (SRA)

Through the SRA model, the sub-recipient locates rental housing units in the private market and then subleases the units to program participants. In this model, the sponsor agency/sub-recipient owns units or leases units and then subleases it to the eligible participant. With this model, the rental assistance stays with the sponsor/sub-recipient.

#### Required Documents for SRA:

##### If sub-recipient owns the property:

1. Lease between participant and sub-recipient/landlord
2. Rental Assistance Payment (RAP) Agreement between sub-recipient and participant\*
3. VAWA Lease Addendum\*

##### If sub-recipient DOES NOT own the property:

1. Lease between sponsor/sub-recipient and landlord
2. Sub-lease between sub-recipient and participant (IHCDCA has a sub-lease form that can be used, that is included with the Rental Assistance Payment (RAP) Agreements)\*
3. Rental Assistance Payment (RAP) Agreement between landlord and sub-recipient)\*
4. Rental Assistance Payment (RAP) Agreement between sub-recipient and participant\*
5. VAWA Lease Addendum\*



*\*Approved forms are located on the IHCD partners' website.*

## Section 10: Rental Assistance Program Requirements

It is the responsibility of the sub-recipient to ensure compliance with all CoC regulations in 24 CFR 578 and their agreement with IHCD. The PSH program has specific requirements for the use of rental assistance funds, which are outlined in this section.

### Household Composition: Unit Sizes and Limitations

Units can consist of studios, single family detached units, duplex or two-family units, apartments, or manufactured homes. Case workers are encouraged to assist in locating units for participants that best fits their needs. Units must be appropriate for the size of the family and meet Housing Quality Standards (HQS), as described in the section below.

Participants are limited to renting units within the county that the sub-recipient was approved to provide rental assistance in under the program. A participant cannot rent a unit that is deemed too large for their household size.

The common household definitions and examples below can assist in determining the appropriate size of a unit that is eligible for rental assistance based on household size. Please note, if household composition changes, unit size may be required to be adjusted for the unit to still be eligible to be assisted with rental assistance funds.

**Single:** Single 1 bedroom unit.

**Single with a caregiver:** 2 bedroom. Requires a medical doctor to certify that the participant requires a live-in caregiver. Caregiver is only allowed one bedroom and the caregivers income is not considered into the rent calculation.

**Couple/Married:** Single 1 bedroom unit. Couples are not able to use separate bedrooms. There is no requirement that the couple be married in order to live in a unit together. The income of the partner is considered in the rent calculation.

**Families:** Adult(s) with dependents – limited to one bedroom per child of opposite sex; children of the opposite sex can share a bedroom up until one child reaches the age of 6; two children of the same sex must share a bedroom; if a program participant does not have children at the time they move in, but later children become part of the household a larger unit may be required to accommodate; households must have at least joint custody for a child to have a bedroom within the household; and if a child is temporarily away, due to foster care placement, they may still be considered a member of the family for unit size, for up to one-year from the time of placement.

No. of Bedrooms	Minimum No. of Persons in Household	Max No. of Persons in Household	Unit Size (No. of Bedrooms)	Max Occupancy (this counts the living room/area as sleeping area)
0 Bedrooms	1	1	0 Bedrooms	1

1 Bedrooms	1	2	1 Bedrooms	4
2 Bedrooms	2	4	2 Bedrooms	6
3 Bedrooms	4	6	3 Bedrooms	8
4 Bedrooms	6	8	4 Bedrooms	10
5 Bedrooms	8	10	5 Bedrooms	12
6 Bedrooms	10	12	6 Bedrooms	14

## Housing Quality Standards

Housing that is subsidized with rental assistance funds must meet the applicable housing quality standards (HQS) under 24 CFR 982.401.

Sub-recipients are required to inspect all units prior to move-in and at least annually during lease renewal. Rental assistance funds can be used to pay for HQS inspections. If a sub-recipient owns units or building, to avoid a conflict of interest, the unit must be inspected by a third-party contractor. Rental assistance funds can be used to pay for HQS inspections.

