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Section 2.1: Eligible Activities

The statute that created the Shelter Plus Care program strictly limits the kinds of activities that may be funded through S+C grants. The eligible activities are restricted to *rental assistance* for program participants and *administrative costs* associated with administering the rental assistance.

RENTAL ASSISTANCE

Grantees help make housing affordable for program participants by using S+C grant funds to pay the difference between the actual rent for a unit and 30 percent of the participant's income. (See Section 3 for more information on determining allowable rent levels and calculating tenant rent payments.)

Rental assistance can take several forms:

- monthly rent payments;
- when necessary, a security deposit in an amount up to one month's rent; and
- one month's rent for housing units vacated by a program participant. The term "vacated" excludes brief periods of inpatient care (limited to 90 days for each occurrence). (See 582.105(d))

Grant funds can also be used to help offset utility costs paid by the participant if utilities are not included in the rent. Where rent does not include utilities, the tenant's contribution is reduced to allow for a reasonable utility allowance.

- Grantees may obtain a utility allowance schedule from their local Public Housing Agency. (See CPD Notice 96-3)
- If the reasonable utility allowance is more than the tenant rent contribution, the tenant must be reimbursed for the difference from S+C grant funds.

ADMINISTRATIVE COSTS

Grantees may use up to 8 percent of the S+C grant for certain administrative costs associated with the program. The allowable uses include:

- Receiving new participants into the program;
- Providing housing information and search assistance;
- Determining participant income and rent contributions;
- Inspecting units for compliance with Housing Quality Standards (See Section 3); and
- Processing rental payments to landlords.

Note

Eligible administrative costs include only those related to the administration of the housing assistance, NOT costs associated with the administration of the grant or the supportive services (Section 582.105).

Here's how the funds available for administrative costs are determined. By statute,

the amount of the S+C grant award is based on:

(Number of units to be assisted) x (HUD's Fair Market Rent in effect at the time the application is approved for the unit sizes the grantee expects to lease) x (the number of months of rental assistance to be provided)

In most cases, the actual costs of rental assistance are lower than the amount used to calculate the grant. This happens for several reasons. First, most participants contribute something to their rent, so they do not need the full FMR subsidy. In addition, in many communities sponsors are able to find units to lease that are less than the local FMRs.

As a result, grantees generally have excess funds to help cover the costs of administering the rental assistance. However, if making rental subsidy payments for the number of Shelter Plus Care participants specified in the grant agreement leaves less than 8 percent of the grant remaining, then the amount set aside out of the S+C grant for administrative costs cannot exceed that lower percentage. The grantee must pay for any administrative costs in excess of this cap with funds from some other source.

DISTRIBUTION of the ADMINISTRATIVE COSTS

As discussed in Section 1, many local S+C projects involve a grantee and one or more sponsors, among whom program responsibilities are shared. In the SRO component, a local PHA must administer the rental assistance, but in the other components, rental assistance administration may be shared by grantee and sponsor (s) or handled exclusively by one or more sponsors.

HUD does not specify who can be reimbursed for administrative costs, only that these costs may not be more than 8 percent of the grant. Thus, grantees can apportion the funds according to which agency performs the eligible administrative tasks. For example, a PHA who handles the HQS inspections and tenant rent calculations may receive most if not all of the available administrative funds from the grantee as reimbursement for these eligible activities.

INELIGIBLE ADMINISTRATIVE COSTS

HUD recognizes that there are other administrative costs necessary to running a local Shelter Plus Care project. But, by statute, administrative costs other than those described above cannot be covered by S+C grant funds.

Administrative costs that are **not** covered include:

- Costs of administering the grant;
- Costs of preparing reports to HUD; and
- Costs associated with conducting audits of the grant.

ALLOWABLE USES for GRANT SAVINGS

"Grant savings" may occur for two reasons:

1. Actual rents for units occupied by S+C participants are lower than the FMR used to calculate the grant award; and/or
2. S+C tenant rent contributions reduce the amount of grant funds required for

rental assistance.

Grant savings may be used for the following:

- to pay administrative costs as described above (up to 8 percent);
- to repair damage to the units (up to one month's rent);
- to cover rent increases up to locally determined reasonable rents (See Section 3); and
- to serve a greater number of participants.

None of these uses requires HUD pre-approval.

Content updated May 24, 2002

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Section 2.2: Eligible Participants

To be eligible for the S+C program, a person must be both homeless and disabled. In the case of a homeless household, at least one **adult** member must meet the program definition of disabled.

Specific targeted disabilities for the S+C program are people with serious mental illnesses, those with chronic substance abuse problems, and those with AIDS and related diseases.

- The S+C statute states that, to the extent possible, not less than 50 percent of S+C funds be reserved for homeless individuals who are seriously mentally ill or have chronic problems with alcohol, drugs, or both.
- Grantees may establish a preference for one or more of the disability categories although housing referrals must be made available in the community for eligible persons in other disability categories seeking assistance.

A description of the local S+C project's target population must be included in the grantee's application for funding. In the S+C funding application, prospective grantees must complete a table (reproduced on the next page) to indicate the targeted disabilities and the number of persons they plan to serve. Successful applicants are expected to serve the types and numbers of persons with disabilities shown on this chart. Changing the target population is considered a significant program change that must be approved by HUD. By regulation, the grantee must serve *at least as many participants as shown in the application*. No program change is permitted in this regard since the amount of funds originally awarded was based upon this number.

Click here to access "Section D. Targeted Disabilities" from a sample of the grantee's application for funding.

DEFINITION and DOCUMENTATION of DISABILITY

The definition of disabled [24 CFR 582.5] that is used as the basis for determining eligibility in the S+C program is the same as that used in the Section 811 (Supportive Housing for Persons with Disabilities) program. Persons with disabilities are defined as:

"Persons with disabilities" – a household composed of one or more persons at least one of whom is an adult who has a disability.

1. A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that –

- (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) Is manifested before the person attains age 22;
- (iii) Is likely to continue indefinitely;
- (iv) Results in substantial functional limitations in three or more of the following areas of major life activity;
 - (A) Self-care
 - (B) Receptive and expressive language;
 - (C) Learning;
 - (D) Mobility;
 - (E) Self-direction;
 - (F) Capacity for independent living; and
 - (G) Economic self-sufficiency; and
- (v) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Key to the definition is determining that the impairment is of long-continued and indefinite duration AND **substantially impedes** the person's ability to live independently. For example, drug or alcohol abuse or an HIV/AIDS condition that does not substantially impede a person's ability to live independently **does not** qualify as a disability in the S+C Program. Written documentation that a person's disability meets the program definition must come from a credentialed psychiatric or medical professional trained to make such a determination. The possession of a title such as case manager or substance abuse counselor does not by itself qualify a person to make that determination. "Self-certification" is also unacceptable.

Grantees and/or sponsors must have written documentation in their project files that qualifies each participant as having met the program definition of "disabled."

A Note on Care-givers: The term, "person with disabilities" may include, except in the case of the SRO component, a care-giver determined to be important to the care or well-being of a disabled person. However, following the death of the disabled person, the caregiver's right to rental assistance under the Shelter Plus Care Program will end at the end of the grant period or when the caregiver leaves the S+C assisted housing unit, whichever comes first.

DEFINITION and DOCUMENTATION of HOMELESSNESS

In general, a person is considered homeless if, without HUD assistance, he or she would have to spend the night in a homeless shelter or in a place not meant for human habitation.

More specifically, an individual is considered homeless if he or she is:

- sleeping in an emergency shelter;
- sleeping in places not meant for human habitation, such as cars, parks, sidewalks, or abandoned or condemned buildings;
- spending a short time (30 consecutive days or less) in a hospital or other institution, but ordinarily sleeping in the types of places mentioned above;
- living in transitional/supportive housing but having come from streets or

Note

As a part of the application process for all State and local government applicants, a "Discharge Policy" certification must be signed and submitted. This form certifies that if the S+C project receives funding, the government entity will develop and implement policies to prevent persons discharged from publicly funded institutions from becoming homeless.

- emergency shelters;
- being evicted within a week from a private dwelling unit and having no subsequent residence identified and lacking the resources and support networks needed to obtain access to housing; or
- being discharged from an institution and having no subsequent residence identified and lacking the resources and support networks needed to obtain access to housing.

If your state has a policy requiring housing as part of a discharge plan, HUD does not consider those persons homeless since they will be placed in housing arranged by the State. Contact your State Department of Mental Health or similar State agency for information on its discharge policy. If your State does not require housing as part of discharge planning, then those persons being discharged may be served as long as they will meet the homeless definition.

S+C grantees are required to document how it was determined that participants did not have the resources or support network needed to obtain housing. Exhibit 2-1 shows examples of appropriate documentation of homelessness for S+C participants under various scenarios. This documentation must be kept in the participants' files.

[Click here to access Exhibit 2-1: Homelessness Eligibility and Documentation Guide.](#)

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EXHIBIT 2-1: HOMELESSNESS ELIGIBILITY AND DOCUMENTATION GUIDE

If your S+C program serves...	Then you need to...	This means...
Persons living on the street or places not meant for human habitation	Document their homeless status	<p>You must verify that an individual is coming from the street through a certification from an outreach worker or organization that the person was living on the street.</p> <p>If you are unable to verify in this manner, the participant or a staff member may prepare a short written statement about the participant's previous living place and have the participant sign the statement and date it.</p>
Persons coming from an emergency shelter	Verify from the emergency shelter staff that the participant has been residing at the emergency shelter.	You need to obtain from the referring agency a written, signed, and dated verification that the individual has been a resident of the emergency shelter.
Persons coming from transitional housing for homeless persons	Verify with the transitional housing staff that the participant has been residing at the transitional housing.	<p>You should obtain:</p> <ol style="list-style-type: none"> 1) a signed statement from the transitional housing staff indicating that the individual is a resident there; and 2) the referring agency's signed and dated verification as to the individual's homeless status when he/she entered their program.
Persons from a short-term stay (up to 30 consecutive days) in an institution who previously resided on the street or in an emergency shelter	Verify from the institution staff that the participant has been residing at the institution and was homeless before entering the institution.	<p>You must obtain:</p> <ol style="list-style-type: none"> 1) written verification from the institution's staff that the participant has been residing in the institution for less than 31 days; and 2) information on the previous living situation. Preferably, this will be the institution's written, signed, and dated verification on the individual's homeless status when he/she entered the institution
Persons being discharged from a longer stay in an institution	Verify from the institution staff that the participant has been residing at the institution and will be homeless if not provided with assistance.	<p>You need to obtain signed and dated documentation:</p> <ol style="list-style-type: none"> 1) from the institution's staff that the participant was being discharged within the week before receiving homeless assistance; and 2) of the following: <ul style="list-style-type: none"> - the income of the participant; - what efforts were made to obtain housing; and - why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.

Subject: Determining, Documenting, and Verifying Participant Eligibility in the Supportive Housing Program

Background: The Supportive Housing Program (SHP) is authorized by Title IV of the McKinney-Vento Homeless Assistance Act. The purpose of the Act is to provide funds for programs to assist the homeless and to use public resources and programs in a more coordinated manner to meet the critically urgent needs of the homeless.

Therefore, in order for your SHP grant to be in compliance with the Act, grant funds must be used to serve the homeless. It is critical that for each SHP participant file, there is documentation that verifies that the participant met HUD's definition of homeless at the time of intake.

Without adequate documentation, the Department cannot determine if the programs and limited resources it provides are reaching the homeless persons intended to be served by these programs.

Permanent Housing (PH) projects funded under the SHP must serve participants who are homeless and disabled. The disability may be physical or mental, including developmental, or an emotional impairment, including an impairment due solely to alcohol or drug abuse. Persons living with HIV/AIDS are considered disabled for the purposes of these programs.

A grantee must have written verification from a qualified source that the person has a disability. An example of a qualified source would be a physician.

Monitoring: When we conduct a monitoring visit, one of the areas that is always reviewed is program beneficiaries. During this review we make sure that a grantee is serving the same population that is indicated in the initial approved application and technical submission. The application and technical submission are incorporated into the Grant Agreement, and, therefore, guide implementation of the grant.

Significant changes to a project must receive prior HUD approval. Changing the target population is considered a significant change (SHP Regulations, 583.405(a)). If your application stated that you would serve single men who were repeat shelter users, we would look for documentation that assured us that your target population was served.

We also review participant files for documentation related to determining and verifying that program participants were homeless (or homeless and disabled for permanent housing projects) prior to entering your program. We do this by reviewing some or all of the following information available to us:

- Participant program applications
- Intake forms
- Referral forms from other agencies
- Case notes
- Interviews with staff and participants
- Other documentation such as eviction notices, self-certifications, etc.

What We Have Found: In most cases there is sufficient evidence for us to determine that a grantee is serving eligible participants. However, we may request additional information to verify participants' eligibility if all of the required documentation is not evident.

The following are some of our recent monitoring findings related to this program area:

1. Using a checklist on the intake form to determine if the participant is homeless, with no other information attached or included in the file. Please note that this is insufficient documentation.
2. Inconsistent documentation. The participant's application indicated that they stayed at a private address the previous night, the intake form shows the participant was staying on the street, and the case notes indicate that the person was evicted.
3. Serving participants who are at risk of becoming homeless. HUD's definition of homeless does not include persons who are low income, doubled up, living in substandard housing, or are imprisoned or otherwise detained under an Act of the Congress or a State law.

One of the Q's and A's from last year's competition is, "Can a project serve persons at-risk of becoming homeless? The answer from HUD Headquarters is: "No, by law, only those persons who are homeless may be served by the programs under the NOFA. If your organization wants to serve persons "at-risk" of becoming homeless or persons who are "near homeless" it would need to use program funding from other sources. HUD administers the Emergency Shelter Grants program, which can fund homeless prevention activities. A variety of other programs, such as Section 8, CDBG and HOME serve low-income persons who may be at-risk of becoming homeless due to poor housing conditions, overcrowding or other reasons. Contact your local HUD field office for more information on these and other programs."

Therefore, if a potential participant's housing is in jeopardy at the time of intake and the participant remains in the housing as a result of negotiations with family members, friends, or their landlord, this person is not considered homeless. If your agency was involved in assisting this person in retaining their housing, that is considered homeless prevention.

The Department recognizes that homeless prevention is extremely valuable and cost effective; however, the SHP is targeted at persons who lack housing and are staying on the street or in shelters, and by law, SHP resources must serve only those persons.

Tips: While a person who is living in substandard housing is not considered homeless, a person living in housing that has been officially condemned as unfit for human habitation is considered homeless. A copy of the condemnation order or other local notice is sufficient file documentation.

While a person who is living in "doubled-up" housing is also not considered homeless, if a person is being forced out of an overcrowded situation or cannot legally remain in the unit because of lease provisions, and has no other place to go and no resources or support systems, this person is considered homeless. See Number 6 below for required homeless documentation when there is no formal eviction notice.

4. Serving former transitional housing (TH) clients for more than 6 months. In the SHP, grantees are allowed to serve non-disabled transitional housing participants for up to six months after they leave the TH program (SHP Regulations, 583.120(b)). After six months, the person is no longer eligible to receive services paid for with SHP funds.

Tip: If you provide follow-up services using SHP funds, make sure you maintain a log of participants and the length of time that they received follow-up services. This information will also be useful for documenting program outcomes.

5. Lack of referral documentation that verifies homelessness. In some cases we find reference to a particular shelter in the case notes or on the intake form, but there is no referral form from the shelter. In other cases we may find a referral form, but it is a checklist that provides no information about the date the participant was served or their circumstance. We sometimes find shelters and other agencies that serve low-income persons and non-homeless persons with special needs in addition to persons who are homeless. Therefore, it is important that appropriate referrals are obtained and included in the participant files.

Tip: Make sure the referral form is signed and dated by the appropriate referral staff and that the referral agency is noted on the form if letterhead is not used.

6. Lack of eviction notices: In many cases we see participants who were renting from private landlords and were evicted, but there is no formal eviction notice in the file. HUD does not presume that every person who is evicted is homeless. The standard is that a person is considered to be homeless if the person is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

In order to meet that standard, HUD requires the following documentation for participants who were evicted:

- (1) Formal eviction proceedings that show that the person was being evicted within the week before receiving homeless assistance,
- (2) Documentation of the income of the participant, and (3) the efforts that were made to obtain housing.

It should also be noted that Five-Day Notices to Evict do not meet this standard if the person retains their housing. At the point the person receives the Five-Day Notice, which serves as a warning to the tenant, that person is at risk of becoming homeless and still has a chance to retain their housing. Please refer to Number 3 above regarding homeless prevention activities.

Where the participant indicates that they were evicted and there is no formal eviction documentation (because the participant was living with family or friends), the participant's file should have sufficient notes describing the participant's situation (where they were living and why they were evicted), their efforts to secure housing, their lack of resources and support networks needed to obtain housing, as well as the grantee's verification of the eviction (possibly by making phone calls or obtaining written statements).

Tip: If formal eviction documentation is not available, try contacting the landlord, who may be willing to provide a written statement regarding the eviction.

7. Not specifying the participant's disability: In some cases we find medical records and physicians' notes in the files, but we are unable to read the writing or determine the participant's disability. If you receive SHP funds for a PH project, you should list the participant's disability somewhere in their file and have documentation to verify it.

Tip: If the participant has a disability as defined in Section 223 of the Social Security Act, they are presumed to be disabled. We would need to see evidence of their SSI or SSD status or some other documentation that shows they are receiving such benefits.

