



Analysis of the HUD Notice for the Homelessness Prevention and Rapid Re-housing Program (HPRP)

Requirements, Purpose and Eligible Uses

March 24, 2009

Virginia Coalition to End Homelessness

The Virginia Coalition to End Homelessness (VCEH) is the only statewide organization dedicated to preventing and ending homelessness in the Commonwealth of Virginia. VCEH advocacy and educational efforts have led to the creation of the vast majority of state funded programs for homeless prevention and assistance. We make ending homelessness a priority by bringing together the tools of community collaboration, advocacy, education and resource development and through the combined efforts of our individual and organizational members. VCEH promotes the understanding that there are solutions to homelessness and we can and must put in place a statewide system to prevent homelessness and rapidly re-house those who experience homelessness.

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HPRP Requirements - Fund Purpose and Eligible Uses (Analysis of the HUD Notice)

This information is a summary of the Notice for the Homelessness Prevention Fund published by the U.S. Department of Housing and Urban Development (HUD) on March 19, 2009. It is an overview provided to assist communities in understanding and preparing for the new funds and is not meant as a substitute to the Notice. The full notice can be found at www.hud.gov/recovery

PROGRAM PURPOSE

Name Changed

HUD changed the name of the program to the “Homelessness Prevention and Rapid Re-housing Program (HPRP).” HPRP is intended for both prevention and rapid re-housing as evident in the program name.¹

Purpose and Goal

HUD specifies that this is a new program and the only commonality between this program and the Emergency Shelter Grant (ESG) program is the use of ESG’s funding allocation. HPRP is a separate program from ESG with a different purpose.

According to the HUD Notice,

“the purpose of the Homelessness Prevention and Rapid Re-housing Program (HPRP) is to provide homelessness prevention assistance to households who would otherwise become homeless and to provide assistance to rapidly re-house persons who are homeless as defined by section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).² While HUD will allow grantees the discretion to develop prevention and / or rapid re-housing programs that meet locally-defined needs, HUD also expects that these resources will be targeted and prioritized to serve households that are most in need of this temporary assistance and are most likely to achieve stable housing, whether subsidized or unsubsidized, outside of HPRP after the program concludes.

Grantees should take this opportunity to develop strategies to identify eligible program participants, review existing models for prevention and rapid re-housing programs, and create a plan that utilizes all resources available through the Recovery Act in order to provide a comprehensive menu of services to assist eligible program participants.” (emphasis is the author’s)

According to the HUD Notice, the program goal is as follows:

“Assistance should be focused on housing stabilization, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability.”

FUND DISBURSEMENT TIMELINE AND ALLOCATIONS

Fund Disbursement Timeline

1. February 17, 2009 - HR 1, the American Reinvestment and Recovery Act of 2009, was signed into law by President Obama. Included in this legislation was \$1.5 billion for the Homelessness Prevention Fund. Shortly after the legislation was signed into law, HUD announced the eligible grantees - those units of state and local government eligible to receive funds directly from HUD.

¹ Prevention and rapid re-housing are defined for the purposes of HPRP later in this brief.

² HUD’s definition of homelessness is INSERT

Chart 1 lists the units of government in Virginia and the amount they are eligible to receive from HUD along with the past ESG allocations for the sake of comparison.

2. March 19, 2009 - HUD issued the "Notice of Allocations, Application Procedures, and Requirements for the Homelessness Prevention and Rapid Re-housing Program."
3. May 18, 2009 - Eligible grantees must submit a local plan for the use of the funds - a "substantial amendment to the Consolidated Plan 2008 Action Plan" to HUD. The form can be found at <http://www.hudhre.info/index.cfm?do=viewHPRP>
4. July 2, 2009 - Date by which HUD will review the substantial amendment and either accept or request that it be revised.
5. September 1, 2009 - Date by which HUD will execute all grant agreements.
6. September 30, 2009 - Date by which Grantees must obligate funds to their sub-grantees.³
7. 2 years after the date that funds become available to grantees - 60 percent of funds must be spent.
8. 3 years after the date that funds become available to grantees - 100 percent of funds must be spent.

Distribution - Eligible Grantees and Funding Allocation

Originating from the U.S. Department of Housing and Urban Development (HUD), the Homelessness Prevention and Rapid Re-housing Program funding will be distributed to local and state government using the current although slightly revised ESG funding formula.⁴ Chart 1 lists Virginia's eligible grantees as well as the total amount of ESG funds received by the grantee in 2008.