Lease cannot be signed by the participant or sub-recipient until the initial inspection for the unit has been passed. The sub-recipient is required to ensure that the initial inspection is conducted within in 10 working days of locating the unit. The sub-recipient is also required to verify that any and every issue identified during the HQS inspection is corrected within 30 days from the start of the lease.

During lease renewal/recertification of the unit, the landlord is required to repair any structural damage to the unit and any damages. Life-threatening defects are required to be repaired within 24 hours.

Some HQS violations constitute a life-threatening defect for the family. Families should not move into a new unit until the situation is remedied. If a participating family already occupies the unit they should make arrangements to leave the unit until the situation is remedied, particularly where there is any imminent danger to their health or safety.

Emergency situations include:

- Unsafe or inoperable heating systems
- Any “red-tagged” heating units.
- Significant water or sewer malfunctions
- Non-functioning water heater.
- Any “red-tagged” water-heating units.
- Water heater lacking pop-off valve and drip leg
- Detection of high levels of carbon monoxide.
- Gas leaks.

- Missing or malfunctioning smoke detectors.
- Lead-based paint.
- Unsafe, exposed, or sparking wiring.
- Severely unsafe structural defects such as rotting floors.
- Citation of the unit for any health and safety violation, by the Health Department.
- Non-locking doors, windows, or other openings to the outside.

In any instance where a problem is found with a unit that has the potential of endangering the health or safety of the occupants, it is to be considered an HQS violation, whether or not it is specified in the regulations or Guidebook.

Form HUD-52580 (04/2018) or a more recent version, if available, must be used conduct HQS inspections.

## Lead Based Paint Requirements

The Lead Safe housing Rule EPA's Renovation, Repair, and Painting (RRP) Rules applies to properties built on or before January 1, 1978, except for housing for elderly or persons with disabilities (unless a child of less than 6 years old of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling.

Sub-recipients are required to use procedures to eliminate, as far as practicable, lead-based paint hazards in housing occupied by families receiving tenant-based rental assistance. Sub-recipients must work with landlords to comply with these requirements.

### **Applicability:**

If a unit is occupied or to be occupied by families or households that have one or more children of less than 6 years of age, common areas servicing such units, and exterior painted surfaces associated with such units or common areas. Common areas servicing a unit include those areas through which residents pass to gain access to the unit and other areas frequented by resident children of less than 6 years of age, including on-site play areas and child care facilities.

**Exemptions to Lead Based Paint Requirements:** The property was constructed on or after January 1, 1978 and meets one of the following:

- The property is a zero-bedroom unit or property
- The housing is dedicated to elderly housing (unless a child of less than 6 years of age resides or is expected to reside)
- The housing is dedicated for the disabled (unless a child of less than 6 years of age resides or is expected to reside)
- A paint inspection conducted in accordance with 40 CFR 745 established that the property is free of lead based paint
- All lead-based paint in the property has been identified and removed, with qualified clearance examiner reporting the project passed clearance

The unit will be occupied for a total of less than 100 days under emergency leasing assistance to eligible households

**Tenant Education:**

Tenant education is a requirement, even if the household is exempt. Sub-recipients must ensure that each household receives: the EPA Protect Your Family from Lead in Your Home Booklet, or equivalent educational material. Documentation must be maintained within the client's file that includes a signature that they received and understand the educational material.

**Disclosure:**

Sub-recipients are required to ensure that each landlord completes a Disclosure of Information on Lead Based Paint and/or Lead Based Paint Hazards (LBP Disclosure Form).

**Exemption Form:**

For units or households that exempt, sub-recipients are required to ensure that a Lead Regulations Exemption Permanent Supportive Housing (LBP Exemption Form) is completed for each unit receiving assistance from the Program.