Remedy: If we find that a grantee has used grant funds for a purpose other than as authorized by the Grant Agreement, is in noncompliance with the McKinney-Vento Act or the SHP Regulations, or if there is any other material breach of the Grant Agreement, HUD is authorized to take one or more of the following actions:

1. Issue a warning letter that establishes a date by which corrective actions must be completed and puts a grantee on notice that more serious actions will be taken if the problem is not corrected or is repeated.
2. Direct the grantee to suspend, discontinue, or not incur costs for the affected activity.
3. Direct the grantee to reimburse the program accounts for costs inappropriately charged to the program.
4. Direct the grantee to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions.
5. Direct the grantee to submit progress schedules for completing approved activities.
6. Reduce or recapture the grant.
7. Continue the grant with a substitute grantee of HUD's choosing
8. Other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

Recommendations: In order to make sure that you are in compliance with HUD's SHP eligibility requirements, we recommend the following:

1. Before you apply for SHP funds, make sure you understand the program requirements. Read the Notice of Funding Availability, attend satellite broadcasts, review program materials, including question and answer documents, and contact our office if you have questions or need clarification.
2. When you receive SHP funds you will be asked to certify, as part of the conditional approval for your technical submission, that you will serve only homeless persons (or homeless disabled persons for PH) with your SHP funds. Do not provide a written certification to HUD if you have any questions or doubts about your proposed project or target population. Review the SHP regulations that are included with your technical submission and contact our office if you have any questions.
3. After your technical submission is approved a grant agreement will be executed. Signing the grant agreement means that you agree to all of the provisions of the agreement, including the program rules and requirements. Do not sign the grant agreement if you have any questions about its content or meaning. Contact our office if there are issues you would like to discuss before the grant is approved. After the grant agreement is executed HUD will hold a start-up conference for you and your staff. One of the items covered at the conference is complying with participant eligibility requirements. Make sure that relevant staff attend this conference and understand the requirements. Let our office know if there are any concerns that should be addressed before you implement your project and begin serving participants.
4. During the course of your grant, if you or your staff have any questions about a participant's eligibility, contact our office for assistance.

If you would like to change your target population or are having problems implementing the grant as approved, contact our office to discuss the amendment process. If you are proposing a significant change, make sure you receive written approval from our office before implementing the change.

5. Develop systems for your project that incorporate HUD requirements.
 - a. Make sure your intake form requests sufficient information for your staff to determine homeless eligibility. Examples would be: Where did you stay last night? Where were you living before that? How long have you been without housing? What was your last permanent address? Why did you leave? Where did you live before that? Have you

been homeless before? If yes, where did you stay and for how long? Do you have income? Do you have family or friends you could stay with at this time?

- b. Many agencies collect information on participants' psychological, medical, employment, educational, and family history, but little or no information on their housing history. Because housing is a critical issue for persons experiencing homelessness, it is important to obtain information regarding the participant's housing history, including previous rental and homeownership experiences, evictions, and shelter stays as well as housing goals and barriers. This information also will help you document and verify homelessness.
- c. Develop an eligibility verification system that includes the SHP requirements. Meta House, one of our SHP grantees that receives TH and PH funding, has developed a form that is fashioned after the one referenced in the SHP Self-Monitoring Tools. A copy of the form is attached at the end of this Alert.
- d. If your project includes sponsors or sub recipients, make sure they understand the eligibility requirements. It is a grantee's responsibility to assure that each service provider is in compliance. Agencies you subcontract with are welcome to attend HUD satellite broadcasts, start-up conferences, and other meetings regarding your project. You should have a written contract with each sub recipient and monitor their performance under that contract to assure compliance.

6. Use available resources:

- a. SHP Regulations
- b. SHP Self-Monitoring Tools
- c. SHP Desk Guide
- d. SNAPSHOTS (Milwaukee HUD Field Office's Homeless Newsletter)
- e. HUD Web
- f. CoC ListServ
- g. Local HUD staff
- h. Technical Assistance Providers
- i. Your peers

Participant Name:

SSN:

Type of Homelessness Documentation: Check the appropriate type of documentation used to verify homelessness and attach it to this form (See *HUD Eligibility Guide* for more details). Is the participant **CHRONICALLY HOMELESS?** Yes No
 To be determined through further assessment

A chronically homeless person is an unaccompanied homeless individual with a disabling condition who has **EITHER been continuously homeless for a year or more OR has had at least 4 episodes of homelessness in the past 3 years.** To be considered chronically homeless, persons must have been sleeping in a place not meant for human habitation (e.g., living on the streets) **AND/OR** in an emergency homeless shelter during that time.

Homeless Status	Type of Documentation	Documentation Attached
Persons coming from living on the street (and into a place meant for human habitation)	Staff should provide written information obtained from third party regarding the participant's whereabouts, and, then sign and date the statement. (If chronically homeless, provide documentation of 1) duration of one year or more or 2) 4 episodes in past three years). Provide Disability documentation (see below).	
Persons coming from an emergency shelter for homeless persons	Written referral from the agency. (If chronically homeless, provide documentation of 1) duration of one year or more or 2) 4 episodes in past three years). Provide Disability documentation (see below).	
Persons coming from transitional housing for homeless persons	Written verifications to include program residency and homeless status prior to program entry.	
Persons being evicted from a private dwelling	Documentation of income, efforts to obtain housing, why participant would be on street, and either documentation of formal eviction proceedings or statement from family evicting participant.	
Persons from a short-term stay in an institution who previously resided on the street or in an emergency shelter	Written verification from the institution's staff that the participant has been residing in the institution for less than 31 days; and information on the previous living situation.	
Persons being discharged from a longer stay in an institution	Written verification from the institution of discharge within one week of receiving homeless assistance AND documentation of income, efforts to obtain housing, and why person would be homeless without assistance.	
Persons fleeing domestic violence	Written, signed, and dated verification from the participant.	

PERMANENT HOUSING AND/OR CHRONICALLY HOMELESS ONLY	Either 1) written verification of disability from a qualified source (such as a physician, psychiatrist or other certified/licensed mentalhealth professional) or 2) documentation of SSI benefits.
---	---

Details of the client's situation:

Signature:

Title:

Date:

Interagency Homeless Status Verification Form

For: Agency Name: _____

Address: _____

Telephone number: _____

Fax number: _____

Dear _____, your client _____
(Case Manager) (Name)

entered the _____ on _____.
(Project Name) (date)

We need you to fill in the appropriate information below, sign and return this to us within 2 days. Should you have any questions, please call the office listed above.



Client's Name _____ is homeless and is residing in the following Emergency Shelter Program:

Name of Program: _____

Date Verified: _____

Name: _____

Title: _____

Agency Name: _____

Address: _____

Telephone Number: _____

Please fax or mail.

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section3/spcmanual3_2.cfm.



Section 3.2: Housing Quality Standards

Housing Quality Standards (HQS) set acceptable conditions for interior living space, building exterior, heating and plumbing systems, and general health and safety. Before any rental assistance may be provided, the grantee, or another qualified entity acting on the grantee's behalf (but not the entity providing the housing), must physically inspect each S+C unit to ensure that it meets HQS. [582.305(a)]

Any housing quality problems must be corrected within 30 days from the start of the lease, and the grantee must verify that all problems have been corrected.

Grantees, or the entity acting on their behalf, must make physical inspections of all units at least annually to ensure that the units continue to meet HQS.

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Summary of New Lead-Based Paint Requirements

For S+C Grantees, except under SRO Component 24 CFR Part 35, Subpart K

<ul style="list-style-type: none"> ◆ Statute: Residential Lead-Based Paint Hazard Reduction Act of 1992, Title X (Sections 1012 – 1013) ◆ Regulations: 24 CFR Part 35, Subpart K (Sections 35.1000 - 35.1020) ◆ Additional information (Regulations, disclosure forms, training opportunities, guides): <ul style="list-style-type: none"> • HUD Office of Lead Hazard Control Homepage: www.hud.gov/offices/lead • EPA Clearinghouse: 1-800-424-LEAD • HUD LBP Compliance Assistance Center: 1-866-HUD-1012 	
Applicability <ul style="list-style-type: none"> • <i>Applies to S+C grants awarded pursuant to NOFAs published <u>after</u> 9/15/00 (beginning with 2001 awards)</i> • <i>Applies to structures built prior to 1/1/1978, unless pre-78 property is certified as LBP free or LBP removed (requires inspection by certified LBP inspector)</i> 	
Required Activities for Tenant-based Rental Assistance	
Disclosure	<ul style="list-style-type: none"> ◆ HUD (or grantee equivalent) pamphlet & disclosure form to all tenants ◆ Disclosure to occupants of any paint stabilization or repairs (if known LBP)
Evaluation	<ul style="list-style-type: none"> ◆ Visual assessment for deteriorated paint (chipping, peeling, cracking, chalking) ◆ Assess prior to occupancy & annually ◆ Assess units, common areas & exterior
Painting & Repairs	<ul style="list-style-type: none"> ◆ Repair paint using paint stabilization methods ◆ Safe work practices apply to paint repairs over 2 square feet on interior space
Clearance	<ul style="list-style-type: none"> ◆ If paint stabilization, work space must be cleared (visual assessment & dust wipes)
Ongoing Maintenance	<ul style="list-style-type: none"> ◆ Annual assessment ◆ Incorporate paint stabilization procedures for any painting & repairs
Training Requirements & Opportunities	
Training Requirements	<ul style="list-style-type: none"> ◆ Visual assessment: Take online visual assessment course @ http://www.hud.gov/lea/lbptraining.html ◆ Paint Stabilization: Workers must take HUD/EPA approved interim controls or paint maintenance course (e.g., Work Smart, Work Wet course approved by HUD) ◆ Clearance requires: <ul style="list-style-type: none"> • LBP Inspector or Risk Assessor certified by State/EPA • Clearance Sampling Technician certified by State/EPA • Recommend: work with local Housing Authority or city housing rehab office ◆ For training opportunities, contact: <ul style="list-style-type: none"> • HUD @ www.leadlisting.org, click on “HUD-Sponsored Training”

Note: For projects involving rehabilitation, please refer to the regulations.

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor’s Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) _____ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check (i) or (ii) below):

(i) _____ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) _____ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee’s Acknowledgment (initial)

(c) _____ Lessee has received copies of all information listed above.

(d) _____ Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

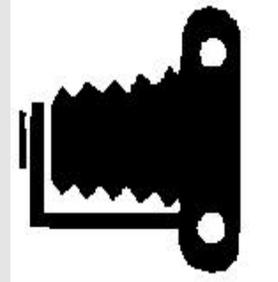
Agent’s Acknowledgment (initial)

(e) _____ Agent has informed the lessor of the lessor’s obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____	_____	_____	_____
Lessor	Date	Lessor	Date
_____	_____	_____	_____
Lessee	Date	Lessee	Date
_____	_____	_____	_____
Agent	Date	Agent	Date



SNAPshots

Policy Newsletter of the Continuum of Care
Office of Community Planning and Development
Department of Housing and Urban Development

Vol. 1 No. 1 - REV. #2 November 17, 2000 Office of Special Needs Assistance Programs

1. *What environmental requirements apply to the leasing of existing residential properties for use in our homeless assistance program?*

For existing residential properties that will be leased by a non-profit corporation, housing authority, or local government grantee on behalf of their clients, the environmental finding must document that the property proposed for lease does not involve rehabilitation and: (1) is not located within coastal barrier resources designated under the Coastal Barriers Resources Act; (2) is not located within a coastal high hazard area unless the building is designed for location in a coastal high hazard area (see 24 CFR 55.1(c)(3)); (3) is free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of proposed occupants; and (4) is not located within a floodway. Leasing of four or fewer housing units located within the floodplain [outside the floodway] is allowable without processing under 24 CFR 55.20, whereas five or more units are to be processed under §55.20.

2. *How does one document compliance?*

There are two options: (a) *programmatic processing*; or (b) *individual processing*.

(a) HUD encourages that a *programmatic review* be performed once for the entire leasing program. The programmatic review should document that in the future if any property proposed for lease was found to trigger the above criteria (1), (2), or (4), then the property would be automatically rejected for HUD assistance. Thereafter, it

would be the responsibility of the social services agency seeking rental properties for leasing to: (i) conform to the criteria established in the programmatic environmental review and (ii) put a conformance finding into its file for each property proposed for lease. If you wish to lease a property that triggers above criterion (3) or for five or more units that require floodplain management processing under 24 CFR 55.20, an individual environmental review is required.

(b) Under *individual processing*, each identified property is processed separately prior to its selection. The grantee should understand that using the property before the environmental review is completed will disallow use of that property and any HUD funds expended on it. Where HUD will perform the environmental review under Part 50, the environmental review must be completed by the HUD Field Office prior to the grant agreement being signed, when a property intended for leasing is identified in a HUD funding application. If the project sponsor does not know the location of properties that will be used for leasing at the time the grant agreement is signed, it is incumbent on the grantee to inform HUD regarding properties to be leased prior to leasing. The grantee must supply all available, relevant information needed by the HUD Field Office to perform the environmental review.

3. *Who may perform the programmatic review?*

There are two possible reviewing parties: (a) responsible entities under 24 CFR part 58; or (b) HUD field office CPD Director under 24 CFR part 50.

(a) Generally, environmental reviews for Continuum of Care activities are to be performed by responsible entities (units of general local government in whose jurisdiction the activity is located or States) in accordance with 24 CFR Part 58 -- "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" whether or not the grantee is itself a unit of general local government or a State.

(b) If a responsible entity, other than a recipient, is either unwilling or unable to perform an environmental review for grantees who are nonprofit organizations or housing authorities (Section 58.11), or if HUD determines that the responsible entity should not perform the environmental review on the basis of performance, timing or compatibility of objectives, HUD may designate another responsible entity to conduct the review under Part 58 or may itself conduct the environmental review under 24 CFR Part 50 -- "Protection and Enhancement of Environmental Quality".

4. *What about tenant-based rental assistance? What about "short-term payments for rent/mortgage/utility costs?"*

Both tenant-based rental assistance and "short-term payments for rent/mortgage/utility costs" are categorically excluded from environmental assessments and are not subject to the related Federal laws and authorities." No compliance processing is needed for these activities.

Environmental Assessment and Compliance Findings for the Related Laws

U.S. Department of Housing and Urban Development

1. Project Number	
HUD Program	
2. Date Received	

RMS: HI-00487R

Findings and Recommendations are to be prepared **after** the environmental analysis is completed. Complete items 1 through 15 as appropriate for all projects. For projects requiring an environmental assessment, also complete Parts A and B. For projects categorically excluded under 24 CFR 50.20, complete Part A. Attach notes and source documentation that support the findings.

3. Project Name and Location (Street, City, County, State)		4. Applicant Name and Address (Street, City, State, Zip Code), and Phone	
5. <input type="checkbox"/> Multifamily <input type="checkbox"/> Elderly <input type="checkbox"/> Other If Other, explain.	6. Number of _____ Dwelling Units _____ Buildings _____ Stories	7. Displacement <input type="checkbox"/> No <input type="checkbox"/> Yes If Yes, explain.	
8. <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Other (if Other, explain)	10. Planning Findings. Is the project in compliance or conformance with the following plans? Local Zoning <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Coastal Zone <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Air Quality (SIP) <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Explain any "No" answer: _____ Are there any unresolved conflicts concerning the use of the site? <input type="checkbox"/> No <input type="checkbox"/> Yes (explain): _____		
9. Has an environmental report (Federal, State, or local) been used in completing this form? <input type="checkbox"/> No <input type="checkbox"/> Yes If Yes, identify: _____	11. Environmental Finding (check one) <input type="checkbox"/> Categorical exclusion is made in accordance with § 50.20 or <input type="checkbox"/> Environmental Assessment and a Finding of No Significant Impact (FONSI) is made in accordance with § 50.33 or <input type="checkbox"/> Environmental Assessment and a Finding of Significant Impact is made, and an Environmental Impact Statement is required in accordance with §§ 50.33(d) and 50.41.		
<input type="checkbox"/> Project is recommended for approval (List any conditions and requirements) <input type="checkbox"/> Project is recommended for rejection (State reasons)			

12. Preparer (signature)	Date	13. Supervisor (signature)	Date
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14. Comments by Environmental Clearance Officer (ECO) (required for projects over 200 lots/units)

ECO (signature) X	Date
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15. Comments (if any) by HUD Approving Official

HUD Approving Official (signature) X	Date
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Part A. Compliance Findings for §50.4 Related Laws and Authorities

§ 50.4 Laws and Authorities	Project is in Compliance		Source Documentation and Requirements for Approval
	Yes	No	
16. Coastal Barrier Resources			
17. Floodplain Management (24 CFR Part 55)			
18. Historic Preservation (36 CFR Part 800)			
19. Noise Abatement (24 CFR Part 51 Subpart B)			
20. Hazardous Operations (24 CFR Part 51 Subpart C)			
21. Airport Hazards (24 CFR Part 51 Subpart D)			
22. Protection of Wetlands (E. O. 11990)			
23. Toxic Chemicals & Radioactive Materials (§ 50.3(i))			
24. Other § 50.4 authorities (e.g., endangered species, sole source aquifers, farmlands protection, flood, insurance, environmental justice)			

Part B. Environmental/Program Factors

Factors	Anticipated Impact/Deficiencies			Source Documentation and Requirements for Approval
	None	Minor	Major	
25. Unique Natural Features and Areas				
26. Site Suitability, Access, and Compatibility with Surrounding Development				
27. Soil Stability, Erosion, and Drainage				
28. Nuisances and Hazards (natural and built)				
29. Water Supply / Sanitary Sewers				
30. Solid Waste Disposal				
31. Schools, Parks, Recreation, and Social Services				
32. Emergency Health Care, Fire and Police Services				
33. Commercial / Retail and Transportation				
34. Other				

Sample Field Notes Checklist

Project Number	HUD Program
----------------	-------------

Project Name:

Location (street, city, county/State, & zip code)

Number of Dwelling Units	Project site is in a location described as
<input type="checkbox"/> New construction <input type="checkbox"/> Rehabilitation	<input type="checkbox"/> Central city <input type="checkbox"/> Suburban <input type="checkbox"/> Infill urban development <input type="checkbox"/> In developing rural area <input type="checkbox"/> In undeveloped area

Note to Reader: An Environmental Assessment (EA) is a concise public document that a Federal agency must prepare in order to comply with the National Environmental Policy Act (NEPA) and the related Federal environmental laws and authorities. The EA must support decision making process and provide a clear rationale, justification, and documentation for ratings assigned.

Instructions

It is recommended that this checklist be used by HUD staff who prepare the Environmental Assessment (EA; form HUD-4128). It will constitute full documentation for many factors on the EA, and partial documentation for others. It will avoid narrative reports and expedite the environmental review process. This checklist, which is a slightly revised version of Appendix C of Handbook 1390.2, should be used pending revision of Handbook 1390.2.

The number for each checklist topic is the number that appears on form HUD-4128. Also, each checklist title/heading is followed by a reference to where the topic appears in the current Handbook 1390.2.