State government "eligible grantees" must make available all of the allocation, except for an appropriate share of funds for administrative costs, by sub-granting the funding to non profit and / or other units of government.

State government can sub-grant to (1) units of local government in the state, including those receiving direct grant amounts from HUD, (2) a private non-profit organization if the local government in which the program is located certifies that it approves of the program.

Local government "eligible grantees" can both sub-grant the funding and administer the program itself or choose a combination of the two.

Any local government may sub-grant with another local government to carry out the program.

³ "Eligible grantees" is the term used for the units of state and local government receiving the funds directly from HUD. "Sub-grantees" is the term for those who receive the funds from the eligible grantees including private non-profit organizations and other units of local government.

⁴ The Emergency Shelter Grants program is a formula grant program that uses data from the Community Development Block Grants (CDBG) program as the basis for allocating funds to eligible jurisdictions. The CDBG formula uses several objective measures of community need: poverty, population, housing overcrowding, age of housing and growth lag. Eligible entities for ESG include: (a) States: meaning each of the 50 States, the Commonwealth of Puerto Rico, and the District of Columbia; (b) Territories: the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other territory or possession of the United States; (c) Metropolitan cities; (d) Urban counties

Note that not all local government entities in Virginia will receive funds directly from HUD. If a private non-profit organization is in city or county which is not receiving a direct allocation from HUD, then the organization can apply to the Commonwealth of Virginia for funds.

CHART 1

New Homelessness Prevention and Rapid Re-housing Program Allocations		
Location	Eligible Amount	2008 Allocation for Sake of Comparison
Virginia State Program	\$11,389,160	\$1,673,895
Alexandria	\$512,214	\$0
Arlington County	\$728,367	\$0
Chesapeake	\$507,406	\$0
Chesterfield County	\$515,089	\$0
Fairfax County	\$2,462,398	\$265,518
Henrico County	\$603,481	\$0
Newport News	\$659,087	\$0
Norfolk	\$2,097,079	\$231,429
Portsmouth	\$724,490	\$0
Prince William County	\$789,775	\$84,593
Richmond	\$2,044,088	\$219,823
Roanoke	\$766,017	\$81,810
Virginia Beach	\$1,010,599	\$109,437
TOTALS	\$24,809,250	\$2,666,505

** Note that not all jurisdictions were eligible to receive ESG funds in the past due to the funding formula and relatively small amount of funds available.*

*** Note that the HPRP and ESG are very different programs in that ESG does not focus on homelessness prevention. Therefore, the comparisons do not indicate the total amount of past funds for homelessness prevention programs.*

PROGRAM REQUIREMENTS _____

Definitions and Eligible Clients

There are two definitions that cover two populations eligible to receive assistance under the HPRP.

Definition of At-Risk and Requirements:

- * Client must have an initial consultation with a case manager or other staff who can determine the appropriate amount of assistance.

- * Client must be at or below 50 percent of area median income (AMI).
- * Client must be either homeless or at risk of losing housing and meet both of the following (1) have no appropriate subsequent housing options and (2) lacks the financial resources and support networks needed to obtain immediate housing or remain in existing housing.

Definition for Rapid Re-housing Assistance:

- * Individuals and families who meet HUD's current definition of homelessness.⁵

The HUD Notice also explicitly lists people who are imminently discharged into homelessness from publicly funded institutions (health care facilities, foster care or other youth facilities, prison and jail) as eligible to receive assistance.

Eligible Activities

There are four main categories of eligible activities.

(1) Financial Assistance

- * Short-term tenant-based rental assistance (up to 3 months)
- * Medium-term tenant-based rental assistance (4-18 months)
- * Security deposits
- * Utility deposits
- * Utility payments
- * Moving cost assistance
- * Motel and hotel vouchers

(2) Housing relocation and stabilization services

- * Case Management

HUD further clarifies eligible uses to include the arrangement, coordination, monitoring and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability. This could include counseling; developing, securing and coordinating services; monitoring and evaluating program participant progress; developing an individualized housing and service plan including a path for permanent housing stability.

- * Outreach and Engagement

This includes publicizing the availability of programs.

- * Housing Search and Placement

HUD further clarifies that this could include tenant counseling, helping individuals and families to understand leases, securing utilities, making moving arrangements, payee services concerning rent and utilities, mediation and outreach to property owners to locate or retain housing

- * Legal Services

- * Credit Repair

(3) Data Collection and Evaluation

Grantees and sub-grantees must use the Homeless Management Information System (HMIS) or a comparable client-level database.