**Visual Assessment:**

As a part of ongoing maintenance activities at initial inspection, at unit turnover and every twelve months, an inspector acting on behalf of the sub-recipient and trained in visual assessment for deteriorated paint surfaces in accordance with the procedures established by HUD, shall conduct a visual assessment of all painted surfaces in order to identify any deteriorated paint. If visual assessment indicates deteriorated paint, **a lead-based paint inspection, conducted by a lead inspector/risk assessor licensed by the State of Indiana must be conducted.**

**Visual Assessment Training:**

Sub-recipients must ensure that any person that will conduct HQS inspections on behalf of the sub-recipient must attend the HUD Visual Assessment training so that it can conduct visual assessments on behalf of the sub-recipient. The HUD Visual Assessment training is located at the following link: <http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>. Each sub-recipient must provide a current copy of this certificate of completion to IHCD.

**Compliance Checklist:**

Sub-recipients must complete the File Checklist for Compliance with Lead-Based Paint Regulations for each unit.

**Stabilization/Hazard Reduction Activities:**

The landlord must stabilize each deteriorated paint surface before commencement of assisted occupancy. If assisted occupancy has commenced prior to a periodic inspection, such paint stabilization must be completed within 30 days of notification of the landlord of the results of the visual assessment. Paint stabilization is considered complete when clearance is achieved in accordance with 24 CFR 35.1340. If the landlord does not complete the hazard reduction required by this section, the unit is in violation of Housing Quality Standards (HQS) until the hazard reduction is completed or the unit is no longer covered by a Rental Assistance Payment Contract.

**Extension of Time:**

The sub-recipient may grant the landlord an extension of time to complete paint stabilization and clearance for reasonable cause, but such an extension shall not extend beyond 90 days after the date of notification to the landlord of the results of the visual assessment.

**Notice of Hazard Reduction:**

When hazard reduction activities are undertaken, the landlord must: (1) Provide a notice to occupants no more than 15 calendar days after the hazard reduction activities (including paint stabilization) have been completed and that also describes the results of the clearance examination. (24 CFR 35.125(b) contains more information regarding the required contents of the notice).

**Maintenance Plan for Ongoing Maintenance Activities:**

The sub-recipient must work with landlord to develop a maintenance plan which incorporates ongoing lead-based paint maintenance activities into regular building operations. The sub-recipient and must execute an **Agreement for Ongoing Maintenance Activities related to Lead-Based Paint Requirements**, drafted by IHADA, which describes the following required activities:

- (1) Visual assessment for deteriorated paint, and the failure of any hazard reduction measures shall be performed at unit turnover and every twelve months;
- (2) All deteriorated paint on interior and exterior surfaces located on the residential property shall be stabilized in accordance with 24 CFR 35.1330(a)(b), except for any paint that an evaluation has found is not lead-based paint;
- (3) All bare soil shall be treated with standard treatments in accordance with 24 CFR 35.1335(d) through (g), or interim controls in accordance with 24 CFR 35.1330(a) and (f); except for any bare soil that a current evaluation has found is not a soil-lead hazard;
- (4) Safe work practices, in accordance with 24 CFR 35.1350, shall be used when performing any maintenance or renovation work that disturbs paint that may be lead-based paint;
- (5) Any encapsulation or enclosure of lead-based paint or lead-based paint hazards which has failed to maintain its effectiveness shall be repaired, or abatement or interim controls shall be performed;
- (6) Clearance testing shall be performed at the conclusion of repair, abatement or interim controls in accordance with 24 CFR 35.1340; and
- (7) The unit shall be provided with written notice asking occupants to report deteriorated paint and, if applicable, failure of encapsulation or enclosure, along with the name, address and telephone number of the person whom occupants should contact. The language included in the notice shall be in accordance with 24 CFR 35.125(c)(3). The landlord shall respond to such report and stabilize the

deteriorated paint or repair the encapsulation or enclosure within 30 days.

**EXCEPTION:** Ongoing maintenance activities do not need be conducted if a lead-based paint inspection, conducted by a lead inspector/risk assessor licensed by the State of Indiana, indicates that no lead-based paint is present in the unit, common areas, and on exterior surfaces, or a clearance report as set forth in 24 CFR 35.1340(a)) indicates that all lead-based paint has been removed.