Before the site visit, review the Phase I and all background information submitted with the application (if applicable). During the site visit, the preparers of form HUD-4128 are to: (i) answer all relevant questions on this checklist; (ii) use the spaces provided for comments to include supplemental information as well as to record any recommended mitigation measures or requirements for project approval; (iii) key your answers to the relevant questions (using additional sheets of paper to provide more detailed information); and (iv) use the spaces provided for source documentation to cite the information source used (e.g., title of

a technical report, map, or special study; site inspection/field observation; name and location of the qualified data source(s) that provided the information, for example, the local planning agency, the local housing and/or community development agency, the State environmental protection agency, the State Historic Preservation Officer, or other qualified data source.)

Preparers are to obtain and use, as appropriate, any environmental report (Federal, State, or local) that may have already been prepared for the property or area in which the property is located.

Several different types of maps will be useful in completing the review, such as the project plan or plot map, a location map showing major features and facilities in the vicinity, the USGS topographic map and FEMA flood map for the site area, and zoning/land use maps. **Many of the conditions can and should be recorded directly on the project plan.** Distances to major features and facilities (e.g., schools and fire stations) and a description of the surrounding area are examples. The plan can then be referenced as "source documentation" on form HUD-4128.

9. Environmental Report

List the Federal, State, or local agencies contacted to obtain their existing environmental reports and other data for the HUD environmental review for the proposed project.

List the major reports obtained. (attach the report(s) or otherwise list the title, author, publication date)

10. Planning Findings

Is the project in compliance or conformance with the local zoning?

Yes No Not Applicable If No or Not Applicable, explain.

Is the project located within a coastal management zone (CZM)?

Yes No Not Applicable

If your answer is Yes, the State Coastal Zone Management (CZM) Agency must make a finding that the project is consistent with the approved State CZM program.

Is the State's finding attached to this checksheet?

Yes No

Is the project in compliance with the air quality State Implementation Plan (SIP)?

Yes No Not Applicable

Comments:

Source documentation:

Are there any unresolved conflicts concerning the use of the site?

Yes No If your answer is Yes, briefly explain:

16. Coastal Barrier Resources

Is the project located within a coastal barrier designated on a current FEMA flood map or Department of Interior coastal barrier resources map?

Yes No If your answer is Yes, the law prohibits Federal funding of projects in designated coastal barriers.

17. Flood Management (24 CFR Part 55) (see CF 3 and 4 of Handbook 1390.2)

Is the project located within a floodplain designated on a current FEMA flood map?

Yes No Identify FEMA flood map used to make this finding:

Community Name and Number: _____

Map Panel Number and Date of Map Panel: _____

If your answer is Yes, use § 55.12 and the floodplain management decisionmaking process (§ 55.20) to comply with 24 CFR Part 55.

Comments:

Source documentation: (attach § 55.20 analysis)

18. Historic Preservation (see CF 2 of Handbook 1390.2)

Has the SHPO been notified of the project and requested to provide comments?

Yes No

Is the property listed on or eligible for listing on the National Register of Historic Places?

Yes No

Is the property located within or directly adjacent to an historic district?

Yes No

Does the property's area of potential effects include an historic district or property?

Yes No

If your answer is Yes to any of the above questions, consult with the State Historic Preservation Officer (SHPO) and comply with 36 CFR part 800.

Has the SHPO been or is being advised of HUD's finding?

Yes No

Comments:

Source documentation:

19. Noise Abatement (see CF 1 of Handbook 1390.2)

Is the project located near a major noise source, i.e., civil airports (within 5 miles), military airfields (15 miles), major highways or busy roads (within 1000 feet), or railroads (within 3000 feet)?

Yes No If your answer is Yes, comply with 24 CFR 51, Subpart B which requires a noise assessment for proposed new construction. Use adopted DNL contours if the noise source is an airport.

Comments:

Source documentation: (attach NAG worksheets)

20. Hazardous Industrial Operations (see CF 5 of Handbook 1390.2)

Are industrial facilities handling explosive or fire-prone materials such as liquid propane, gasoline or other storage tanks adjacent to or visible from the project site?

Yes No If your answer is Yes, use HUD Hazards Guide and comply with 24 CFR Part 51, Subpart C.

Comments:

Source documentation: (attach ASD worksheets)

21. Airport Hazards (see CF 5 of Handbook 1390.2)

Is the project within 3,000 feet from the end of a runway at a civil airport?

Yes No

Is the project within 2-1/2 miles from the end of a runway at a military airfield?

Yes No If your answer is Yes to either of the above questions, comply with 24 CFR Part 51, Subpart D.

Comments:

Source documentation:

22. Protection of Wetlands (E.O. 11990) (see CF 3 and 4 of Handbook 1390.2)

Are there drainage ways, streams, rivers, or coastlines on or near the site?

Yes No

Are there ponds, marshes, bogs, swamps or other wetlands on or near the site?

Yes No

For projects proposing new construction and/or filling, the following applies:

Is the project located within a wetland designated on a National Wetlands Inventory map of the Department of the Interior (DOI)?

Yes No If your answer is Yes, E.O. 11990, Protection of Wetlands, discourages Federal funding of new construction or filling in wetlands and compliance is required with the wetlands decisionmaking process (§ 55.20 of 24 CFR Part 55. Use proposed Part 55 published in the Federal Register on January 1, 1990 for wetland procedures).

Comments:

Source documentation: (attach § 55.20 analysis for new construction and/or filling)

23. Toxic Chemicals and Radioactive Materials (see CF 5 of Handbook 1390.2)

Has a Phase I (ASTM) Report been submitted and reviewed?

Yes No If your answer is No, is a Phase I (ASTM) report needed?

Yes No

Are there issues that require a special/specific Phase II report before completing the environmental assessment?

Yes No

Is the project site near an industry disposing of chemicals or hazardous wastes?

Yes No

Is the site listed on an EPA Superfund National Priorities or CERCLA, or equivalent State list?

Yes No

Is the site located within 3,000 feet of a toxic or solid waste landfill site?

Yes No

Does the site have an underground storage tank?

Yes No

If your answer is Yes to any of the above questions, use current techniques by qualified professionals to undertake investigations determined necessary and comply with § 50.3(i).

Are there any unresolved concerns that could lead to HUD being determined to be a Potential Responsible Party (PRP)?

Yes No

Comments:

Source documentation: (attach Phase I (ASTM) Report)

24. Other

a. Endangered Species (see EF 3.4 of Handbook 1390.2)

Has the Department of Interior list of Endangered Species and Critical Habitats been reviewed?

Yes No

Is the project likely to affect any listed or proposed endangered or threatened species or critical habitats?

Yes No If your answer is Yes, compliance is required with Section 7 of the Endangered Species Act, which mandates consultation with the Fish and Wildlife Service in order to preserve the species.

Comments:

Source documentation

b. Sole Source aquifers

Will the proposed project affect a sole source or other aquifer?

Yes No

Comments

Source documentation

c. Farmlands Protection (see EF 3.3 of Handbook 1390.2)

If the site or area is presently being farmed, does the project conform with the Farmland Protection Policy Act and HUD policy memo?
 Yes No If your answer is Yes, compliance is required with 7 CFR Part 658, Department of Agriculture regulations implementing the Act.

Comments:

Source documentation:

d. Flood Insurance

Is the building located or to be located within a Special Flood Hazard Area identified on a current Flood Insurance Rate Map (FIRM)?
 Yes No If your answer is Yes, flood insurance protection is required for buildings located or to be located within a Special Flood Hazard Area as a condition of approval of the project. In addition, compliance with § 55.12 and the floodplain management decisionmaking process (§ 55.20) is required (refer to item #17 above). Document the map used to determine Special Flood Hazard Area in above item #17 pertaining to community name and number, map panel number and date of map panel.

e. Environmental Justice

Is the project located in a predominantly minority and low-income neighborhood?

Yes No

Does the project site or neighborhood suffer from disproportionately adverse environmental effects on minority and low-income populations relative to the community-at-large?

Yes No If your answer is Yes, compliance is required with E.O. 12898, Federal Actions to Address Environmental Justice.

Comments:

Source documentation:

25. Unique Natural Features and Areas (see EF 3.2 of Handbook 1390.2)

Is the site near natural features (i.e., bluffs or cliffs) or near public or private scenic areas?

Yes No

Are other natural resources visible on site or in vicinity? Will any such resources be adversely affected or will they adversely affect the project?

Yes No

Comments:

26. Site Suitability, Access, and Compatibility with Surrounding Development (see EF 1.1 and 1.3 of Handbook 1390.2)

Has the site has been used as a dump, sanitary landfill or mine waste disposal area? Yes No
 Is there paved access to the site? Yes No
 Are there other unusual conditions on site? Yes No

Is there indication of:	Yes	No		Yes	No
distressed vegetation	<input type="checkbox"/>	<input type="checkbox"/>	oil/chemical spills	<input type="checkbox"/>	<input type="checkbox"/>
waste material/containers	<input type="checkbox"/>	<input type="checkbox"/>	abandoned machinery, cars, refrigerators, etc.	<input type="checkbox"/>	<input type="checkbox"/>
soil staining, pools of liquid	<input type="checkbox"/>	<input type="checkbox"/>	transformers, fill/vent pipes, pipelines, drainage structures	<input type="checkbox"/>	<input type="checkbox"/>
loose/empty drums, barrels	<input type="checkbox"/>	<input type="checkbox"/>			

Is the project compatible with surrounding area in terms of:

	Yes	No		Yes	No
Land use	<input type="checkbox"/>	<input type="checkbox"/>	Building type (low/high-rise)	<input type="checkbox"/>	<input type="checkbox"/>
Height, bulk, mass	<input type="checkbox"/>	<input type="checkbox"/>	Building density	<input type="checkbox"/>	<input type="checkbox"/>

Will the project be unduly influenced by:

	Yes	No		Yes	No
Building deterioration	<input type="checkbox"/>	<input type="checkbox"/>	Transition of land uses	<input type="checkbox"/>	<input type="checkbox"/>
Postponed maintenance	<input type="checkbox"/>	<input type="checkbox"/>	Incompatible land uses	<input type="checkbox"/>	<input type="checkbox"/>
Obsolete public facilities	<input type="checkbox"/>	<input type="checkbox"/>	Inadequate off-street parking	<input type="checkbox"/>	<input type="checkbox"/>

Are there air pollution generators nearby which would adversely affect the site:

	Yes	No		Yes	No
Heavy industry	<input type="checkbox"/>	<input type="checkbox"/>	Large parking facilities (1000 or more cars)	<input type="checkbox"/>	<input type="checkbox"/>
Incinerators	<input type="checkbox"/>	<input type="checkbox"/>	Heavy travelled highway (6 or more lanes)	<input type="checkbox"/>	<input type="checkbox"/>
Power generating plants	<input type="checkbox"/>	<input type="checkbox"/>	Oil refineries	<input type="checkbox"/>	<input type="checkbox"/>
Cement plants	<input type="checkbox"/>	<input type="checkbox"/>	Other(specify)	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Source documentation:

27. Soil Stability, Erosion, and Drainage (see EF 1.2 of Handbook 1390.2)

Slopes: Not Applicable Steep Moderate Slight

Is there evidence of slope erosion or unstable slope conditions on or near the site?	<input type="checkbox"/>	<input type="checkbox"/>	
Is there evidence of ground subsidence, high water table, or other unusual conditions on the site?	<input type="checkbox"/>	<input type="checkbox"/>	
Is there any visible evidence of soil problems (foundations cracking or settling, basement flooding, etc.) in the neighborhood of the site?	<input type="checkbox"/>	<input type="checkbox"/>	
Have soil studies or borings been made for the project site or the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Unknown
Do the soil studies or borings indicate marginal or unsatisfactory soil conditions?	<input type="checkbox"/>	<input type="checkbox"/>	
Is there indication of cross-lot runoff, swales, drainage flows on the property?	<input type="checkbox"/>	<input type="checkbox"/>	
Are there visual indications of filled ground?	<input type="checkbox"/>	<input type="checkbox"/>	
If your answer is Yes, was a 79(g) report/analysis submitted?	<input type="checkbox"/>	<input type="checkbox"/>	
Are there active rills and gullies on site?	<input type="checkbox"/>	<input type="checkbox"/>	
If the site is not to be served by a municipal waste water disposal system, has a report of the soil conditions suitable for on-site septic systems been submitted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> N.A.
Is a soils report (other than structural) needed?	<input type="checkbox"/>	<input type="checkbox"/>	
Are structural borings or a dynamic soil analysis/geological study needed?	<input type="checkbox"/>	<input type="checkbox"/>	

Comments:

Source documentation:

28. Nuisances and Hazards (see EF 1.3 and 1.4 of Handbook 1390.2)

Will the project be affected by natural hazards:

	Yes	No		Yes	No
Faults, fracture	<input type="checkbox"/>	<input type="checkbox"/>	Fire hazard materials	<input type="checkbox"/>	<input type="checkbox"/>
Cliffs, bluffs, crevices	<input type="checkbox"/>	<input type="checkbox"/>	Wind/sand storm concerns	<input type="checkbox"/>	<input type="checkbox"/>
Slope-failures from rains	<input type="checkbox"/>	<input type="checkbox"/>	Poisonous plants, insects, animals	<input type="checkbox"/>	<input type="checkbox"/>
Unprotected water bodies	<input type="checkbox"/>	<input type="checkbox"/>	Hazardous terrain features	<input type="checkbox"/>	<input type="checkbox"/>

Will the project be affected by built hazards and nuisances:

	Yes	No		Yes	No
Hazardous street	<input type="checkbox"/>	<input type="checkbox"/>	Inadequate screened drainage catchments	<input type="checkbox"/>	<input type="checkbox"/>
Dangerous intersection	<input type="checkbox"/>	<input type="checkbox"/>	Hazards in vacant lots	<input type="checkbox"/>	<input type="checkbox"/>
Through traffic	<input type="checkbox"/>	<input type="checkbox"/>	Chemical tank-car terminals	<input type="checkbox"/>	<input type="checkbox"/>
Inadequate separation of pedestrian/vehicle traffic	<input type="checkbox"/>	<input type="checkbox"/>	Other hazardous chemical storage	<input type="checkbox"/>	<input type="checkbox"/>
Children's play areas located next to freeway or other high traffic way	<input type="checkbox"/>	<input type="checkbox"/>	High-pressure gas or liquid petroleum transmission lines on site	<input type="checkbox"/>	<input type="checkbox"/>
Inadequate street lighting	<input type="checkbox"/>	<input type="checkbox"/>	Overhead transmission lines	<input type="checkbox"/>	<input type="checkbox"/>
Quarries or other excavations	<input type="checkbox"/>	<input type="checkbox"/>	Hazardous cargo transportation routes	<input type="checkbox"/>	<input type="checkbox"/>
Dumps/sanitary landfills or mining	<input type="checkbox"/>	<input type="checkbox"/>	Oil or gas wells	<input type="checkbox"/>	<input type="checkbox"/>
Railroad crossing	<input type="checkbox"/>	<input type="checkbox"/>	Industrial operations	<input type="checkbox"/>	<input type="checkbox"/>

Will the project be affected by nuisances:

	Yes	No	Yes	No
Gas, smoke, fumes	<input type="checkbox"/>	<input type="checkbox"/>	Unsightly land uses	<input type="checkbox"/>
Odors	<input type="checkbox"/>	<input type="checkbox"/>	Front-lawn parking	<input type="checkbox"/>
Vibration	<input type="checkbox"/>	<input type="checkbox"/>	Abandoned vehicle	<input type="checkbox"/>
Glare from parking area	<input type="checkbox"/>	<input type="checkbox"/>	Vermin infestation	<input type="checkbox"/>
Vacant/boarded-up buildings	<input type="checkbox"/>	<input type="checkbox"/>	Industrial nuisances	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Other (specify)	<input type="checkbox"/>

Comments:

Source documentation:

29. Water, Supply, Sanitary Sewers, and Solid Waste Disposal (see EF 2.1, 2.2, and 2.4 of Handbook 1390.2)

Is the site served by an adequate and acceptable:

water supply

Yes No Municipal Private

sanitary sewers and waste water disposal systems

Yes No Municipal Private

trash collection and solid waste disposal

Yes No Municipal Private

If the water supply is non-municipal, has an acceptable "system" been approved by appropriate authorities and agencies?

Yes No

If the sanitary sewers and waste water disposal systems are non-municipal, has an acceptable "system" been approved by appropriate authorities and agencies?

Yes No

Comments:

Source documentation:

31. Schools, Parks, Recreation, and Social Services (see U/EF 4, 5, and 6 of Handbook 1390.2)

Will the local school system have the capability to service the potential school age children from the project?

Yes No

Are parks and play spaces available on site or nearby?

Yes No

Will social services be available on site or nearby for residents of the proposed project?

Yes No

Comments:

Source documentation:

32. Emergency Health Care, Fire and Police Services (see U/EF 7, 8, and 9 of Handbook 1390.2)

Are emergency health care providers located within reasonable proximity to the proposed project?

Yes No Approximate response time: _____

Are police services located within reasonable proximity to the proposed project?

Yes No Approximate response time: _____

Is fire fighting protection municipal volunteer adequate and equipped to service the project?

Yes No Approximate/estimated response time: _____

Comments:

Source documentation:

33. Commercial/Retail and Transportation (see U/EF 10 and 11 of Handbook 1390.2)

Are commercial/retail shopping services nearby?

Yes No

Is the project accessible to employment, shopping and services by

public transportation or private vehicle?

Is adequate public transportation available from the project to these facilities?

Yes No

Are the approaches to the project convenient, safe and attractive?

Yes No

11. Conditions and Requirements for Approval

Are mitigation measures required?

Yes No

If your answer is Yes, list and describe:

Brief Description of the Project:

Field Inspection on (date) _____

By (signature) _____

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section3/spcmanual3_3.cfm.



Section 3.3: Unit Rents

Rents for units leased with S+C assistance must meet a "rent reasonableness" test. This section describes this standard for rents and how a reasonable rent is documented.

UNDERSTANDING "REASONABLE RENT"

For TRA, SRA, PRA, and SRO components, S+C program operators must determine whether the rent being charged for an assisted unit is both:

- reasonable in relation to rents being charged for comparable unassisted units with similar features and amenities; **and**
- not more than rents currently being charged by the same owner for comparable unassisted units. [See Section 582.305(b)]

A sample form showing a suggested rent reasonableness certification and checklist to document a rent reasonableness determination is included in Appendix D. You are not required to use this form, but some form of documentation must be kept in project files for the full period S+C assistance is provided.

