



November 22, 2020

Good Afternoon YHDP Subrecipients,

Please read the following information in relation to your YHDP project (s) with RTFH. Please also share with your fiscal and program staff for your organization assigned to your project (s).

### **YHDP Cost Eligibility**

It has been brought to the attention of RTFH that some subrecipients submitted Requests for Reimbursements (RFR) that included hotel/motel accommodations for youth. ***Hotel and motel accommodations are not an eligible expense under Supportive Services for the YHDP Grant Program.*** As a result, RTFH will be reaching out to subrecipients as planned to gather missing supporting documentation for YHDP projects as outlined in the Supportive Documentation Training where a **December 1, 2020** deadline to begin providing supporting documentation was made mandatory and audits would begin to gather past missing documentation if not already provided. **If you believe you may have submitted expenses to RTFH for hotel/motel stays, please contact us immediately so we can work together to resolve this matter.**

### **Title 24 Housing and Urban Development PART 578**

As stated in your contracts with Supportive Services, expenses must meet eligible uses criteria and follow Title 24 CFR 578. Included in this memo are links to documents that will guide you in understanding which expenses are eligible for your project(s).

Please visit the **Electronic Federal Regulation of Codes** at this link **ECFR Link**. This is the official site you should use when determining cost eligibility. **(Subpart D)**

### **HUD Exchange Ask a Question**

Should you have further more detailed questions in regard to eligible expenses for your project, you must contact **HUD Exchange Ask A Question**. Please be sure to identify your organization as a YHDP grantee so the question is routed to the appropriate person. The link for the HUD Exchange Ask a Question is located **<https://www.hudexchange.info/program-support/my-question/>**. While it says it takes 7 to 10 business days to reply, I have found them to be very responsive. I sent them a question and received an answer within an hour. RTFH can direct you to the appropriate resource but RTFH can't interpret Title 24 CFR 578 for your organization. Cost eligibility questions beyond Title 24 CFR 578 must be presented and answered by the HUD Exchange Ask a Question.

### **Additional Resources**

Additional resources on the CoC Program Interim Rule, which is the governing regulation for YHDP, is on the HUD Exchange on the **CoC Program Landing Page**: **<https://www.hudexchange.info/programs/coc/>** and on the Grants & Contract Tab on the RTFH website.

We will continue to add resources to the Grants and Contracts Tab on the RTFH website that may be helpful and have added all resources in this memo.

If you have any questions or concerns, please don't hesitate to contact me.

## Subpart D—Program Components and Eligible Costs

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### §578.37 Program components and uses of assistance.

(a) Continuum of Care funds may be used to pay for the eligible costs listed in §578.39 through §578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homelessness prevention. Although grant funds may be used by recipients and subrecipients in all components for the eligible costs of contributing data to the HMIS designated by the Continuum of Care, only HMIS Leads may use grant funds for an HMIS component. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in §578.87(c). The eligible program components are:

(1) *Permanent housing (PH)*. Permanent housing is community-based housing, the purpose of which is to provide housing without a designated length of stay. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services. PH includes:

(i) *Permanent supportive housing for persons with disabilities (PSH)*. PSH can only provide assistance to individuals with disabilities and families in which one adult or child has a disability. Supportive services designed to meet the needs of the program participants must be made available to the program participants.

(ii) *Rapid rehousing*. Continuum of Care funds may provide supportive services, as set forth in §578.53, and/or short-term (up to 3 months) and/or medium-term (for 3 to 24 months) tenant-based rental assistance, as set forth in §578.51(c), as necessary to help a homeless individual or family, with or without disabilities, move as quickly as possible into permanent housing and achieve stability in that housing. When providing short-term and/or medium-term rental assistance to program participants, the rental assistance is subject to §578.51(a)(1), but not §578.51(a)(1)(i) and (ii); (a)(2); (c) and (f) through (i); and (1)(1). These projects:

(A) Must follow the written policies and procedures established by the Continuum of Care for determining and prioritizing which eligible families and individuals will receive rapid rehousing assistance, as well as the amount or percentage of rent that each program participant must pay.

(B) May set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, and/or a maximum number of times that a program participant may receive rental assistance. The recipient or subrecipient may also require program participants to share in the costs of rent. For the purposes of calculating rent for rapid rehousing, the rent shall equal the sum of the total monthly rent for the unit and, if the tenant pays separately for utilities, the



monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

(C) Limit rental assistance to no more than 24 months to a household.

(D) May provide supportive services for no longer than 6 months after rental assistance stops.

(E) Must re-evaluate, not less than once annually, that the program participant lacks sufficient resources and support networks necessary to retain housing without Continuum of Care assistance and the types and amounts of assistance that the program participant needs to retain housing. The recipient or subrecipient may require each program participant receiving assistance to notify the recipient or subrecipient of changes in the program participant's income or other circumstances (*e.g.*, changes in household composition) that affect the program participant's need for assistance. When notified of a relevant change, the recipient or subrecipient must reevaluate the program participant's eligibility and the amount and types of assistance that the program participant needs.

(F) Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability. The project is exempt from this requirement if the Violence Against Women Act of 1994 (42 U.S.C. 13925 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits the recipient carrying out the project from making its housing conditional on the participant's acceptance of services.

(2) *Transitional Housing (TH)*. Transitional housing facilitates the movement of homeless individuals and families to PH within 24 months of entering TH. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services.

(3) *Supportive Service Only (SSO)*. Funds may be used for acquisition, rehabilitation, relocation costs, or leasing of a facility from which supportive services will be provided, and supportive services in order to provide supportive services to unsheltered and sheltered homeless persons for whom the recipient or subrecipient is not providing housing or housing assistance. SSO includes street outreach.

(4) *HMIS*. Funds may be used by HMIS Leads to lease a structure in which the HMIS is operated or as operating funds to operate a structure in which the HMIS is operated, and for other costs eligible in §578.57.

(5) *Homelessness prevention*. Funds may be used by recipients in Continuums of Care-designated high-performing communities for housing relocation and stabilization services, and short- and/or medium-term rental assistance, as described in 24 CFR 576.105 and 24 CFR 576.106, that are necessary to prevent an individual or family from becoming homeless.



(b) *Uses of assistance.* Funds are available to pay for the eligible costs listed in §578.39 through §578.63 when used to:

- (1) Establish new housing or new facilities to provide supportive services;
- (2) Expand existing housing and facilities in order to increase the number of homeless persons served;
- (3) Bring existing housing and facilities into compliance with State and local government health and safety standards, as described in §578.87;
- (4) Preserve existing permanent housing and facilities that provide supportive services;
- (5) Provide supportive services for residents of supportive housing or for homeless persons not residing in supportive housing;
- (6) Continue funding permanent housing when the recipient has received funding under this part for leasing, supportive services, operating costs, or rental assistance;
- (7) Establish and operate an HMIS or comparable database; and
- (8) Establish and carry out a Continuum of Care planning process and operate a Continuum of Care.

(c) *Multiple purposes.* Structures used to provide housing, supportive housing, supportive services, or as a facility for HMIS activities may also be used for other purposes. However, assistance under this part will be available only in proportion to the use of the structure for supportive housing or supportive services. If eligible and ineligible activities are carried out in separate portions of the same structure or in separate structures, grant funds may not be used to pay for more than the actual cost of acquisition, construction, or rehabilitation of the portion of the structure or structures used for eligible activities. If eligible and ineligible activities are carried out in the same structure, the costs will be prorated based on the amount of time that the space is used for eligible versus ineligible activities.