**Reevaluation Activities:** Reevaluation shall be conducted in accordance with this paragraph, and the sub-recipient shall conduct interim controls of lead-based paint hazards found in the reevaluation.

(1) Reevaluation shall be conducted if hazard reduction has been conducted to reduce lead-based paint hazards found in a risk assessment or if standard treatments have been conducted, except that reevaluation is not required if any of the following cases are met:

(i) An initial risk assessment found no lead-based paint hazards;

(ii) A lead-based paint inspection found no lead-based paint; or

(iii) All lead-based paint was abated in accordance with 24 CFR 35.1325, provided that no failures of encapsulations or enclosures have been found during visual assessments conducted in accordance with 24 CFR 35.1355(a)(2) or during other observations by maintenance and repair workers in accordance with 24 CFR 35.1355(a)(5) since the encapsulations or enclosures were performed.

(2) Reevaluation shall be conducted to identify:

(i) Deteriorated paint surfaces with known or suspected lead-based paint;

(ii) Deteriorated or failed interim controls of lead-based paint hazards or encapsulation or enclosure treatments;

(iii) Dust-lead hazards; and

(iv) Soil that is newly bare, with lead levels equal to or above the standards in 24 CFR 35.1320(b)(2).

(3) Each reevaluation shall be performed by a certified risk assessor.

(4) Each reevaluation shall be conducted in accordance with the following schedule if a risk assessment or other evaluation has found deteriorated lead-based paint in the residential property, a soil-lead hazard, or a dust-lead hazard on a floor or interior window sill. (Window troughs are not sampled during reevaluation). The first reevaluation shall be conducted no later than two years from completion of hazard reduction. Subsequent reevaluation shall be conducted at intervals of two years, plus or minus 60 days. To be exempt from additional reevaluation, at least two consecutive reevaluations conducted at such

two-year intervals must be conducted without finding lead-based paint hazards or a failure of an encapsulation or enclosure. If, however, a reevaluation finds lead-based paint hazards or a failure, at least two more consecutive reevaluations conducted at such two year intervals must be conducted without finding lead-based paint hazards or a failure.

(5) Each reevaluation shall be performed as follows:

(i) Dwelling units and common areas shall be selected and reevaluated in accordance with 24 CFR 35.1320(b).

(ii) The worksites of previous hazard reduction activities that are similar on the basis of their original lead-based paint hazard and type of treatment shall be grouped. Worksites within such groups shall be selected and reevaluated in accordance with 24 CFR 35.1320(b).

(6) Each reevaluation shall include reviewing available information, conducting selected visual assessment, recommending responses to hazard reduction omissions or failures, performing selected evaluation of paint, soil and dust, and recommending response to newly-found lead-based paint hazards.

#### **Child with an Elevated Blood Level:**

(1) Within 15 days after being notified by a public health department or other medical health care provider that a child of less than 6 years of age living in an assisted unit has been identified as having an elevated blood lead level as defined in 24 CFR 35.110, the sub-recipient shall complete an environmental investigation of the unit in which the child lived at the time the blood was last sampled and of the common areas servicing the unit. The environmental investigation shall be conducted in accordance with 24 CFR 35.110 and Chapter 16 of the HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing. When the environmental investigation is complete, the sub-recipient shall immediately provide the report of the environmental investigation to the landlord. If the child identified as having an elevated blood lead level is no longer living in the unit when the sub-recipient receives notification from the public health department or other medical health care provider, but another household receiving tenant-based rental assistance is living in the unit or is planning to live there, these requirements will still apply just as they do if the child still lives in the unit. If a public health department has already conducted an evaluation of the unit in regard to the child's elevated blood lead level case, or the sub-recipient conducted an environmental investigation of the unit and common areas servicing the unit between the date the child's blood was last sampled and the date when the sub-recipient received the notification of the elevated blood lead level, these requirements shall not apply. If the sub-recipient or the landlord conducted a risk assessment of the unit and common areas servicing the unit during that period, the sub-recipient need not conduct another risk assessment there but