While S+C regulations do not specify how often a rent reasonableness survey should be performed, an annual review would be appropriate. Also, in order to keep the administrative burden to a minimum, a rent reasonableness determination does not have to be made on a unit by unit basis but may be performed for all units within a certain geographic area.

The rent for a S+C assisted unit may not exceed the reasonable rent for that area. But while the rents for SRA, TRA, or PRA units may be set at the reasonable rent level even if it is higher than the HUD Fair Market Rent limits, the rent allowed under the SRO component may not exceed the HUD FMR limit for that area even if the reasonable rent is found to be higher.

Keep in mind that leasing SRA, TRA, and PRA units at rents higher than the FMR may cause problems down the line since the original Shelter Plus Care grant amounts are calculated by multiplying the number of units to be assisted by the FMR, not the "reasonable rent." Administrative costs, damage payments and rent increases can only be covered if the total grant amount exceeds the actual costs of serving the number of people proposed to be served in the S+C application.

Content updated May 22, 2002

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 [Find the address of a HUD office near you](#)

**SUGGESTED FORMAT - RENT REASONABLENESS CHECKLIST
EXHIBIT 1**

Street Address or Unit Number:

City:

County:

Published Fair Market Rents for this type unit is \$ _____ whereas the required

Contract Rent is \$ _____ plus utilities of \$

Location _____ Unit Type _____ Mgt. & Maint. Serv.

Number of Bedrooms ____ Does it meet HQS _____ Facilities

Square Feet ____ Amenities

Year Built ____ Comments

The following are rent comparable:

	Unit #1	Unit #2	Unit #3
1. Address			
2. Square Feet			
3. Number of Bedrooms			
4. Location: Accessibility Services (List) to			
5. Unit Type			
6. Quality - Meets Standard			
7. Amenities: (List)			
8. Facilities; (List)			
9. Date Built			
10. Mgt. And Maintenance Services			
11. Gross Rent (Including Utilities)			
12. Allowance for tenant Supplied Utilities			
13. Fair Market Rents			

In accordance with 24 CFR 882.106, I certify that based on information available to this office, the requested Contract Rent // is // is not reasonable.

Name of PHA

By: _____
Signature Title Date

Attachment 6
Exhibit 6-2

(Name of Owner/Agent) (Address) (Phone Number)

Number of Bedrooms _____

8. Is the rent for the unit higher than rents the owner charges for comparable unassisted units?

Yes No

(If "yes", the rent may not be approved as reasonable)

The Agency hereby certifies that the Contract Rent is reasonable.

(Name of PHA)

By: _____
Signature Title Date

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section3/spcmanual3_4.cfm.



Section 3.4: Calculating Tenant Rent Payments

To determine the appropriate rent payment for an S+C participant, program operators need to follow these steps:

1. Calculate 10 percent of monthly gross income.
2. Calculate 30 percent of monthly adjusted income.
3. Determine whether a welfare rent may apply, and, if so, determine the amount.
4. Determine which of these three rent amounts is the highest.
5. Set the participant's monthly rent contribution at this amount.

The definitions of annual gross income, adjusted income, and welfare rent and the allowable deductions and adjustments to income are described in detail in CPD Notice 96-3 and can also be found in regulation at 24 CFR Part 5 Subpart F. A few things to keep in mind when making these calculations are:

- Types of income that must be included are employment income, social security, welfare assistance, unemployment benefits, and disability or worker's compensation.
- Some income may be eligible for exclusion. Examples include income earned by children under age 18, payment received for the care of foster children or adults, and reimbursement for the cost of medical expenses. These amounts are subtracted from household income before the rent contribution is calculated.
- The "disallowance of increase in annual income" provision in 24 CFR 5.617 does not apply to the S+C program.

INCOME RECERTIFICATION REQUIREMENTS

As required by statute, S+C program operators must reexamine participants' income at least annually and make any needed adjustments to the participants' rent contribution amount.

The S+C participant may request an interim reexamination if there is a change in family composition (such as the birth of a child) or a decrease in household income.

Participants whose income increases during the year do not have to have their rent increased until the next scheduled (annual) reexamination.

DOCUMENTING RENTAL INCOME

- Program operators need to document the amounts of rental income collected from S+C participants and the method used to determine these amounts.
- If a worksheet is used, it should clearly document how the rent contribution for each participant was determined.
- Documentation of participants' sources of income should also be kept in the files.

TENANT RENT CALCULATIONS FOR CERTAIN HUD MCKINNEY ACT PROGRAMS

Directive Number: 96-3

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Special Attention of:

Notice CPD-96-03

Secretary's Representatives
CPD Directors
Grant Recipients

Issued: March 22, 1996

Expires: March 22, 1997

Cross References:

Subject: TENANT RENT CALCULATIONS FOR CERTAIN HUD MCKINNEY ACT PROGRAMS

1. Purpose.

This Notice replaces Notice CPD-91-11 issued on April 11, 1991, and provides guidance for recipients under the following HUD programs:

- o Supportive Housing Demonstration Program (SHDP). Tenant rental payments in the amount specified in section 3 below are required. [24 CFR 577.320](#); [578.320](#).
- o Supportive Housing Program (SHP). At the recipient's discretion tenant rent may be charged but may not exceed the amount specified in section 3 below. [24 CFR 583.315](#).
- o Shelter Plus Care (S+C). Tenant rental payments in the amount specified in section 3 below are required. [24 CFR 582.310](#).
- o Section 8 Moderate Rehabilitation Program for Single Room Occupancy for Homeless Individuals (SRO). Tenant rental payments in the amount specified in section 3 below are required. [24 CFR 882.808](#).

This Notice:

- o defines income,
- o specifies items that must be excluded from income,
- o specifies allowable adjustments to income,

DESM: Distribution: W-3-1, Special (CPD Field Office Directors)

- o provides a sample worksheet for calculating adjusted income and determining the amount of resident rent, and
- o provides additional information in the question and answer section on specific topics such as how to handle income received from training programs funded by HUD.

2. Background.

The McKinney Act ([42 U.S.C. 11301](#)) as amended by the Housing and Community Development Act of 1992 (Public Law 102-550; approved October 28, 1992) established numerous programs to serve homeless persons, including SHDP, SHP, S+C, SRO, Emergency Shelter Grants (ESG) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) ESG and SAFAH have no statutory provisions regarding rent payments. Therefore, they are not subject to this Notice. The Act also establishes the Safe Havens for Homeless Individuals Demonstration and Rural Homeless Housing Assistance programs. Because these two programs have neither received specific funding from Congress nor have had regulations issued for them by HUD, they, too, are not subject to the terms of this Notice.

Each of the programs subject to this Notice has its own treatment of family and disability which must be used when making income and rent determinations. Further, some programs have slightly different eligibility standards. See Attachment A to this Notice which contains a list of the relevant definitions as they apply to each program year. Beginning in 1993, all grant agreements have a copy of the applicable regulations as an Attachment A, which controls, notwithstanding future changes made to those regulations. As a result, starting with grants awarded in 1993, you should refer to that year's grant agreement form to identify the appropriate definitions. This does not apply to the SRO program because the obligating instrument for the program is an Annual Contributions Contract (ACC), not a grant agreement and the ACC does not contain the applicable program regulations as an attachment.

The term "resident" as used in this Notice means either homeless individual or an eligible person, either of which is residing in a facility operated under one of the programs subject to this Notice. These terms are defined by the program regulations for the particular program. The term "recipient" as used in this Notice means the organization responsible to HUD for administering any of the programs discussed in section 1 above. However, in SRO and the SRO component of S+C, if the recipient is not a PHA, it subcontracts with a PHA which is responsible for rent calculations.

3. Calculating Rent Payments/Worksheet.

- a. Resident Rent. To determine the appropriate rent payment, the following steps should be taken:
 - (1) Calculate 10 percent of monthly gross income. Determine whether the resident has income. The types of income listed in section 4a include the most common sources. Exclude any income that is from a source listed in section 4b. Total all eligible income to determine annual gross income, divide by 12 to determine monthly income, and then multiply by .1 to get 10 percent.
 - (2) Calculate 30 percent of monthly adjusted income. Deduct the items listed in section 5 from the resident's annual gross income to determine annual adjusted income, divide by 12 to determine monthly adjusted income, and multiply by 3 to get 30 percent.

- (3) Determine whether the conditions are present to consider a welfare rent, and if so, determine the amount. If the resident receives public assistance and you are unsure whether a welfare rent applies, check with the HUD Field Office's Public Housing Division or the closest Public Housing Agency.
- (4) Determine which of the above three items is highest. This is the amount of total resident payment, except for SHP. For SHP, the recipient may allow residents to pay a lesser amount, or no rent, if it so chooses. However, for SRO and SRO of S+C, Public Law No. 104-99, requires that in Fiscal Year 1996, the total tenant payment (TPP) must be the greatest of: 30 percent of family monthly adjusted income; 10 percent of family monthly income; or, \$25 or a higher minimum amount set by the housing agency up to \$50.

- b. Worksheet. An optional worksheet is attached (See Attachment B) which can be used to perform the four steps specified above. The worksheet begins with annual gross income.

4. Determining Annual Gross Income.

- a. Income that must be included. For purposes of determining resident rent, annual gross income is the total income of all family members, excluding any employment income of children under age 18, from all sources anticipated to be received in the 12-month period following the effective date of the income certification.

As noted below, with respect to minors, income other than that from employment must be included. Please note that in S+C, unrelated persons can constitute a family and that the income of all adults living in the unit must be included in annual gross income. The information in section 4a and 4b is contained in 24 CFR 813.106, Annual Income, Interim Rule published in the Federal Register on April 5, 1995 (60 FR 17388). Annual gross income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump sum payment for delayed start of a periodic payment, but see section 4b(3) below;
- (3) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see section 4b(3) below);
- (4) Welfare assistance. Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments (e.g., Aid to Families with Dependent Children (AFDC) , Supplemental Security Income (551), and general assistance available through state welfare programs);

- (5) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
 - (6) Net income from the operation of a business or profession;
 - (7) Interest, dividends, and other net income of any kind from real or personal property;
 - (8) All regular pay, special pay and allowances of a member of the Armed Forces, except special hostile fire pay.
- b. Income that must be excluded. Annual gross income does not include:
- (1) Income from employment of children (including foster children) under the age of 18 years;
 - (2) Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);
 - (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (but see section 4a(3) above);
 - (4) Amounts received by the family, that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
 - (5) Income of a live-in aide as defined in Sec. 813.102;
 - (6) The full amount of student assistance paid directly to the student or to the educational institution;
 - (7) Amounts received under training programs funded by HUD;
 - (8) Amounts received by a disabled person that are disregarded for a limited time for purposes of SSI income eligibility and benefits because they are set aside for use under a Plan for Achieving Self-Support (PASS); or
 - (9) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (10) A resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring lawn maintenance, and resident initiatives coordination. No resident may receive

more than one such stipend during the same period of time;

- (11) Compensation from state or local employment training programs and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance;
- (12) Temporary, nonrecurring or sporadic income (including gifts);
- (13) For all initial determinations and reexaminations of income carried out on or after April 23, 1993, reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (14) Earnings in excess of \$480 for each full time student 18 years old or older (excluding the head of household and spouse);
- (15) Adoption assistance payments in excess of \$460 per adopted child;
- (16) Deferred periodic payments of SSI income and social security benefits;
- (17) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- (18) Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- (19) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that included assistance under the U.S. Housing Act of 1937.
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b));
 - (b) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (42 [U.S.C.5044](#) , 5058) ;
 - (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626);
 - (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
 - (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy

- Assistance Program (42 U.S.C. 8624 (f));
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b));
 - (g) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub.L. 94-540, 90 Stat. 2503-2504);
 - (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of the Interior (25 U.S.C. 117);
 - (i) Scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution (20 U.S.C. 1087uu);
 - (j) Payments received from programs funded under Title V of the Older Americans Act of 1965 (U.S.C. 3056(f) 1 ;
 - (k) Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.); and
 - (l) Payments received under Maine Indian Claims Settlement Act of 1980 (Pub.L. 96-420, 94 Stat. 1785) ;
 - (m) Earned income tax credit refund payments received from the Internal Revenue Service on or after January 1, 1991. Payments may be received in a resident's regular pay or as a single sum payment;
 - (n) Payments received as AmeriCorps Living Allowances (29 U.S.C. Sec.1552) ;
 - (o) Payments received under WIC-Supplemental Food Program for Women, Infants, and Children;
 - (p) Payments received under the National School Lunch Program (42 U.S.C. 175-176);
 - (q) Payments received under the Child Nutrition Act (42 U.S.C. 1771-1778);
 - (r) Payments received under the Child Care Block Grant Act of 1990.

5. Determining Annual Adjusted Income.

Annual adjusted income is determined by deducting from annual gross income the items listed below. Attachment B is a worksheet intended to help you make these calculations.

- a. \$480 Per Dependent. \$480 must be deducted for each dependent. Dependents include household members who are under 18, handicapped, disabled, or full-time students, but not any of the following: the family head, spouse, or foster children or, in the case of S+C, the person determined to be important to the care or well being of the eligible person.
- b. Reasonable Child Care Expenses anticipated during the period for children 12 and under that enable a household member to work or pursue further education are deducted. The amount deducted for child care to enable a person to work may not exceed the amount of income received from such work. In addition, child care expenses may not be deducted if the individual is reimbursed for these expenses.
- c. Handicapped Assistance Allowance. The handicapped assistance allowance covers reasonable expenses anticipated during the period for attendant care (provided by non-household member) and/or auxiliary apparatus for any handicapped or disabled household member that enables either that individual or another household member to work. The amount of expenses that exceeds three percent of annual gross income is deducted, provided the resident is not reimbursed for the expenses and the expenses do not exceed the amount earned by adult household members as a result of the handicapped assistance.
- d. Medical Expenses of Elderly or Disabled Residents. The amount that may be deducted for anticipated medical expenses not covered by insurance or unreimbursed, generally equals the amount by which the sum of handicapped assistance expenses, if any, as described in section 5 c. above, and medical expenses exceeds three percent of annual gross income.
- e. \$400 Per Elderly or Disabled Family. This allowance is provided to any family whose head of household, spouse, or sole member is at least 62 years old or is handicapped or disabled.

6. Review of Income.

In order to determine the correct rent payment, residents' income must be reviewed in those programs listed in section 1 where rent is to be collected. Their income must be reexamined at least annually. In addition, if there is a change in family composition (e.g., birth of child) or a decrease in the resident's income during the year, an interim reexamination may be requested by the resident and the resident rent adjusted accordingly. Residents who receive an increase in income need not have their rent increased until the next scheduled (annual) reexamination.

In those programs where rent is required, each resident must agree to supply such certification, release, information, or documentation as the recipient judges necessary to determine the resident's income. Recipients

should use discretion in developing income determination procedures. Self-declaration may be used only if there is no other means of verification available.

7. Accounting for Rental Income.

Accurate financial records must be maintained. Recipients must appropriately document amounts of rental income collected from residents and the method used to determine those amounts. If the worksheet is used, it will provide the necessary documentation on how the amount of rent for each resident was determined. Separate documentation of sources of income must also be maintained.

8. General Questions and Answers Regarding Resident Rent.

- a. Is there a maximum or a minimum rent that can be charged?

The United States Housing Act of 1937 states that resident rent must be the highest of either 30 percent of monthly adjusted income, 10 percent of monthly income, or, under certain circumstances, a locally-designated portion of public assistance. This standard sets an exact rent; there is no maximum or minimum per se. See section 1 (Purpose) for the SHP exceptions. However, see section 3.a. (4) for information on P.L. No. 104-99.

- b. When should income earned through participation in a training program be excluded for purposes of calculating the resident's rent payment?

Income earned through training programs should be excluded if the training program is: funded by HUD (including training provided by HUD grantees and subgrantees using HUD program funds); is funded through the Job Training Partnership Act (JTPA) including AmeriCorps Living Allowances; or is funded by State or local employment training programs.

- c. How do you distinguish between employment that is part of a training program and regular employment?

Employment-related activities are considered to be training rather than employment if the work activity is of a time-limited nature and there is a curriculum of activities with discrete goals related to a participant's skill development and employability. Examples of such activities may include on-the-job training for maintenance work, data entry, or food preparation.

- d. If utilities are not included in rent, who pays the utilities?

In some circumstances the cost of utilities is not included in the resident rent but is the responsibility of the resident. This usually occurs for those living in units that are individually metered, and residents receive bills directly from the utility company. In such circumstances, the resident's rent would equal the resident's required rent payment less an allowance for reasonable utility consumption. Do not include the cost of telephone service as a utility for this purpose. If reasonable utility expenses alone exceed the amount the resident is required

to pay for both shelter and utilities, the resident must be reimbursed for the difference. The attached worksheet reflects this calculation.

- e. What is considered reasonable utility consumption?

Local public housing agencies (PHAs) maintain a schedule of utility allowances by housing type for the Section 8 program. To determine the amount to allow for a reasonable amount of utility consumption given a particular type and unit size of housing, the local PHA should be contacted for the schedule of utility allowances.

- f. What are eligible child care expenses, and is this expense deducted in full?

Child care expenses can be deducted in full given the following conditions: the child or children are 12 years old and under; the resident is employed or enrolled in school while the dependent is receiving care; the amount deducted as child care expenses is necessary for the resident to work or attend school and the amount necessary for the resident to work does not exceed the amount earned while working; and the resident is not reimbursed for this expense.

- g. If a participant pays for child care through a program fee, should this be deducted from income?

If the amount paid through program fees is for eligible child expenses (see question f, above), then the amount paid should be deducted from income.

- h. Does income from seasonal employment, such as income earned through holiday employment, qualify for income exclusion under the "temporary, nonrecurring income" clause?

Unless the income is earned by family members younger than 18 years of age, seasonal income is counted just like other wages and salaries. Seasonal income includes, but is not limited to, holiday employment, summer employment, and seasonal-farm work. "Temporary, nonrecurring income" is income that is not expected to be regularly available in the future. An example of "temporary, non-recurring income" is income earned by census workers who helped take the 1990 census.

- i. May fees for food and services be charged in addition to charging rent?