⁵ HUD's definition of homelessness includes those: (a) sleeping in an emergency shelter; (b) sleeping in a place not meant for human habitation, such as cars, parks, abandoned buildings, streets / sidewalks; (c) staying in a hospital or other institution for up to 180 days but was sleeping in an emergency shelter or other place not meant for human habitation immediately prior to entry into the hospital or institutions; (d) graduating from, or timing out of a transitional housing program; and (e) victims of domestic violence.

The HUD Notice lists several eligible and ineligible costs related to HMIS. Only jurisdictions that do not have an HMIS already implemented may use a portion of these funds for HMIS implementation or start-up activities; however there are several eligible costs for those who already have HMIS in place including entry and analysis and staffing related to HMIS.

HUD has not yet provided requirements related to housing stability outcomes.

Grantees will be required to provide reports that will be publicly available on the Recovery.gov web site.

(4) *Administrative Costs*

5 percent of the total grant to the grantee can be spent on administrative costs either by the grantee or the sub-grantee.

This includes:

- * Pre-award administrative costs
- * Accounting for the use of the grant funds
- * Preparing reports for submission to HUD
- * Obtaining program audits
- * Other costs related to administering the grant
- * Grantee or sub-grantee staff salaries for administration
- * Staff training for those who will administer the program or case managers who will serve program participants

Ineligible Activities

HUD specifically lists the following as ineligible activities:

- * Child care
- * Employment training
- * Mortgage costs
- * Construction or rehabilitation
- * Credit card or other consumer debt
- * Car repair or other transportation costs
- * Travel Costs
- * Food
- * Medical or dental care and medication
- * Clothing and grooming
- * Home furnishings
- * Pet care
- * Entertainment
- * Work or education related materials
- * Cash assistance to program participants
- * Developing discharge planning programs in mainstream institutions such as hospitals, jails or prisons
- * Certifications, licenses, and general training classes
- * Charging fees to program participants

Match, Coordination with the Continuum of Care, and Other Program Requirements

The HUD Notice explicitly states that there is no match requirement.

The HPRP must be coordinated with the local Continuum (s) of Care to ensure HPRP activities are aligned with Continuum of Care strategies and priorities.

Assistance can be provided to an eligible family or individual at a maximum of 18 months.

Grantees must develop and implement discharge planning protocols for people exiting publicly funded institutions or systems of care including health care facilities, foster care or other youth facilities, or correction institutions. It is not however an eligible expense to develop these protocols.

The provision of rental assistance requires initial and annual housing inspections.

PROGRAM SUGGESTIONS FROM HUD

HUD makes several suggestions and encourages but does not require additional program design details as follows:

- * Abide by the guideline “Would this individual or family be homeless *but* for this assistance?” with the comment that not everyone who requests assistance would become homeless without the assistance.
- * Provide ongoing case management, as needed, to ensure a transition to permanent housing.
- * Identify the type of and intensity of need and then direct the appropriate intervention. In addition, if a household needs more intensive services or long-term assistance (which HPRP cannot provide), then link the client to other appropriate available resources. This assumes that a process is in place to refer a client to more appropriate resources.
- * Consider these additional risk factors:
 - * eviction within two weeks from a private dwelling (including doubled up situations),
 - * discharge within two weeks from an institution in which the person has been a resident for more than 180 days (including prisons, mental health institutions, hospitals),
 - * residency in housing that has been condemned and is no longer meant for human habitation,
 - * sudden and significant loss of income,
 - * sudden and significant increase in utility costs,
 - * mental health and substance abuse issues,
 - * physical disabilities and other chronic health issues including HIV / AIDS,
 - * severe housing cost burden (greater than 50 percent of income for housing costs),
 - * experienced homelessness in the last 12 months,
 - * young head of household (under 25 with children or pregnant),
 - * current or past involvement with child welfare, including foster care,
 - * pending foreclosure of rental housing,
 - * extremely low-income (less than 30 percent area median income),
 - * high overcrowding
 - * past institutional care (prison, treatment facility, hospital)
 - * recent traumatic life event such as death of a spouse or primary care provider
 - * recent health crisis that prevented the household from meeting its financial responsibilities,
 - * credit problems that preclude obtaining housing;
 - * significant amount of medical debt.
- * Coordinate with other local organizations, FEMA (Federal Emergency Management Agency) boards, ten year plans and TANF agencies.
- * Enroll program participants in all applicable mainstream resources.
- * Assess how HPRP funds can be used in conjunction with other funds from the Recovery Act.