- shall conduct the elements of an environmental investigation not already conducted during the risk assessment.
- (2) After receiving information from a person who is not a medical health care provider that a child of less than 6 years of age living in an assisted unit may have an elevated blood lead level, the sub-recipient shall immediately verify the information with a public health department or other medical health care provider. If that department or provider verifies that the child has an elevated blood lead level then the landlord must undertake hazard reduction activities.
  - (3) Within 30 days after receiving the report of the environmental investigation from the sub-recipient or the evaluation from the public health department, the landlord shall complete the reduction of identified lead-based paint hazards in accordance with 24 CFR 35.1325 or 24 CFR 35.1330. Lead-based paint hazard reduction is considered complete when clearance is achieved in accordance with 24 CFR 35.1340 and the clearance report states that all lead-based paint hazards identified in the environmental investigation have been treated with interim controls or abatement or the public health department certifies that the lead-based paint hazard reduction is complete. The requirements of this paragraph do not apply if the sub-recipient or the landlord, between the date the child's blood was last sampled and the date the sub-recipient received the notification of the elevated blood lead level, already conducted an environmental investigation of the unit and common areas servicing the unit and the landlord completed reduction of identified lead-based paint hazards. If the landlord does not complete the lead-based paint hazard reduction required by this section, the unit is in violation of the standards of 24 CFR 982.401.
  - (4) **Notice of lead-based paint hazard evaluation and reduction.** The landlord shall notify building residents of any lead-based paint hazard evaluation or reduction activities in accordance with 24 CFR 35.125.
  - (5) **Reporting requirement.** (1) The landlord and sub-recipient shall report the name and address of a child identified as having an elevated blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional. (2) The landlord shall also report each confirmed case of a child with an elevated blood lead level to the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes within 5 business days of being so notified. (3) The landlord shall provide to the HUD field office documentation that it has conducted the activities of paragraphs (A) through (D) of this section, within 10 business days of the deadline for each activity.
  - (6) **Other assisted dwelling units in the property.** If the environmental investigation conducted identifies lead-based paint hazards, the sub-recipient or the landlord shall, for other assisted dwelling units covered by this part in which a child under age 6 resides or is expected to reside on the date lead-based paint hazard reduction under this section is complete, and the common areas servicing those units, conduct a risk assessment in accordance with 24 CFR 35.1320(b) within 30 calendar days after receipt of the environmental



investigation report if there are 20 or fewer such units, or 60 calendar days if there are more such units.

If the risk assessment conducted identifies lead-based paint hazards, the landlord shall complete the reduction of the lead-based paint hazards in accordance with 24 CFR 35.1325 or 24 CFR 35.1330 within 30 calendar days, or within 90 calendar days if more than 20 units have lead-based paint hazards such that the control work would disturb painted surfaces that total more than the de minimis threshold of 24 CFR 35.1350(d). Lead-based paint hazard reduction is considered complete when clearance is achieved in accordance with 24 CFR 35.1340 and the clearance report states that all lead-based paint hazards identified in the risk assessment have been treated with interim controls or abatement.

These requirements do not apply if:

(i) The sub-recipient or the landlord, between the date the child's blood was last sampled and the date the landlord received the notification of the elevated blood lead level, both conducted a risk assessment of the other assisted dwelling units covered by this section and the common areas servicing those units, and the landlord conducted interim controls of identified lead-based paint hazards in accordance with 24 CFR 35.1225(c); or

(ii) The landlord has documentation of compliance with evaluation, notification, lead disclosure, ongoing lead-based paint maintenance, and lead-based paint management requirements under this part throughout the 12 months preceding the date the landlord received the environmental investigation report pursuant to paragraph (a) of this section; and

(iii) In either case, the landlord provided the HUD field office, within 10 business days after receiving the notification of the elevated blood lead level, documentation that it has conducted the activities described in paragraphs (i) and (ii).