Participants in programs covered in this Notice may be charged fees for food and other services in addition to rent, but the fees should be reasonable and not conflict with the goal of helping residents achieve the highest level of independent living possible.

- j. Should fees for supportive services be based on a sliding scale according to the income of the client, or on a fixed basis?

Fees may be based either on a sliding scale according to the resident's income or on a fixed basis as long as those fees are

reasonable to the income of the resident and in relation to the services provided.

- k. Can fees apply to some residents but not others?

If there is a reasonable basis to charge only some residents, such as services that apply only to some residents, then fees can be selectively applied. However, in most cases if a fee is charged it would be applied to all residents.

- l. Can recipients require the resident to save a portion of their income?

Federal regulations do not prohibit recipients from instituting mandatory savings programs. However, such programs, if adopted, should be applied to all residents. In addition, recipients should be aware that savings plans may result in asset levels that could jeopardize residents eligibility for benefits such as AFDC, SSI and general assistance. Recipients may want to consult with their local public welfare office to discuss ways to implement savings programs without jeopardizing benefits available to their residents.

- m. Are all residents eligible for a medical expense allowance?

No. Medical expenses can only be deducted if the head of household, spouse or sole member is at least 62 years of age, handicapped or disabled. In addition, only medical expenses in excess of 3 percent of annual income that are not reimbursed may be deducted. The amount deducted depends on the amount of handicapped assistance expenses as described in section 5c and 5d above.

- n. What are typical handicapped assistance expenses?

Typical handicapped assistance expenses include specially equipping an automobile so that a household member can drive to work or paying for in-home attendant care of a handicapped child so that an adult member can work.

- o. If residents receive earned income tax credits in their regular pay, how do I know how much to exclude?

The amount of income included in the residents' pay that is attributed to an earned income tax credit will be listed separately on their pay stubs. It will be the same amount in each check.

- p. Is training provided through any of the programs listed in sections 1 and 2 of this Notice considered to be HUD-funded training?

Yes, if the training is provided using funds available through a grant, it is considered HUD-funded training, and income received from such training may not be counted as income when calculating resident rent payments.

- q. May resident rent be used to pay expenses other than operating or leasing costs?

Rental income may be used for expenses other than operating or leasing costs at the recipient's discretion. For example, the residents' rent could be saved to be used to help them make the transition to permanent housing and greater independence.

ATTACHMENT A

SHDP 1989 FINAL RULE.

These definitions apply to all Transitional Housing and Permanent Housing for the Handicapped Homeless Grants made from 1988 through 1991, until those Grants are renewed. Note that persons whose sole impairment is alcoholism or drug addiction will not be considered handicapped. Upon renewal, the Grants are subject to the regulation in effect at the time of execution of the renewal grant. Attachment A to the Renewal Grant Agreement will contain the appropriate definition.

Handicapped or Handicapped person means any individual having an impairment that is expected to be of long-continued and indefinite duration, is a substantial impediment to his or her ability to live independently and is of a nature that the ability to live independently could be improved by a stable residential situation. This term includes:

1. An individual who is developmentally disabled, i.e., an individual who has a severe chronic disability that:
 - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitations in three or more of the following areas of major life activity:
 - (1) Self-care
 - (2) Receptive and expressive language
 - (3) Learning
 - (4) Mobility
 - (5) Self-direction
 - (6) Capacity for independent living
 - (7) Economic self-sufficiency; and
 - e. Reflects the person's need for a combination and sequence of special interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.
2. Individual who is chronically mentally ill, i.e., an individual who has a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently (e.g., by limiting functional capacities relative to primary aspects of daily living such as personal relation, living arrangements, work, or recreation), and whose impairment could be improved by more suitable housing conditions.
3. A person whose sole impairment is alcoholism or drug addiction will not be considered to be handicapped under this part.

Homeless family with children means a homeless family that includes at least one parent or guardian and one child under the age of 18, a homeless

pregnant woman, and a homeless individual in the process of securing legal custody of any person who has not attained the age of 18 years.

Homeless individual with mental disabilities means a homeless individual who is a handicapped person and whose handicap is wholly or partially attributable to a mental or emotional impairment. This term includes a homeless family, if the head of the family (or the spouse of the head of the family) is a homeless individual with mental disabilities.

SHDP UNPUBLISHED FINAL RULE FOR USE WITH 1992 GRANTS.

These definitions apply to Grants awarded in 1992 only and were included as part of Attachment A in the Grant Agreements. Note that, unlike the terms of the 1989 Final rule, a person whose sole impairment is alcoholism or drug addiction can be considered handicapped, since subsection (c) of the definition has been eliminated. Further, emotional impairment is added as a disability.

Handicapped or Handicapped person means a household composed of one or more persons at least one of whom is an adult who has a disability. A person is considered to have a disability if such person is determined to have a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

This term includes:

1. An individual who is developmentally disabled, i.e., (an individual who has a severe chronic disability that:
 - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitations in three or more of the following areas of major life activity:
 - (1) Self-care;
 - (2) Receptive and expressive language;
 - (3) Learning;
 - (4) Mobility;
 - (5) Self-direction;
 - (6) Capacity for independent living; and
 - (7) Economic self-sufficiency; and
 - e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.
2. An individual who is chronically mentally ill, i.e., an individual who has a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently (e.g., by

limiting functional capacities relative to primary aspects of daily living such as personal relations, living arrangements, work, or recreation), and whose impairment could be improved by more suitable housing conditions.

Homeless family with children means a homeless family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, and a homeless individual in the process of securing legal custody of any person who has not attended the age of 18 years.

SHP INTERIM RULE FOR USE WITH 1993 GRANTS.

These definitions apply to Grants awarded in 1993 and to TH and PH Grants renewed in 1993. Note that the definition of disability has changed and that AIDS is included as a disability.

Disability means:

1. A disability as defined in Section 223 of the Social Security Act;
2. Having a physical, mental, or emotional impairment that:
 - a. Is expected to be of long-continued and indefinite duration;
 - b. Substantially impedes an individual's ability to live independently; and
 - c. Is of such a nature that such ability could be improved by more suitable housing conditions.
3. A developmental disability as defined in section 102 of Developmental Disabilities Assistance and Bill of Rights Act.

The term disability shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

Homeless family with children means a homeless family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless individual in the process of securing legal custody of any person who has not attained the age of 18 years.

SHELTER PLUS CARE.

Apply these definitions to all S+C Grants awarded through 1993. Note that persons whose sole impairment is alcoholism or drug addiction can be considered handicapped, if they meet the three prong test. In this program, a person with AIDS will have to meet the definition of disability (by satisfying the three prong test) in order to be considered disabled and, therefore, to receive adjustments to income. Also, note, that except in the SRO component, eligibility is extended to unrelated persons in the same household. As a result, income and adjustment determination should be made accordingly.

Eligible person means a homeless person with disability (primarily persons who are seriously mentally ill; have chronic problems with alcohol,

drugs, or both; or have AIDS and related diseases) and, if also homeless, the family of such a person. To be eligible for assistance, persons must be very low income, except that low-income individuals may be assisted under the SRO component in accordance with 24 CFR 813.105 (b).

Person with disabilities means a household composed of one or more persons at least one of whom is an adult who has a disability.

1. A person shall be considered to have a disability if such a person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe chronic disability that-
 - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitations in three or more of the following areas of major life activity:
 - (1) self-care,
 - (2) receptive and expressive language,
 - (3) learning,
 - (4) mobility,
 - (5) self-direction,
 - (6) capacity for independent living, and
 - (7) economic self-sufficiency; and
 - e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

Notwithstanding the preceding provisions of this section, the term "person with disabilities" includes, except in the case of the SRO component, two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted under this part, with the deceased member of the household at the time of his or her death. (In any event, with respect to the surviving member or members of a household, the right to rental assistance under this part will terminate at the end of the grant period under which the deceased member was a participant.

ATTACHMENT B
TENANT RENT CALCULATION WORKSHEET

1. Income. (as described in section 4a) (1) _____
2. Income exclusion.
(as described in section 4b) (2) _____
3. Annual Gross Income.
(line 1 minus line 2) (3) _____

Calculation of Adjusted Income

Dependent Allowance

4. Number of Dependents, i.e.,
number of family members,
other than head or spouse, or in
S+C, the person determined to be
important for the care of the
eligible person, who are under 18,
disabled, handicapped or
full-time students. (4) _____
5. Multiply line 4 by \$480. (5) _____

Child Care Allowance

6. Enter anticipated unreimbursed
expenses for care of children
age 12 and under which will allow
a household member to work or
pursue education. It may not
exceed the amount of income from
such work. (6) _____

IF RESIDENT DOES NOT HAVE HANDICAPPED ASSISTANCE EXPENSES AND HEAD OF HOUSEHOLD, SPOUSE, OR SOLE MEMBER IS NOT HANDICAPPED, DISABLED, OR AT LEAST 62 YEARS OF AGE, SKIP TO NUMBER 15.

Handicapped Assistance Allowance

7. Handicapped assistance expenses. (7) _____
8. Multiply line 3 by 0.03. (8) _____
9. Subtract line 8 from line 7. (9) _____
10. Amount earned by family members
which was dependent upon the
handicapped assistance expense. (10) _____
11. Enter the lesser of lines 9 and 10.
This is the handicapped
assistance allowance. (11) _____

IF HEAD OF HOUSEHOLD, SPOUSE, OR SOLE MEMBER IS 62 YEARS OF AGE OR OLDER,
HANDICAPPED OR DISABLED, COMPLETE ITEMS 12-13; OTHERWISE SKIP TO NUMBER 15.

Medical Expenses and Elderly or Disabled persons Family Allowance

12. Medical expenses. (12)_____

13. If line 9 is > 0, enter the amount from line 12; otherwise, add lines 7 and 12 and subtract line 8. (13)_____

14. Elderly or disabled family allowance.
Enter \$400. (14)_____

Adjusted Income

15. Total income adjustments.
Add lines 5, 6, 11, 13, and 14. (15)_____

16. Adjusted Income.
Subtract line 15 from line 3. (16)_____

Resident Rent Determination

17. 30% of Adjusted Monthly Income.
Divide line 16 by 12 and multiply by 0.3 (17)_____

18. 10% of Monthly Income.
Divide line 3 by 12 and multiply by 0.1 (18)_____

19. Welfare rent, if applicable. (19)_____

20. RESIDENT RENT.
Enter the largest of lines 17, 18 and 19. (20)_____
However, refer to section 3.a. (4) for
information on P.L. No. 104-99,
minimum rent of \$25 to \$50.

IF THE RENT INCLUDES UTILITIES STOP HERE, OTHERWISE PROCEED TO NUMBER
21.

Determination of Resident Rent for Units Where Utilities are not Included in
Rent

21. Utility Allowance. (21)_____

22. RESIDENT RENT.
Subtract line 21 from line 20 (22)_____

23. UTILITY REIMBURSEMENT. (If the amount on line 22 is less than 0, change the minus to a plus. This is the amount that must be paid to the resident as a utility reimbursement.) (23)_____

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section3/spcmanual3_5.cfm.



Section 3.5: Occupancy Agreements

While the statutory purpose of S+C is to provide long-term housing connected to appropriate supportive services, S+C participants may be wary of entering a long-term housing arrangement and equally mistrustful of engaging in supportive services.

The S+C program regulations allow you considerable flexibility in developing occupancy agreements that may help ease participants' transition to the long-term housing and services offered by the local S+C project.

Similarly, HUD encourages program operators to work with participants to avoid circumstances that might lead to termination of rental assistance.

ELEMENTS of an OCCUPANCY AGREEMENT

- Participants are not required to enter a long-term lease but must sign an initial occupancy agreement for a term of at least one month. This agreement is automatically renewable upon expiration, except on prior notice by either the tenant or the landlord.
- At the discretion of the grantee or housing sponsor, participants *may* be required to take advantage of supportive services as a condition for obtaining the rental assistance. The requirements may be included in the lease or as a separate attachment.

TERMINATION of ASSISTANCE

- Rental assistance *may* be terminated if a participant violates conditions of occupancy.
- Program regulations recommend, however, that grantees exercise judgment and take into consideration extenuating circumstances so that participants are only terminated for the most serious rule violations.
- If termination is necessary, principles of due process must be followed. At a minimum, this process must include:
 - Written notice to the participant containing a clear statement of the reason for the termination;
 - A review of the decision, during which the participant has the opportunity to present written or verbal objections before someone other than the person (or a subordinate of the person) who made or approved the termination decision; and
 - Prompt written notice of the final decision to the participant.

The S+C Program permits grantees to resume assistance to persons or families whose assistance was previously terminated.

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/understandingspc/policy_res.cfm.



Resident Occupancy Policies

The nature of the target population, and the flexibility of the S+C program in responding to the needs of this population, is also reflected in the program's resident occupancy and termination policies.

Occupancy Agreements

Participants must execute an initial occupancy agreement for a term of at least one month, automatically renewable upon expiration, except on prior notice. The month-long lease is meant to establish a sense of commitment, while not appearing overbearing.

Service Commitment

At the discretion of the grantee or the entity providing the housing, participants may be required to take advantage of supportive services as a condition of continued rental assistance.

Inpatient Care

If a participant is temporarily away from the unit to receive inpatient care (e.g., detoxification, mental health stabilization, health care treatment), the rental assistance may continue for up to 90 days.

Vacancy Payments

If a unit is vacated before the end of the occupancy agreement, S+C may continue to assist the unit for the remainder of the month in which it is vacated plus up to 30 additional days. This is intended to allow grant recipients adequate time to engage another homeless disabled person into the program.

Termination

Assistance may be terminated if a participant violates conditions of occupancy. Program regulations, however, recommend that grantees be as lenient as possible, so that assistance is terminated for only the most serious rule violations. Enough supportive services should be provided so that the need for termination is rare. Even termination should not eliminate contact; grantees should be trying to bring the homeless person back into the program.

However, when all alternatives have been explored and termination is still necessary, grantees must work through a formal process that protects the due process rights of the resident.

Applicants may apply for assistance under any or all of the four components.



**SHELTER PLUS CARE
SHELTER PLUS CARE PROGRAM CONTRACT
AGREEMENT & GUIDELINES**

CONTRACT PARTIES

PARTICIPANTS

Sponsor Agency:

Name:

Westhab, Inc.
Shelter Plus Care Program
20 South Broadway
Yonkers, New York 10701
(914) 376-0063

Jane Doe

LEASE INFORMATION

Apartment Address:

444 Waverly Street

Yonkers, NY 10705

EFFECTIVE TIME PERIOD OF THIS CONTRACT

Initial 30-day

From: December 15, 2006

To: January 15, 2007

Contract Period

From: December 15, 2006

To: November 30, 2007

DATE OF CONTRACT: December 15, 2006

SHELTER PLUS CARE PROGRAM CONTRACT AGREEMENT & GUIDELINES

Prior to enrollment in the SPC Program (Shelter Plus Care) each participant must review and sign this contract. The purpose of this contract is to outline program guidelines, expectations, and procedures. Because your signature implies agreement and understanding, it is important that you review this carefully.

AGREEMENT made as of the _____xxxx_____ day of _____xxxxx_____ between

**The SPC Program (Shelter Plus Care) and Jane Doe
(participant)**

1. The SPC Program sponsors:
A supported housing program to serve eligible homeless families who are afflicted with a mental illness and/or substance abuse problems. These units are leased by Westhab, the sponsoring agency for the SPC Program). Occupants/residents will receive an array of support advocacy services to be delivered or arranged by the SPC Case Manager. These services include, but are not limited to the following: Linkage to vocational, educational, psychiatric, and medical services; skills teaching; crisis intervention.
2. The SPC Program is operated by Westhab, and funded by the United States Department of Housing and Urban Development (HUD) with funds disbursed by the Westchester Department of Community Mental Health. The SPC Program is mandated to meet the regulatory requirements of all involved agencies.
3. The provision of housing by the SPC Program to the participant or any arrangement by SPC Program to provide housing to the participant does not constitute the typical landlord-tenant relationship between the SPC Program and the participant.
4. The Program policies and practices adopted and followed by the SPC Program will conform to applicable laws, will recognize the participant’s individual dignity and will respect the participant’s privacy in a manner consistent with the common interests of all others in the residence.
5. If the participants materially breaches one or more obligation(s) and or the criteria for occupancy, the participant will be notified in person and in writing of the problem being provided 10 days to correct the problem. SPC Program staff will make every reasonable effort to assist the participant in complying with the obligation(s) and/or criteria for occupancy.
6. If the breach of obligation and/or criteria of occupancy is not corrected by the participant within the allotted time, the SPC Program has the authority to terminate this agreement. If the decision is made to terminate this agreement, the participant shall be notified in writing that the agreement will be terminated 30 days from the date of notification. Such notification must clearly outline the reasons for termination and the date of termination

SHELTER PLUS CARE PROGRAM CONTRACT AGREEMENT & GUIDELINES

7. In the event that the occupant/participant breaches this agreement because of the commission of illegal acts, conduct towards others or conduct imminently dangerous to the health and safety of others. The SPC Program may terminate this agreement without notice to correct and without the 10 and 30 day periods referred to in paragraph 5 and 6. In this event, the discharge becomes final upon notification of termination.
8. In the event that the discharge becomes final and the participant fails or refuses to leave the premises, the SPC Program may elect to commence legal proceedings to evict the resident pursuant to Section Seven Hundred Thirteen of the Real Property Actions and Proceedings Act (Grounds where no Landlord/Tenant relationship exist.)
9. The participant is responsible for payment of all debts incurred while in the SPC Program. This includes the program fee which roughly equates to one-third of an individual's total monthly income in addition to their portion of the telephone bill and/or any other utilities required by the participant. Participant agrees to apply towards the program payment any public assistance funds and/or utilities to which the participant is entitled. The participant authorizes the SPC Program to directly receive funds from any disbursing public agency to use toward payment of the program fee. Any unpaid portion of the program fee which is not otherwise paid by a disbursing agency shall remain the participant's responsibility until fully paid.
10. Checks or money orders for the participant's rent payment are to be made to Westhab, Inc. (85 Executive Blvd Elmsford, NY 10523) by the 10th day of each month unless other payment arrangements have been previously made with Westhab.
11. Pets are not allowed to be kept in any SPC Program site.
12. I agree to abide by the SPC Program Contract Agreement & Guidelines conditions as stipulated. My signature on the SPC Program Contract signifies my agreement and understanding of the conditions.
13. I understand that the SPC Program has leased this apartment from the LANDLORD from _____ month/day/year to _____ month/day/year. I further understand that the SPC Program will contract this apartment to me on a month to month basis.
14. I understand that my occupancy is limited to immediate family consisting of __x__, and no individual(s) other than myself and those family members listed on budget sheet may live in the unit. I understand that the right of free access to the unit is reserved only for myself and my family members on my budget sheet. With the exception of SPC Program staff and unit participants, no other individuals will have access to, or be provided with, copies of keys to the units.

SHELTER PLUS CARE PROGRAM CONTRACT AGREEMENT & GUIDELINES

15. I understand that the apartment is leased by the SPC Programs sponsor, Westhab, and that any damages to the unit incurred by myself or guests is my responsibility. I understand that any intentional or careless damage will jeopardize my occupancy in the SPC Program.
16. I understand that any illegal activity or use of illegal substances may result in discharge from the program. Further, any threatening, aggressive assaultive, dangerous or illegal conduct may also result in discharge.
17. I understand that linkage with the mental health and substance abuse treatment system is a mandatory part of my long-term plan. Therefore, I agree to participate in relevant treatment program(s) of my choice so that I may receive benefits from these services. I understand that symptoms or behavior resulting from non-participation in treatment programs which have a negative effect on my neighbors or family members may jeopardize my occupancy in the SPC Programs.
18. I understand that one home visit a month as well as one office visit a month must be conducted with the SPC team.
19. I agree to notify SPC Program staff of ALL EMERGENCIES and PROBLEMS immediately.
20. I understand that I am responsible for maintaining a CLEAN unit. Along with my family members, I will ensure that the unit is kept in good order.
21. I understand that the SPC Program will evaluate the total value of my present income in order to calculate my share of rental payment. I further understand that the SPC Program can re-evaluate my income on an annual basis during the time that I am receiving housing assistance and can make program fee adjustments as needed. If there is a change in my financial situation during the lease period (see #13 above) I will notify the SPC Program within ten (10) days of that change. Failure to notify the program of a change in my financial circumstance will incur a repayment of all back program monies due.
22. I am aware that the monthly fee on my apartment for the period of XXXX
Is \$. I am also aware that the Shelter Plus Care Program will be responsible to pay the entire monthly contract rent and as the participant I will contribute towards the rent. I understand that this contribution represents my responsibility under the Section 8 Tenant Eligibility Program. At the present time I understand that the Shelter Plus Care Program will pay the rent directly to the LANDLORD through a separate agreement.

SHELTER PLUS CARE PROGRAM CONTRACT AGREEMENT & GUIDELINES

23. The security payment for my apartment will not exceed one (1) month's fee (\$_____). My obligation for paying the security deposit will be determined at the time of occupancy and based upon my current financial resources.
24. I understand that the SPC Program is not obligated to perform landlord duties like building maintenance, repair, and the like. If the landlord fails to perform those duties, the participant must contact the SPC Program so negotiations can be started on addressing the problems on my behalf with the LANDLORD accordingly.
24. I understand that at no time am I directly to get in contact with the landlord for any reason but will instead notify the SPC Program so that the matter can be addressed. (24 hour # 965-0445)
25. I understand that except for emergencies or special circumstance, the Landlord and the SPC Case Manager may enter my apartment during reasonable hours following advance notice, or by my request. The SPC Case Manager is permitted to occasionally inspect my apartment with prior notice and will provide me with feedback regarding inspection results.
26. I am aware that the Landlord and the SPC Program have keys to my apartment and all interior doors. They will utilize those keys after consulting with me or in the case of an emergency or special circumstances. If I find it necessary to install additional locks on any of the apartment doors, I will notify the SPC Case Manager of my intention to do so, and provide copies to Westhab within 48 hours of the change.
27. I agree that when the CONTRACT ends, my apartment will be returned to the same condition, except for normal wear and tear as it was in the beginning of the CONTRACT.
28. I understand that the CONTRACT Agreement may be terminated if I do not live up to the terms of this contract and the SPC Program as follows:
- A. The SPC Program will notify me in writing requesting my compliance terms of the lease within a ten (10) day period.
 - B. A second written request will be sent stipulating that the contract will be terminated thirty (30) days after this second notice is postmarked.
 - C. I have the right to an administrative review of the decision where I will be given the opportunity to express any objections I may have to the decision made regarding the discontinuation of my participation in the SPC Program.

SHELTER PLUS CARE PROGRAM CONTRACT AGREEMENT & GUIDELINES

- D. Upon termination of the CONTRACT Agreement, I understand that I will leave the apartment and return all keys to the SPC Program.
- E. I further understand that if I wish to end the CONTRACT Agreement for any reason, my WRITTEN REQUEST must be submitted to the SPC Program THIRTY (30) DAYS PRIOR TO MY LEAVING THE PREMISES.

- 29. I understand that if I need to be admitted to an inpatient program for any reason, the SPC Program will “hold” my apartment for up to ninety (90) days. I also understand that I am responsible for my share of the rent while in the inpatient program. After a successful inpatient discharge, I agree to continue in appropriate outpatient treatment enabling me to return to my apartment.
- 30. Furniture owned by Westhab, Inc. must remain in apartment after participant vacates premises.
- 31. Do not use ovens to heat the apartment.
- 32. Provide adequate care and supervision of children: no hanging out in front of building. No sitting on window ledges or fire escapes. Use window locks properly to ensure family safety.
- 33. No buzzing of any one into building, without knowing who they are.
- 34. All garbage must be disposed of properly. The entrance, hallway, and stairway areas must not be blocked in any way or used for purposes other than entering and exiting from apartment building.

I HAVE READ, UNDERSTAND, AND AGREE TO LIVE BY THE TERMS OF THIS AGREEMENT. I FURTHER UNDERSTAND THAT THE LEASE PROVISIONS ARE PART OF THE CONTRACT AGREEMENT AND APPLY EQUALLY TO ME AND THE SHELTER PLUS CARE PROGRAM TO ABIDE BY

Participant’s Signature

Date

Shelter Plus Care Case Manager

Date

Witness /Title

Date

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section4/spcmanual4_1.cfm.



Section 4.1: Service provision requirements

The statute states that supportive services must be offered to S+C participants in an amount equal to or greater than the total rental assistance through the S+C grant.

The statute does not exclude any source of funding for the purposes of meeting the supportive services match requirement, except that S+C grant funds cannot be used for supportive services in any event. The sources may be Federal, State, local, or private. Of course, supportive services must be an eligible use of the source program's funds. For example, the HOME Program cannot be used to meet the S+C match requirement since supportive services are not an allowable use of HOME funds. The services may be created specifically for the S+C program or already be in operation.

Note

Supportive service may be provided by the grantee, or social service agency, or offered by paid staff or by volunteers. Over time, some tenants may require few if any

Service plans need to be developed at program entry and over time. You should assess each participant's needs, both at program entry and over time. You should assess participants' service needs and make adjustments to service plans as needed. (See 24 CFR 582.300 b-c.) This is essential so that tenants are not made to receive specific services for which there may no longer be a need.

Note

Over time, some tenants may require few if any supportive services. When this happens, you may wish to consider offering these tenants the option of receiving Section 8 vouchers, if available in your community, thus freeing up rental assistance dollars in your S+C Program for new tenants.

Content updated May 24, 2002

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 [Find the address of a HUD office near you](#)

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section4/spcmanual4_2.cfm.



Section 4.2: Providing appropriate services

Appropriate services should be offered to S+C participants, and should be tailored to meet the needs of each individual participant.

APPROPRIATE ELIGIBLE SERVICES

In general, and as the definition of "supportive service" in the S+C regulation (section 582.5) indicates, a supportive service qualifies as a matching resource when it addresses the "special needs" of the individual.

Examples of supportive services that might be provided by you or one of your sponsors include:

- Health care
- Mental health treatment
- Alcohol and other substance abuse services
- Childcare services
- Case management
- Counseling
- Education and/or job training
- Other services essential for achieving and maintaining independent living, such as courses on household budgeting

Among the types of services that are not eligible to count toward the supportive service match requirement is inpatient acute hospital care.

OUTREACH

S+C grantees must make an ongoing effort to ensure that eligible hard-to-reach persons are identified and served by the program. Outreach activities to identify eligible homeless people are considered a supportive service, and the value of outreach activities that occur after the execution of the grant agreement counts toward meeting the match requirement.

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Section 4.3: Providing services to disperse

Especially for the TRA component, housing units may be scattered throughout a neighborhood or Connecting participants to services in this situation can be particularly challenging. You should carefully structure service provision to make sure that participants will be able to access much needed services. For example, where S+C participants live in scattered housing units, a case manager may be assigned to make regularly scheduled visits to each participant's home.

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Section 4.4: Managing partnerships with service providers

Few S+C grantee agencies have the capacity to implement all aspects of a local project. More commonly, responsibilities for housing and service provision are shared among several organizations. Grantees will need to structure agreements with these partner organizations so that roles and responsibilities are clear and accountability is ensured.

Some tips and tools to consider in developing and managing these partnerships are discussed below.

MEMORANDUM of UNDERSTANDING

When the grant has been awarded, the preliminary agreements made at the time the S+C application was prepared should be reviewed and solidified. Many grantees develop a Memorandum of Understanding (MOU) with their housing sponsors and supportive service providers. An MOU should include the following:

- A management plan outlining responsibilities;
- Tenant selection criteria;
- Scope of services to be provided;
- Agreements about record-keeping and reporting; and
- Term of the MOU.

These MOUs establish a clear understanding of each agency's responsibilities. Grantees can then use MOUs as a monitoring tool to ensure appropriate services are offered as agreed.

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Appendix B

Letter of Intent from S+C Service Provider

[DATE]

[NAME OF S+C GRANTEE]

[ADDRESS OF S+C GRANTEE]

Dear [NAME OF S+C GRANTEE]:

[S+C SERVICE PROVIDER] provides substance abuse treatment services. Our goals are to promote recovery, self-determination, and empowerment. [S+C SERVICE PROVIDER] would like to participate in the Shelter Plus Care Service Provider Network. We can provide the following in-kind services:

- case management for our clients and graduates in recovery, including preparation of a self-sufficiency plan
- reports on AA and NA attendance
- drug and alcohol testing as medically appropriate
- referral into residential programs in case of relapse
- aftercare groups for clients

We anticipate a need to provide services to approximately ten clients per year. We estimate the value of these in-kind services to be in the range of \$_____ annually.

Please contact _____, executive director, at the number above, or speak with _____, program director, at _____, if we can provide any further information. We will look forward to your response.

Cordially,

MEMORANDUM OF UNDERSTANDING BETWEEN [S+C GRANTEE] AND [S+C SERVICE PROVIDER]

1. Background

The _____ Shelter Plus Care Program is funded by a grant from the United States Department of Housing and Urban Development (HUD). The Program is designed to provide both affordable housing and a full range of services to homeless individuals who are mentally ill, have chronic alcohol and drug problems, and/or have AIDS or related disorders. The Program is jointly administered by the _____ and the _____.

2. Purpose of Memorandum of Understanding

[Number of Service Providers] have committed to participate in the Shelter Plus Care Program to provide necessary service to the target population. The purpose of this Memorandum of Understanding (MOU) is to clearly identify the services to be provided and the responsibilities of _____, an identified service provider and hereinafter referred to as Provider; and the responsibilities of the County.

3. Scope of Services

Provider shall provide services as described in the Provider's Commitment letter, as set forth in Exhibit A.

[Grantee] shall administer all grant requirements, administer rental assistance to eligible participants, coordinate participant intake, referral, and service delivery among the Service Providers, and between Housing Providers and Service Providers, and provide technical assistance and training to Service Providers. [Grantee] shall make a good faith effort to seek and secure additional financial and in-kind resources on behalf of the Provider in support of Shelter Plus Care Program related activities.

4. Indemnity and Insurance

Provider shall indemnify [Grantee], its officers and employees, against any and all liability for injury and damage caused by any negligent or willful act or omission of Provider or any of Provider's employees or volunteers in the performance of the duties specified in this MOU.

[Grantee] shall likewise indemnify and hold Provider harmless. Provider shall have General Liability, Workers' Compensation, Automobile, and Professional Insurance coverage as required and appropriate. Proof of coverage will be provided upon request of the [Grantee].

5. Record Keeping and Reporting

Provider agrees to maintain on a current basis documentation of matching service contributions, eligibility and occupancy records, as may be applicable, complete and current monthly service logs, application logs, and all related documents and records to assure proper accounting of funds and performance under the terms of this MOU. Provider agrees to participate in the local and national evaluation of the Shelter Plus Care Program using a data collection system developed by the [Grantee] and HUD respectively and provided to the Provider.

6. Compliance with Federal Regulations

Provider agrees to comply with all applicable requirements which are now, or which may hereafter be, imposed by HUD for the Shelter Plus Care Program, including, but not limited to, the requirements of 24 CFR part 85 (administrative requirements as detailed in OMB Circular A-102, and OMB Circular A-87), and 24 CFR part 24 (the use of debarred or suspended contractors). Provider will also comply with the requirement to maintain a Drug-free Workplace, pursuant to Section 401 of the McKinney Act and the Drug-free Workplace Act of 1988, and will comply with all statutes and regulations applicable to the delivery of the provider's services. There will be no displacement of tenants or property owners through the provision of services pursuant to this MOU.

7. Nondiscrimination and Equal Opportunity

Provider agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, handicap, ancestry, familial status, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program participating in Shelter Plus Care or funded in whole or in part with funds made available to Provider pursuant to this MOU.

8. Term

The term of this MOU is _____[DATE]_____.

9. Amendment

This MOU may be amended with the written agreement by both agencies.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this first day of January, 1994.

BY _____

BY _____

Community Development Agency Director

Date

Date

Approved as to form:

BY _____
Deputy County Counsel

Date

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/homeless/library/spc/resourcemanual/section4/spcmanual4_5.cfm.



Section 4.5: Documenting the match

DOCUMENTATION RESPONSIBILITIES

Given the importance of the match requirement, it is especially critical that service providers understand their responsibilities in tracking and documenting services offered to S+C participants. Grantees and their partners need to develop procedures and reporting formats to collect and compile this information.

Because the service needs of S+C participants are high, it is likely that the value of supportive services provided to them far exceeds the value of the S+C rental assistance. However, in order to get credit for having met the statutory match requirement, these supportive services must be adequately documented. This section provides guidance and suggestions for documenting the match.

WHAT COUNTS as MATCH?

The following items count toward the supportive service match requirement:

- Salaries paid to grantee staff to provide supportive services to participants;
- The value of supportive services provided to participants by other organizations or by professionals volunteering their professional services;
- Supportive services provided by other volunteers (at the rate of \$10 per hour);
- The prorated value of any lease on a building used for supportive services to program participants; and
- The cost of outreach activities after the grant agreement has been signed.

REQUIREMENTS for CALCULATING MATCH

As a S+C grantee, you must match the total value of S+C rental assistance provided through the grant with an equal value of supportive services. Grant funds spent on eligible administrative costs are not subject to the match requirement.

The match is an overall grant wide requirement, not year-by-year, component-by-component or participant-by-participant. Since HUD assumes that the provision of supportive services will vary according to the needs of the participants, any given participant is not required to receive the same amount of services as rental assistance. As a result, the value of the services provided may be higher or lower than the value of rental assistance for any given year.

Keep in mind that the match must be reported annually in the Annual Progress Report (APR); therefore, the grantee should request information on supportive services from providers at regular intervals – at least yearly – and preferably more often. Good management practice would dictate that a standard reporting format be developed and made available to each service provider **before** they begin providing services.

A sample format and instructions will help support service providers to provide accurate documentation for the match:

1. Pull the clinical records on all S+C clients.
2. Check the client record against the activities listed on the Supportive Services match tracking form (see example in Appendix F.)
3. Check YES if the service or referral for each service took place.
4. In HOURS column, indicate how much time was spent on each service or referral.
5. In RATE column, indicate hourly rate for staff providing service.
6. In MATCH \$ column, calculate the dollar amount of service or referral provided.
7. Sign and date the verification at the bottom of the page. This form remains part of the Federal records.
8. Return completed form to grantee.

Instructions should accompany the reporting format that includes a listing of what qualifies as match under the program. However, it is the responsibility of the grantee to check that the match claimed is eligible and verify the match dollars claimed.

Determining the amount spent on matching services might look like this:

<p>Example: The prorated salary paid to a case manager who works with eligible S+C participants may be counted as match. If the service provider, who earns \$30,000 a year, spends 50% of her time providing eligible services to S+C participants, then half of her salary and benefits may be counted as match.</p>	
50% of case manager salary (at \$30,000 a year)	=\$15,000
+ 50% of benefits paid by employer (estimated at 30% of salary or \$9,000 a year)	=\$4,500
<p>= \$19,500 that may be counted as supportive service match under S+C</p>	

Appendix D

Request for Documentation of Service Match

Memo to: Staff with Shelter + Care clients
From: [S+C DIRECTOR]
Date:
Subject: Mandatory Federal Reporting Shelter + Care (S+C)

Dear:

As part of the federal mandatory report for the S+C Program, we are required to report any care activity for the period of time from _____ to _____. Our records show that your program had _____ clients that participated in the S+C Program.

For each client you will find attached a SHELTER + CARE REPORTING FORM. Complete the form for each client by _____. **This report is required regardless of the client's current status in S+C.**

It is critical that we record all care activity provided by all providers. This activity will be costed out to apply against the S+C grant.

Instructions:

1. Pull the clinical record on all clients for whom you have received a form.
2. Check the client record against the activities listed in items a-t on the form.
3. Check YES or NO for each activity. YES indicates that a service or referral for such service took place.
4. Indicate in the WHERE column the name of the agency involved in the referral.
5. Sign and date the verification at the bottom of the page. This form remains part of the federal records.
6. Return completed from by _____.