- (7) **Data collection and record keeping responsibilities.** At least quarterly, the sub-recipient shall attempt to obtain from the public health department(s) with area(s) of jurisdiction similar to that of the sub-recipient the names and/or addresses of children of less than 6 years of age with an identified elevated blood lead level. At least quarterly, the sub-recipient shall also report an updated list of the addresses of units receiving assistance under a tenant-based rental assistance program to the same public health department(s), except that the report(s) to the public health department(s) is not required if the health department states that it does not wish to receive such report. If it obtains names and addresses of elevated blood lead level children from the public health department(s), the sub-recipient shall match information on cases of elevated blood lead levels with the names and addresses of families receiving tenant-based rental assistance, unless the public health department performs such a matching procedure. If a match occurs, the sub-recipient shall carry out the requirements of this section.

## Rent Reasonableness Standard

All units assisted under the Program are required to meet the rent reasonable requirement. Sub-recipients are required to use [www.GoSection8.com](http://www.GoSection8.com) to determine and document that the reasonableness standard is met for a particular unit being assisted with program funds. Client files should contain a copy of the rent reasonable valuation created through the GoSection8 software as proof.

The rent being charged for the unit must be reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit. The rent must not exceed rents currently being charged by the same owner for comparable unassisted units.

Rent reasonableness is based on gross rent, which includes the entire housing cost: rent plus the cost of utilities (gas, electric, water, sewer, trash, etc.)\_that are the responsibility of the tenant. Gross rent excludes telephone, cable, satellite service, and internet. Gross rent does also not include pet fees, late fees, or application fees that may be charged by the landlord.

Gross rent may exceed the FMR as long as they are determined to be reasonable using the GoSection8 software. The sub-recipient must understand that grant amounts are calculated by multiplying the number of assisted units by the FMR and not the reasonable rent for the area. When exceeding FMR for units, sub-recipients should ensure that their budget allows for a higher payment from the program.

Rent reasonable valuations must be completed prior to a lease being signed by program participants to ensure the standard is met. Rent reasonableness should be assessed and documented annually during the program recertification period, which should align with lease renewal, regardless if there is a change in the gross monthly rent.

## Calculating Income and Tenant Rent Contributions

Program participants are required to contribute 10 percent of their monthly household gross income, or 30 percent of their monthly household adjusted gross income, whichever is higher, towards their monthly gross rent. Income or program participants must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a). Program participants are NOT required to have income to be accepted into the program. Their income will be documented and verified as \$0 when determining their rent contribution.

Sub-recipients are required to examine and document program participant's income initially at intake into the program, and at least annually at recertification, to determine the appropriate tenant rent contribution. Adjustments to a program participant's contribution towards the rental payment must be made as changes in income are identified. Changes are not limited to recertification, but a requirement when income changes are identified or reported. Program participants, as a condition of participation in the program, must agree to supply income information and documentation necessary for verification purposes, at any time, regarding changes in income or other circumstances that may result in changes to their contribution towards the rental payment.

The sub-recipient is required to use the Income and Rent Calculation worksheet available through IHCD for documentation of income and rent calculations. The eligible Rental Assistance payment is figured by the difference of the monthly gross rent and the program participant's monthly rent contribution.

### Utility Allowances

When determining gross rent for units where utilities are not included, sub-recipients are required to utility allowance schedules that are available through the IHCD website: <https://www.in.gov/myihcda/2430.htm>. The schedules are updated annually and usually take effect on December 1<sup>st</sup> of each calendar year.

If the reasonable monthly utility compensation alone exceeds the amount the participant is required to pay for a rent contribution or the maximum amount the participant could be required to pay, or is required to pay, in an occupancy charge, the sub-recipient must pay the utility company on behalf of the participant.

The sub-recipient must have the permission of participant and notify the participant in writing of the amount paid to the utility company. The sub-recipient must maintain records of the participant's permission to pay the utility company directly and the notification(s) to the participant of the amount(s) paid on their behalf. Please refer to [HUD Notice: CPD-17-11](#) for additional information. Currently, the best practice set in place by IHCD does not allow sub-recipients to pay utility allowances directly to program participants.