SHELTER + CARE SUPPORTIVE SERVICES TRACKING FORM

NAME OF SERVICE PROVIDER: _____

CLIENT NAME: _____

YES	SERVICE OR REFERRAL	HOURS	RATE	MATCH \$
	a. Outreach			
	b. Case Management/Care Coordination			
	c. Intensive Day Treatment/Therapy			
	d. Life Skills Training			
	e. Alcohol and Drug Abuse Services:			
	f. Mental Health Service			
	1. Hospitalization			
	2. Other			
	g. AIDS Related Services			
	h. Health Care			
	1. Clinic			
	2. Other			
	i. Education (GED or Other)			
	j. Employment Services			
	1. Job Training Enterprises			
	2. Other			
	k. Child Care			
	l. Children Services			
	m. Residential Management Services			
	n. Follow-up (transitional housing)			
	o. Crisis Bed			
	p. Representative Payee Services			
	r. Food Pantries			
	s. Other:			
TOTAL SUPPORTIVE SERVICES MATCH =				

I verify in accordance with Federal reporting guidelines that the above information is accurate and correct.

Date

Signature

Appendix E

Service Grid for Shelter Plus Care Client

Name of Client _____

Case manager: _____

Please enter hours of service received.

Sample Service Documentation

	1/5/00	1/12/00	1/19/00	1/26/00	2/2/00	2/9/00	2/16/00	2/23/00	3/1/00	3/8/00	3/15/00
Case management	1	1	1	1	1	1	1	1	1	1	1
Life Skills Training	1	1	1								
Child care					4		4	4	4	4	4
Housing search assistance										1	1
Substance abuse counseling	1.5	1.5	1.5				1.5	1.5	1.5	1.5	1.5
Budgeting		1	1	1		1					
GED	2	2	2	2							
Job training							4	4	4	4	4
Job search											

§ 581.13

if no completed applications or requests for extensions have been received by HHS within 90 days from the date of the last expression of interest, disposal may proceed in accordance with applicable law.

§ 581.13 Waivers.

The Secretary may waive any requirement of this part that is not required by law, whenever it is determined that undue hardship would result from applying the requirement, or where application of the requirement would adversely affect the purposes of the program. Each waiver will be in writing and will be supported by documentation of the pertinent facts and grounds. The Secretary periodically will publish notice of granted waivers in the FEDERAL REGISTER.

PART 582—SHELTER PLUS CARE

Subpart A—General

- Sec.
- 582.1 Purpose and scope.
- 582.5 Definitions.

Subpart B—Assistance Provided

- 582.100 Program component descriptions.
- 582.105 Rental assistance amounts and payments.
- 582.110 Matching requirements.
- 582.115 Limitations on assistance.
- 582.120 Consolidated plan.

Subpart C—Application and Grant Award

- 582.200 Application and grant award.
- 582.230 Environmental review requirements.

Subpart D—Program Requirements

- 582.300 General operation.
- 582.305 Housing quality standards; rent reasonableness.
- 582.310 Resident rent.
- 582.315 Occupancy agreements.
- 582.320 Termination of assistance to participants.
- 582.325 Outreach activities.
- 582.330 Nondiscrimination and equal opportunity requirements.
- 582.335 Displacement, relocation, and real property acquisition.
- 582.340 Other Federal requirements.

Subpart E—Administration

- 582.400 Grant agreement.
- 582.405 Program changes.
- 582.410 Obligation and deobligation of funds.

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AUTHORITY: 42 U.S.C. 3535(d) and 11403–11407b.

SOURCE: 58 FR 13892, Mar. 15, 1993, unless otherwise noted.

Subpart A—General

§ 582.1 Purpose and scope.

(a) *General.* The Shelter Plus Care program (S+C) is authorized by title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 11403–11407b). S+C is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities (primarily those who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have acquired immunodeficiency syndrome (AIDS) and related diseases) and their families. The program provides grants to be used for rental assistance for permanent housing for homeless persons with disabilities. Rental assistance grants must be matched in the aggregate by supportive services that are equal in value to the amount of rental assistance and appropriate to the needs of the population to be served. Recipients are chosen on a competitive basis nationwide.

(b) *Components.* Rental assistance is provided through four components described in § 582.100. Applicants may apply for assistance under any one of the four components, or a combination.

[58 FR 13892, Mar. 15, 1993, as amended at 61 FR 51169, Sept. 30, 1996]

§ 582.5 Definitions.

The terms *Fair Market Rent (FMR)*, *HUD*, *Public Housing Agency (PHA)*, *Indian Housing Authority (IHA)*, and *Secretary* are defined in 24 CFR part 5.

As used in this part:

Acquired immunodeficiency syndrome (AIDS) and related diseases has the meaning given in section 853 of the AIDS Housing Opportunity Act (42 U.S.C. 12902).

Applicant has the meaning given in section 462 of the McKinney Act (42 U.S.C. 11403g).

Eligible person means a homeless person with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs,

or both; or have AIDS and related diseases) and, if also homeless, the family of such a person. To be eligible for assistance, persons must be very low income, except that low-income individuals may be assisted under the SRO component in accordance with 24 CFR 813.105(b).

Homeless or homeless individual has the meaning given in section 103 of the McKinney Act (42 U.S.C. 11302).

Indian tribe has the meaning given in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Low-income means an annual income not in excess of 80 percent of the median income for the area, as determined by HUD. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

Nonprofit organization has the meaning given in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704). The term nonprofit organization also includes a community mental health center established as a public nonprofit organization.

Participant means an eligible person who has been selected to participate in S+C.

Person with disabilities means a household composed of one or more persons at least one of whom is an adult who has a disability.

(1) A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions.

(2) A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that—

(i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;

(ii) Is manifested before the person attains age 22;

(iii) Is likely to continue indefinitely;

(iv) Results in substantial functional limitations in three or more of the following areas of major life activity:

(A) Self-care;

(B) Receptive and expressive language;

(C) Learning;

(D) Mobility;

(E) Self-direction;

(F) Capacity for independent living; and

(G) Economic self-sufficiency; and

(v) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

(3) Notwithstanding the preceding provisions of this definition, the term *person with disabilities* includes, except in the case of the SRO component, two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted under this part, with the deceased member of the household at the time of his or her death. (In any event, with respect to the surviving member or members of a household, the right to rental assistance under this part will terminate at the end of the grant period under which the deceased member was a participant.)

Recipient means an applicant approved to receive a S+C grant.

Seriously mentally ill has the meaning given in section 462 of the McKinney Act (42 U.S.C. 11403g).

Single room occupancy (SRO) housing means a unit for occupancy by one person, which need not but may contain food preparation or sanitary facilities, or both.

Sponsor means a nonprofit organization which owns or leases dwelling units and has contracts with a recipient to make such units available to eligible homeless persons and receives

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rental assistance payments under the SRA component.

State has the meaning given in section 462 of the McKinney Act (42 U.S.C. 11403g).

Supportive service provider, or *service provider*, means a person or organization licensed or otherwise qualified to provide supportive services, either for profit or not for profit.

Supportive services means assistance that—

(1) Addresses the special needs of eligible persons; and

(2) Provides appropriate services or assists such persons in obtaining appropriate services, including health care, mental health treatment, alcohol and other substance abuse services, child care services, case management services, counseling, supervision, education, job training, and other services essential for achieving and maintaining independent living.

(Inpatient acute hospital care does not qualify as a supportive service.)

Unit of general local government has the meaning given in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Very low-income means an annual income not in excess of 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

[61 FR 51169, Sept. 30, 1996; 62 FR 13539, Mar. 21, 1997]

Subpart B—Assistance Provided

§ 582.100 Program component descriptions.

(a) *Tenant-based rental assistance (TRA)*. Tenant-based rental assistance provides grants for rental assistance which permit participants to choose housing of an appropriate size in which to reside. Participants retain the rental assistance if they move. Where necessary to facilitate the coordination of supportive services, grant recipients may require participants to live in a

specific area for their entire period of participation or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Recipients may not define the area in a way that violates the Fair Housing Act or the Rehabilitation Act of 1973. The term of the grant between HUD and the grant recipient for TRA is five years.

(b) *Project-based rental assistance (PRA)*. Project-based rental assistance provides grants for rental assistance to the owner of an existing structure, where the owner agrees to lease the subsidized units to participants. Participants do not retain rental assistance if they move. Rental subsidies are provided to the owner for a period of either five or ten years. To qualify for ten years of rental subsidies, the owner must complete at least \$3,000 of eligible rehabilitation for each unit (including the unit's prorated share of work to be accomplished on common areas or systems), to make the structure decent, safe and sanitary. This rehabilitation must be completed within 12 months of the grant award.

(c) *Sponsor-based rental assistance (SRA)*. Sponsor-based rental assistance provides grants for rental assistance through contracts between the grant recipient and sponsor organizations. A sponsor may be a private, nonprofit organization or a community mental health agency established as a public nonprofit organization. Participants reside in housing owned or leased by the sponsor. The term of the grant between HUD and the grant recipient for SRA is five years.

(d) *Moderate rehabilitation for single room occupancy dwellings (SRO)*. (1) The SRO component provides grants for rental assistance in connection with the moderate rehabilitation of single room occupancy housing units. Resources to initially fund the cost of rehabilitating the dwellings must be obtained from other sources. However, the rental assistance covers operating expenses of the rehabilitated SRO units occupied by homeless persons, including debt service to retire the cost of the moderate rehabilitation over a ten-year period.

(2) SRO housing must be in need of moderate rehabilitation and must meet

the requirements of 24 CFR 882.803(a). Costs associated with rehabilitation of common areas may be included in the calculation of the cost for assisted units based on the proportion of the number of units to be assisted under this part to the total number of units.

(3) SRO assistance may also be used for efficiency units selected for rehabilitation under this program, but the gross rent (contract rent plus any utility allowance) for those units will be no higher than for SRO units (i.e., 75 percent of the 0-bedroom Moderate Rehabilitation Fair Market Rent).

(4) The requirements regarding maintenance, operation, and inspections described in 24 CFR 882.806(b)(4) and 882.808(n) must be met.

(5) *Governing regulations.* Except where there is a conflict with any requirement under this part or where specifically provided, the SRO component will be governed by the regulations set forth in 24 CFR part 882, subpart H.

§ 582.105 Rental assistance amounts and payments.

(a) *Eligible activity.* S+C grants may be used for providing rental assistance for housing occupied by participants in the program and administrative costs as provided for in paragraph (e) of this section, except that the housing may not be currently receiving Federal funding for rental assistance or operating costs under other HUD programs. Recipients may design a housing program that includes a range of housing types with differing levels of supportive services. Rental assistance may include security deposits on units in an amount up to one month's rent.

(b) *Amount of the grant.* The amount of the grant is based on the number and size of units proposed by the applicant to be assisted over the grant period. The grant amount is calculated by multiplying the number of units proposed times the applicable Fair Market Rent (FMR) of each unit times the term of the grant.

(c) *Payment of grant.* (1) The grant amount will be reserved for rental assistance over the grant period. An applicant's grant request is an estimate of the amount needed for rental assistance. Recipients will make draws from

the reserved amount to pay the actual costs of rental assistance for program participants. For TRA, on demonstration of need, up to 25 percent of the total rental assistance awarded may be spent in any one of the five years, or a higher percentage if approved by HUD, where the applicant provides evidence satisfactory to HUD that it is financially committed to providing the housing assistance described in the application for the full five-year period.

(2) A recipient must serve at least as many participants as shown in its application. Where the grant amount reserved for rental assistance over the grant period exceeds the amount that will be needed to pay the actual costs of rental assistance, due to such factor as contract rents being lower than FMRs and participants are being able to pay a portion of the rent, recipients may use the remaining funds for the costs of administering the housing assistance, as described in paragraph (e) of this section, for damage to property, as described in paragraph (f) of this section, for covering the costs of rent increases, or for serving a great number of participants.

(d) *Vacancies.* (1) If a unit assisted under this part is vacated before the expiration of the occupancy agreement described in § 582.315 of this part, 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. No additional assistance will be paid until the unit is occupied by another eligible person.

(2) As used in this paragraph (d), the term "vacate" does not include brief periods of inpatient care, not to exceed 90 days for each occurrence.

(e) *Administrative costs.* (1) Up to eight percent of the grant amount may be used to pay the costs of administering the housing assistance. Recipients may contract with another entity approved by HUD to administer the housing assistance.

(2) Eligible administrative activities include processing rental payments to landlords, examining participant income and family composition, providing housing information and assistance, inspecting units for compliance

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with housing quality standards, and receiving into the program new participants. This administrative allowance does not include the cost of administering the supportive services or the grant (*e.g.*, costs of preparing the application, reports or audits required by HUD), which are not eligible activities under a S+C grant.

(f) *Property damage.* Recipients may use grant funds in an amount up to one month's rent to pay for any damage to housing due to the action of a participant.

[58 FR 13892, Mar. 15, 1993, as amended at 61 FR 51170, Sept. 30, 1996]

§ 582.110 Matching requirements.

(a) *Matching rental assistance with supportive services.* To qualify for rental assistance grants, an applicant must certify that it will provide or ensure the provision of supportive services, including funding the services itself if the planned resources do not become available for any reason, appropriate to the needs of the population being served and at least equal in value to the aggregate amount of rental assistance funded by HUD. The supportive services may be newly created for the program or already in operation, and may be provided or funded by other Federal, State, local, or private programs. Only services that are provided after the execution of the grant agreement may count toward the match.

(b) *Availability to participants.* Recipients must give reasonable assurances that supportive services will be available to participants for the entire term of the rental assistance. The value of the services provided to a participant, however, does not have to equal the amount of rental assistance provided that participant, nor does the value have to be equal to the amount of rental assistance on a year-to-year basis.

(c) *Calculating the value of supportive services.* In calculating the amount of the matching supportive services, applicants may count:

(1) Salaries paid to staff of the recipient to provide supportive services to S+C participants;

(2) The value of supportive services provided by other persons or organizations to S+C participants;

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(3) The value of time and services contributed by volunteers at the rate of \$10.00 an hour, except for donated professional services which may be counted at the customary charge for the service provided (professional services are services ordinarily performed by donors for payment, such as the services of health professionals, that are equivalent to the services they provide in their occupations);

(4) The value of any lease on a building used for the provision of supportive services, provided the value included in the match is no more than the prorated share used for the program; and

(5) The cost of outreach activities, as described in § 582.325(a) of this part.

§ 582.115 Limitations on assistance.

(a) *Current occupants.* Current occupants of the real property are not eligible for assistance under this part. However, as described in § 582.335, persons displaced as a direct result of acquisition, rehabilitation, or demolition for a project under the S+C program are eligible for and must be provided relocation assistance at Uniform Relocation Act levels.

(b) *Amount of assistance provided within a jurisdiction.* HUD will limit the amount of assistance provided within the jurisdiction of any one unit of local government to no more than 10 percent of the amount available.

(c) *Primarily religious organizations.* HUD will provide assistance to a recipient that contracts with a primarily religious organization, or a wholly secular organization established by a primarily religious organization, to provide, manage, or operate housing and supportive services if the organization agrees to provide the housing and services in a manner that is free from religious influences and in accordance with the following principles:

(1) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(2) It will not discriminate against any person applying for housing or supportive services on the basis of religion

and will not limit such housing or services or give preference to persons on the basis of religion;

(3) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of housing and supportive services.

(d) *Maintenance of effort.* No assistance received under this part (or any State or local government funds used to supplement this assistance) may be used to replace funds provided under any State or local government assistance programs previously used, or designated for use, to assist persons with disabilities, homeless persons, or homeless persons with disabilities.

§ 582.120 Consolidated plan.

(a) *Applicants that are States or units of general local government.* The applicant must have a HUD-approved complete or abbreviated consolidated plan, in accordance with 24 CFR part 91, and must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan. Funded applicants must certify in a grant agreement that they are following the HUD-approved consolidated plan. If the applicant is a State, and the project will be located in a unit of general local government that is required to have, or has, a complete consolidated plan, or that is applying for Shelter Plus Care assistance under the same Notice of Fund Availability (NOFA) and will have an abbreviated consolidated plan with respect to that application, the State also must submit a certification by the unit of general local government that the State's application is consistent with the unit of general local government's HUD-approved consolidated plan.

(b) *Applicants that are not States or units of general local government.* The applicant must submit a certification by the jurisdiction in which the proposed project will be located that the jurisdiction is following its HUD-approved consolidated plan and the applicant's application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State,

in accordance with the consistency certification provisions of the consolidated plan regulations, 24 CFR part 91, subpart F.

(c) *Indian tribes and the Insular Areas of Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands.* These entities are not required to have a consolidated plan or to make consolidated plan certifications. An application by an Indian tribe or other applicant for a project that will be located on a reservation of an Indian tribe will not require a certification by the tribe or the State. However, where an Indian tribe is the applicant for a project that will not be located on a reservation, the requirement for a certification under paragraph (b) of this section will apply.

(d) *Timing of consolidated plan certification submissions.* Unless otherwise set forth in the NOFA, the required certification that the application for funding is consistent with the HUD-approved consolidated plan must be submitted by the funding application submission deadline announced in the NOFA.

[60 FR 16379, Mar. 30, 1995]

Subpart C—Application and Grant Award

§ 582.200 Application and grant award.

(a) *Review.* When funds are made available for assistance, HUD will publish a notice of fund availability in the FEDERAL REGISTER in accordance with the requirements of 24 CFR part 4. Applications will be reviewed and screened in accordance with the guidelines, rating criteria and procedures published in the notice.

(b) *Rating criteria.* HUD will award funds based on the criteria specified in section 455(a)(1) through (8) of the McKinney Act (42 U.S.C. 11403d(1)—11403d(8)) and on the following criteria authorized by section 455(a)(9) of the McKinney Act (42 U.S.C. 11403d(9)):

(1) The extent to which the applicant has demonstrated coordination with other Federal, State, local, private and other entities serving homeless persons in the planning and operation of the project, to the extent practicable;

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(2) Extent to which the project targets homeless persons living in emergency shelters, supportive housing for homeless persons, or in places not designed for, or ordinarily used as, a regular sleeping accommodation for human beings;

(3) Quality of the project; and

(4) Extent to which the program will serve homeless persons who are seriously mentally ill, have chronic alcohol and/or drug abuse problems, or have AIDS and related diseases.

(Approved by the Office of Management and Budget under control number 2506-0118)

[61 FR 51170, Sept. 30, 1996]

§ 582.230 Environmental review requirements.

(a) *Responsibility for review.* (1) HUD will perform the environmental review, in accordance with part 50 of this title, for conditionally selected applications received from PHA applicants and from IHA applicants. HUD is not permitted to approve such applications prior to its completion of this review, nor is the PHA or IHA permitted to enter into a contract for, or otherwise commit HUD or local funds for, acquisition, rehabilitation, conversion, lease, repair, or construction of property to provide housing under the program, prior to HUD's completion of this review and approval of the application, except under the SRO component.

(2) Applicants that are States, units of general local government, or Indian tribes must assume responsibility as "responsible entities" for environmental review, decisionmaking, and action for each application for assistance in accordance with part 58 of this title. In addition, for PHA projects and IHA projects under the SRO component, environmental reviews will be performed by State, local government, Indian tribe, or Alaska native village "nonrecipient responsible entities" as provided under part 58 of this title. HUD is permitted to approve such applications subject to the completion of reviews by the applicant in accordance with part 58 of this title. Applicants performing these reviews may adopt relevant and adequate prior reviews conducted by HUD or another governmental entity if the reviews meet the particular requirements of the Federal

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environmental law or authority under which they would be adopted, and only under certain conditions (e.g., a determination that no environmentally significant changes have occurred since the review was done). Applicants who adopt such relevant and adequate prior reviews may include the environmental certification and Request for Release of Funds with their applications.

(b) *Environmental review by HUD.* With regard to the environmental effects of applications for which HUD performs the review, HUD will undertake its review in accordance with the provisions of NEPA and the related authorities listed in 24 CFR 50.4. HUD may eliminate an application from consideration where the application would require an Environmental Impact Statement (EIS). PHA applicants and IHA applicants (other than under the SRO component) must include in their application an assurance that the applicant will:

(1) Not enter into a contract for, or otherwise commit HUD or local funds for, acquisition, rehabilitation, conversion, lease, repair, or construction of property to provide housing under the program, prior to HUD's completion of the review and approval of the application;

(2) Supply HUD with information necessary for HUD to perform any applicable environmental review when requested under § 582.225(a); and

(3) Carry out mitigating measures required by HUD or ensure that alternate sites are utilized.

(c) *Environmental review by applicants or nonrecipient responsible entities.* (1) An applicant that is required under paragraph (a)(2) of this section to assume environmental review responsibility must include in its application an assurance that the applicant will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible Federal official under NEPA and related authorities listed in 24 CFR 58.5. A PHA or IHA applicant under the SRO component must include in its application an assurance by the nonrecipient responsible entity that the entity will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible

Federal official under NEPA and related authorities listed in 24 CFR 58.5.

(2) For applicants required to assume environmental review responsibility and for PHAs and IHAs under the SRO component, the award of funding is subject to completion of the environmental responsibilities set out in 24 CFR part 58 within a reasonable time period after notification of the award. (This provision does not preclude the applicant from enclosing its environmental certification and Request for Release of Funds with its application.)

(i) Upon completion of the requirements in 24 CFR part 58:

(A) Applicants required to assume environmental review responsibility must certify the completion;

(B) PHA and IHA applicants under the SRO component must submit the nonrecipient responsible entities' certification of completion; and

(C) All applicants must submit a Request for Release of Funds. This submission is not required in cases in which the applicant determines, in accordance with part 58 that its program components are totally exempt.

(ii) HUD will not release grant funds if the recipient or any other party commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the grantee submits and HUD approves its Request for Release of Funds (when such submission is required).

[61 FR 51170, Sept. 30, 1996]

Subpart D—Program Requirements

§ 582.300 General operation.

(a) *Participation of homeless individuals.* (1) Each recipient must provide for the consultation and participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any housing assisted under this part or services for the participants. This requirement is waived if the applicant is unable to meet the requirement and presents a plan, which HUD approves, to otherwise consult

with homeless or formerly homeless individuals in considering and making such policies and decisions. Participation by such an individual who also is a participant under the program does not constitute a conflict of interest under § 582.340(b) of this part.

(2) To the maximum extent practicable, each recipient must involve homeless individuals and families, through employment, volunteer services, or otherwise, in constructing or rehabilitating housing assisted under this part and in providing supportive services required under § 582.215 of this part.

(b) *Ongoing assessment of housing and supportive services.* Each recipient of assistance must conduct an ongoing assessment of the housing assistance and supportive services required by the participants, and make adjustments as appropriate.

(c) *Adequate supportive services.* Each recipient must assure that adequate supportive services are available to participants in the program.

(d) *Records and reports.* (1) Each recipient must keep any records and, within the timeframe required, make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require.

(2) Each recipient must keep on file, and make available to the public on request, a description of the procedures used to select sponsors under the SRA component and buildings under the SRO, SRA, and PRA components.

(3) Each recipient must develop, and make available to the public upon request, its procedures for managing the rental housing assistance funds provided by HUD. At a minimum, such procedures must describe how units will be identified and selected; how the responsibility for inspections will be handled; the process for deciding which unit a participant will occupy; how participants will be placed in, or assisted in finding appropriate housing; how rent calculations will be made and the amount of rental assistance payments determined; and what safeguards

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will be used to prevent the misuse of funds.

(Approved by the Office of Management and Budget under control number 2506-0118)

[58 FR 13892, Mar. 15, 1993, as amended at 61 FR 51171, Sept. 30, 1996]

§ 582.305 Housing quality standards; rent reasonableness.

(a) *Housing quality standards.* Housing assisted under this part must meet the applicable housing quality standards (HQS) under § 982.401 of this title—except that § 982.401(j) of this title does not apply and instead part 35, subparts A, B, K and R of this title apply—and, for SRO under § 882.803(b) of this title. Before any assistance will be provided on behalf of a participant, the recipient, or another entity acting on behalf of the recipient (other than the owner of the housing), must physically inspect each unit to assure that the unit meets the HQS. Assistance will not be provided for units that fail to meet the HQS, unless the owner corrects any deficiencies within 30 days from the date of the lease agreement and the recipient verifies that all deficiencies have been corrected. Recipients must also inspect all units at least annually during the grant period to ensure that the units continue to meet the HQS.

(b) *Rent reasonableness.* HUD will only provide assistance for a unit for which the rent is reasonable. For TRA, PRA, and SRA, it is the responsibility of the recipient to determine whether the rent charged for the unit receiving rental assistance is 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, as well as not in excess of rents currently being charged by the same owner for comparable unassisted units. For SRO, rents are calculated in accordance with 24 CFR 882.805(g).

[58 FR 13892, Mar. 15, 1993, as amended at 61 FR 51171, Sept. 30, 1996; 64 FR 50226, Sept. 15, 1999]

§ 582.310 Resident rent.

(a) *Amount of rent.* Each participant must pay rent in accordance with section 3(a)(1) of the U.S. Housing Act of

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1937 (42 U.S.C. 1437a(a)(1)), except that in determining the rent of a person occupying an intermediate care facility assisted under title XIX of the Social Security Act, the gross income of this person is the same as if the person were being assisted under title XVI of the Social Security Act.

(b) *Calculating income.* (1) Income of participants must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a).

(2) Recipients must examine a participant's income initially, and at least annually thereafter, to determine the amount of rent payable by the participant. Adjustments to a participant's rental payment must be made as necessary.

(3) As a condition of participation in the program, each participant must agree to supply the information or documentation necessary to verify the participant's income. Participants must provide the recipient information at any time regarding changes in income or other circumstances that may result in changes to a participant's rental payment.

[66 FR 6225, Jan. 19, 2001]

§ 582.315 Occupancy agreements.

(a) *Initial occupancy agreement.* Participants must enter into an occupancy agreement for a term of at least one month. The occupancy agreement must be automatically renewable upon expiration, except on prior notice by either party.

(b) *Terms of agreement.* In addition to standard lease provisions, the occupancy agreement may also include a provision requiring the participant to take part in the supportive services provided through the program as a condition of continued occupancy.

§ 582.320 Termination of assistance to participants.

(a) *Termination of assistance.* The recipient may terminate assistance to a participant who violates program requirements or conditions of occupancy. Recipients must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination, so that a participant's assistance is terminated only in the most severe

cases. Recipients are not prohibited from resuming assistance to a participant whose assistance has been terminated.

(b) *Due process.* In terminating assistance to a participant, the recipient must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:

(1) Written notice to the participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the 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

(3) Prompt written notice of the final decision to the participant.

§ 582.325 Outreach activities.

Recipients must use their best efforts to ensure that eligible hard-to-reach persons are served by S+C. Recipients are 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.

§ 582.330 Nondiscrimination and equal opportunity requirements.

(a) *General.* Recipients may establish a preference as part of their admissions procedures for one or more of the statutorily targeted populations (*i.e.*, seriously mentally ill, alcohol or substance abusers, or persons with AIDS and related diseases). However, other eligible disabled homeless persons must be considered for housing designed for the target population unless the recipient can demonstrate that

there is sufficient demand by the target population for the units, and other eligible disabled homeless persons would not benefit from the primary supportive services provided.

(b) *Compliance with requirements.* (1) In addition to the nondiscrimination and equal opportunity requirements set forth in 24 CFR part 5, recipients serving a designated population of homeless persons must, within the designated population, comply with the prohibitions against discrimination against handicapped individuals under section 503 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 41 CFR chapter 60-741.

(2) The nondiscrimination and equal opportunity requirements set forth at part 5 of this title are modified as follows:

(i) The Indian Civil Rights Act (25 U.S.C. 1301 *et seq.*) applies to tribes when they exercise their powers of self-government, and to IHAs when established by the exercise of such powers. When an IHA is established under State law, the applicability of the Indian Civil Rights Act will be determined on a case-by-case basis. Projects subject to the Indian Civil Rights Act must be developed and operated in compliance with its provisions and all implementing HUD requirements, instead of title VI and the Fair Housing Act and their implementing regulations.

(ii) [Reserved]

(c) *Affirmative outreach.* (1) If the procedures that the recipient intends to use to make known the availability of the program are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or handicap who may qualify for assistance, the recipient must establish additional procedures that will ensure that interested persons can obtain information concerning the assistance.

(2) The recipient must adopt procedures to make available information on the existence and locations of facilities and services that are accessible to persons with a handicap and maintain evidence of implementation of the procedures.

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(d) The accessibility requirements, reasonable modification, and accommodation requirements of the Fair Housing Act and of section 504 of the Rehabilitation Act of 1973, as amended.

[58 FR 13892, Mar. 15, 1993, as amended at 61 FR 5210, Feb. 9, 1996]

§ 582.335 Displacement, relocation, and real property acquisition.

(a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of supportive housing assisted under this part.

(b) *Relocation assistance for displaced persons.* A displaced person (defined in paragraph (f) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR part 24.

(c) *Real property acquisition requirements.* The acquisition of real property for supportive housing is subject to the URA and the requirements described in 49 CFR part 24, subpart B.

(d) *Responsibility of recipient.* (1) The recipient must certify (*i.e.*, provide assurance of compliance) that it will comply with the URA, the regulations at 49 CFR part 24, and the requirements of this section, and must ensure such compliance notwithstanding any third party's contractual obligation to the recipient to comply with these provisions.

(2) The cost of required relocation assistance is an eligible project cost in the same manner and to the same extent as other project costs. Such costs also may be paid for with local public funds or funds available from other sources.

(3) The recipient must maintain records in sufficient detail to demonstrate compliance with provisions of this section.

(e) *Appeals.* A person who disagrees with the recipient's determination concerning whether the person qualifies as a "displaced person," or the amount of

relocation assistance for which the person is eligible, may file a written appeal of that determination with the recipient. A low-income person who is dissatisfied with the recipient's determination on his or her appeal may submit a written request for review of that determination to the HUD field office.

(f) *Definition of displaced person.* (1) For purposes of this section, the term "displaced person" means a person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property permanently as a direct result of acquisition, rehabilitation, or demolition for supportive housing project assisted under this part. The term "displaced person" includes, but may not be limited to:

(i) A person that moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice or refuses to renew an expiring lease, if the move occurs on or after:

(A) The date that the recipient submits to HUD an application for assistance that is later approved and funded, if the recipient has control of the project site; or

(B) The date that the recipient obtains control of the project site, if such control is obtained after the submission of the application to HUD.

(ii) Any person, including a person who moves before the date described in paragraph (f)(1)(i) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the assisted project.

(iii) A tenant-occupant of a dwelling unit who moves permanently from the building/complex on or after the date of the "initiation of negotiations" (see paragraph (g) of this section) if the move occurs before the tenant has been provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex, under reasonable terms and conditions, upon completion of the project. Such reasonable terms and conditions must include a monthly rent and estimated average monthly utility costs that do not exceed the greater of:

(A) The tenant's monthly rent before the initiation of negotiations and estimated average utility costs, or

(B) 30 percent of gross household income. If the initial rent is at or near the maximum, there must be a reasonable basis for concluding at the time the project is initiated that future rent increases will be modest.

(iv) A tenant of a dwelling who is required to relocate temporarily, but does not return to the building/complex, if either:

(A) A tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, or

(B) Other conditions of the temporary relocation are not reasonable.

(v) A tenant of a dwelling who moves from the building/complex permanently after he or she has been required to move to another unit in the same building/complex, if either:

(A) The tenant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move; or

(B) Other conditions of the move are not reasonable.

(2) Notwithstanding the provisions of paragraph (f)(1) of this section, a person does not qualify as a "displaced person" (and is not eligible for relocation assistance under the URA or this section), if:

(i) The person has been evicted for serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable Federal, State, or local or tribal law, or other good cause, and HUD determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(ii) The person moved into the property after the submission of the application and, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, or suffer a rent increase) and the fact that the person would not qualify as a "displaced person" (or for any assistance provided under this section), if the project is approved;

(iii) The person is ineligible under 49 CFR 24.2(g)(2); or

(iv) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(3) The recipient may request, at any time, HUD's determination of whether a displacement is or would be covered under this section.

(g) *Definition of initiation of negotiations.* For purposes of determining the formula for computing the replacement housing assistance to be provided to a residential tenant displaced as a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, the term "initiation of negotiations" means the execution of the agreement between the recipient and HUD, or selection of the project site, if later.

§ 582.340 Other Federal requirements.

In addition to the Federal requirements set forth in 24 CFR part 5, the following requirements apply to this program:

(a) *OMB Circulars.*¹ (1) The policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments) and 24 CFR part 85 apply to the acceptance and use of assistance under the program by governmental entities, and OMB Circular Nos. A-110 (Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations) and 24 CFR part 84 and A-122 (Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit Institutions) apply to the acceptance and use of assistance by private nonprofit organizations, except where inconsistent with provisions of the McKinney Act, other Federal statutes, or this part.

(2) The financial management systems used by recipients under this program must provide for audits in accordance with the provisions of 24 CFR

¹ Copies of OMB Circulars may be obtained from E.O.P. Publications, room 2200, New Executive Office Building, Washington, DC 20503, telephone (202) 395-7332. (This is not a toll-free number.) There is a limit of two free copies.

part 44. Private nonprofit organizations who are subrecipients are subject to the audit requirements of 24 CFR part 45. HUD may perform or require additional audits as it finds necessary or appropriate.

(b) *Conflict of interest.* (1) In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. Participation by homeless individuals who also are participants under the program in policy or decisionmaking under § 582.300 of this part does not constitute a conflict of interest.

(2) Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b)(1) of this section on a case-by-case basis when it determine that the exception will serve to further the purposes of the program and the effective and efficient administration of the recipient's project. An exception may be considered only after the recipient has provided the following:

(i) For States, units of general local governments, PHAs and IHAs, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) For all recipients, an opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(3) In determining whether to grant a requested exception after the recipient has satisfactorily met the requirement of paragraph (b)(2) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available;

(ii) Whether the person affected is a member of a group or class of eligible persons and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iii) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(iv) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b)(1) of this section;

(v) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vi) Any other relevant considerations.

[58 FR 13892, Mar. 15, 1993, as amended at 61 FR 5210, Feb. 9, 1996; 61 FR 51171, Sept. 30, 1996; 62 FR 13539, Mar. 21, 1997]

Subpart E—Administration

§ 582.400 Grant agreement.

(a) *General.* The grant agreement will be between HUD and the recipient. HUD will hold the recipient responsible for the overall administration of the program, including overseeing any subrecipients or contractors. Under the grant agreement, the recipient must agree to operate the program in accordance with the provisions of this part and other applicable HUD regulations.

(b) *Enforcement.* HUD will enforce the obligations in the grant agreement through such action as may be necessary, including recapturing assistance awarded under the program.

§ 582.405 Program changes.

(a) *Changes.* HUD must approve, in writing, any significant changes to an approved program. Significant changes that require approval include, but are not limited to, a change in sponsor, a change in the project site for SRO or

PRA with rehabilitation projects, and a change in the type of persons with disabilities to be served. Depending on the nature of the change, HUD may require a new certification of consistency with the CHAS (see § 582.120).

(b) *Approval.* Approval for such changes is contingent upon the application ranking remaining high enough to have been competitively selected for funding in the year the application was selected.

§ 582.410 Obligation and deobligation of funds.

(a) *Obligation of funds.* When HUD and the applicant execute a grant agreement, HUD will obligate funds to cover the amount of the approved grant. The recipient will be expected to carry out the activities as proposed in the application. After the initial obligation of funds, HUD is under no obligation to make any upward revisions to the grant amount for any approved assistance.

(b) *Deobligation.* (1) HUD may deobligate all or a portion of the approved grant amount if such amount is not expended in a timely manner, or the proposed housing for which funding was approved or the supportive services proposed in the application are not provided in accordance with the approved application, the requirements of this part, and other applicable HUD regulations. The grant agreement may set forth other circumstances under which funds may be deobligated, and other sanctions may be imposed.

(2) HUD may readvertise, in a notice of fund availability, the availability of funds that have been deobligated, or may reconsider applications that were submitted in response to the most recently published notice of fund availability and select applications for funding with the deobligated funds. Such selections would be made in accordance with the selection process described in § 582.220 of this part. Any selections made using deobligated funds will be subject to applicable appropriation act requirements governing the use of deobligated funding authority.

(Approved by the Office of Management and Budget under control number 2506-0118)

PART 583—SUPPORTIVE HOUSING PROGRAM

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AUTHORITY: 42 U.S.C. 11389 and 3535(d).

SOURCE: 58 FR 13871, Mar. 15, 1993, unless otherwise noted.

Subpart A—General

§ 583.1 Purpose and scope.

(a) *General.* The Supportive Housing Program is authorized by title IV of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 11381-11389). The Supportive