### Lease Requirements

Program participants are required to enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party. Rental assistance payments cannot be made on behalf of participants who are not entered into a lease agreement.

## Section 11: Grant Closeout and Reporting Requirements

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HUD requires that all grants be closed out in accordance with the requirements of 2 CFR part 200, subpart D, and the closeout procedures established by HUD. All reports and closeout documentation must be submitted no later than 90 days from the date of the end of the project's grant term. IHCD submits reports and completes the grant closeout with HUD, but does require sub-recipients to contribute to this process; therefore closeout reports and documentation must be submitted to IHCD prior to deadline to HUD.

### Annual Progress Report (APR)

The APR is reviewed by HUD to show the progress of projects annually. Performance of the project is tracked using the following three outcomes:

- i. Maintain housing stability;

- ii. Maintain or increase income; and
- iii. Maintain or increase earned income

The APR is a tool for evaluating performance and setting future program goals.

The APR is generated from the HMIS system. The HMIS Help Desk is available via email at [HMISHelpdesk@ihcda.in.gov](mailto:HMISHelpdesk@ihcda.in.gov) for any problems related to generating the APR. Sub-recipients are encouraged to check their data quality frequently throughout the operating year to ensure the APR reflects accurate and clean data upon the submission to IHCD and HUD.

Victim Services Providers are required to submit an annual APR that is generated from the ClientTrack database. The ClientTrack Help Desk is available via email at [DVHeldesk@ihcda.in.gov](mailto:DVHeldesk@ihcda.in.gov) for any problems related to generating the APR.

In addition to the APR CSV Upload that captures progress, the additional sections that are required to be completed by HUD are:

1. Grant Information
2. Bed and Unit Inventory Utilization
3. Contact Information
4. Financial Information
5. Performance Accomplishments
6. Additional Comments – if applicable

Since sub-recipients are familiar with their projects, they are required to supply the information to IHCD with their CSV APR. IHCD will provide a grant closeout form that captures this information in an organized manner.

The following attachments must be included with your APR submission to IHCD:

1. CSV APR (zip file)
2. Completed Grant Closeout Form
3. Match Form
4. Supporting Match Documentation

To allow IHCD plenty of time for the HUD submission, sub-recipients should be prepared to submit this information to CoC Program Staff no later than the 60<sup>th</sup> day after their grant agreements has ended. Failure to submit the APR on time to HUD does raise the risk of the recipient and sub-recipient and negatively impact internal competition scoring for annual renewals.

## **Section 12: IHCD Sub-recipient Monitoring**

It is the policy of IHCD to monitor its sub-recipients on an annual basis. IHCD follows a sub-recipient monitoring strategy to determine the sub-recipients that will be selected

for monitoring. The level of monitoring and type of monitoring, on-site or desktop, is based on risk assessment scores.

## Risk Assessments

Risk Assessments are conducted annually by CoC Program Staff. Sub-recipients risk is based on the following factors:

1. Experience with CoC Grants
2. Staff Turnover
3. Lived Experience on Board of Directors
4. Timely HMIS Entries
5. Reporting Requirements
6. Timeliness of Claim Submissions
7. Quality of Claim Submissions
8. Timeliness of Single Audit Submission
9. Outcome of Single Audit
10. Media Exposure and/or Consumer Complaints
11. Responsiveness to IHCDA
12. Date of Prior On-Site Monitor
13. Prior Monitor Outcome

## Monitoring

IHCDA will notify the sub-recipient in writing at least two weeks prior to monitoring a project to allow sufficient time for the sub-recipient to prepare. The sub-recipient will be notified via email of the date, time, and location of the monitoring visit. IHCDA will request that key staff be available during both onsite or remote monitoring visits to ensure all questions can be answered and time can be used in the most efficient manner to complete the monitoring visit.

The notification letter will provide specific details and instructions on what information IHCDA will need to conduct the monitoring visit. This includes but is not limited to: client files, access to financial records, program policies and procedures, and financial policies procedures.