

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

Questions and Answers

March 20, 2009

[Updated April 3, 2009]

HPRP Grant Allocations and Application Process

1. Q: When will HUD complete their review of the substantial amendments?

A: HUD will complete its review of all correctly completed substantial amendments within 45 days of receipt of each substantial amendment, but no later than July 2, 2009. Jurisdictions with disapproved substantial amendments may revise and resubmit a substantial amendment within 15 days after HUD sends the first notification of its disapproval; and HUD will approve or disapprove the revised substantial amendment within 15 days of receiving it.

2. Q: Why was \$500,000 chosen as the minimum amount that will be allocated to grantees?

A: HPRP funds were allocated according to the Emergency Shelter Grants (ESG) formula. In the ESG program, the minimum grant amount is 0.05 percent; however, the Recovery Act gave the Secretary discretion to set the minimum grant amount. At \$500,000 (approximately 0.033 percent), more metropolitan cities and urban counties can receive funds directly than in ESG. The intent is to expedite the process of getting the funds to the program participants, who need the assistance quickly.

3. Q: Do HPRP funds have a match requirement?

A: No, grantees are not required to match HPRP funds with any other funding.

4. Q: What happens if the eligible grantee wants to decline funding?

A: If an eligible grantee receives an allocation of funds under HPRP and wishes to decline the funding, the legally authorized official must notify the local HUD field office in writing of the grantee's intent to decline the HPRP funding on or before May 18, 2009.

5. Q: What happens if the eligible grantee wishes to request less funding than the total allocation amount?

A: If an eligible grantee wishes to request less than the total allocation amount for which it is eligible, the legally authorized official must notify the local HUD field office in writing of the amount the grantee will request on or before May 18, 2009.

6. Q: What happens if the eligible grantee does not submit a completed application within the timeframe allotted?

A: If an eligible grantee fails to submit a completed application package (substantial amendment, certifications and SF-424) for its grant allocation per the requirements detailed in the Notice, HUD will notify the jurisdiction of the cancellation of all or part of its allocation amount and proceed to reallocate the funds.

7. Q: What happens if the grantee cannot meet the expenditure threshold?

A: If the grantee cannot meet this threshold, HUD may then proceed to recapture the unused HPRP funds and reallocate them.

8. Q: Where is the application and what does it include? (ADDED 4-3-09)

A: Appendix A of the HPRP Notice provides a list of eligible grantees that can apply and receive HPRP funding directly from HUD through the Consolidated Plan Substantial Amendment process. It is up to each grantee to determine the appropriate eligibility and application requirements for their allocation. Contact your local and/or state grantee for HPRP application information.

9. Q: Where can I find the latest version of Form SF-424? (ADDED 4-3-09)

A: Use the SF-424 posted online at:

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/afa.pdf>

10. Q: I have lost my job and I am losing my home. I will be homeless in about one month. How do I apply for HPRP funds? (ADDED 4-3-09)

A: The Homelessness Prevention and Rapid Re-Housing Program (HPRP) is a new program funded under the American Recovery and Reinvestment Act of 2009. Funds will be awarded to eligible cities and states over the coming months as they submit their applications to HUD. HUD does not provide funding directly to individuals. Individuals needing assistance will be able to access services from an agency in their local community once HPRP funds have been distributed. HUD will continue to post HPRP information to the Homelessness Resource Exchange at <http://hudhre.info/index.cfm?do=viewHPRP> as it becomes available.

In the meantime, individuals and families seeking immediate assistance are encouraged to contact their local Continuum of Care. For contact information, visit HUD's Continuum of Care locator at <http://hudhre.info/index.cfm?do=viewCocContacts&st=ID&cSort=cocNum>. Click on your state, and then look for your city or county. If you do not see your city or county listed, look for a Balance of State continuum. Contact the Point of Contact for Homeless Persons. Your local CoC representative can refer you to resources that are currently available in your community.

11. Q: Is the HPRP part of the Consolidated Plan process?

A: Portions of the Consolidated Plan process related to the application and approval process for receiving HPRP funds do apply, as indicated in the Notice. Grantees must submit an amendment to the Consolidated Plan 2008 Action Plan in order to receive funds, and grantees are required to take public comment on it before finalizing it. However, this public comment period must be at least 12 days instead of 30. Also, grantees are not required to report on HPRP in their Consolidated Annual Performance and Evaluation Report (CAPER), as the reporting requirements from Congress and OMB take the place of this.

Eligible Grantees and Subgrantees

12. Q: Who can receive HPRP assistance?

A: There are two populations of persons facing housing instability that are eligible to receive funding under the HPRP: 1) individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit (prevention), and 2) individuals and families who are experiencing homelessness (residing in emergency or transitional shelters or on the street) and need temporary assistance in order to obtain housing and retain it (rapid re-housing).

The eligibility criteria are as follows:

Homeless individuals and families, and individuals and families at risk of becoming homeless, must meet the following three criteria in order to receive HPRP financial assistance or services:

- Household must be at or below 50 percent of Area Median Income (AMI)
- Household must meet both of the following circumstances:
 - (1) no appropriate subsequent housing options have been identified; AND
 - (2) the household lacks the financial resources and support networks needed to obtain immediate housing or remain in its existing housing.
- Any individual or family receiving rental assistance must have at least an initial consultation with a case manager to determine need.

13. Q: Who are eligible grantees for HPRP funding?

A: States, U.S. territories, metropolitan cities, or urban counties are eligible grantees for HPRP funding. Grantees may subgrant to local units of government, which may include metropolitan cities and urban counties that receive HPRP funds directly from HUD and/or to private non-profit organizations if the local government in the locality in which the organization will operate the program certifies that it approves of the program.

14. Q: Can a State award HPRP funds in an area that receives its own HPRP allocation, or is the State restricted to distributing funds in non-entitlement areas? (ADDED 4-3-09)

A: Under HPRP, a state may subcontract with areas that receive a direct allocation from HUD.

15. Q: Can non-urban areas apply for funds through this application? (ADDED 4-3-09)

A: Appendix A of the HPRP Notice provides a list of eligible grantees that can apply and receive HPRP funding directly from HUD through the Consolidated Plan Substantial Amendment process. It is up to each grantee to determine the appropriate eligibility and application requirements for their allocation. Contact your local and/or state grantee for HPRP application information.

16. Q: Are non-profits eligible to apply for funds directly from HUD? (ADDED 4-3-09)

A: Non-profit organizations are not eligible to submit an application for HPRP funding directly to HUD. States, urban counties, metropolitan cities, and U.S. territories are eligible applicants under HPRP. Once these eligible applicants become grantees, they may subcontract with a private non-profit organization to carry out HPRP activities. Please contact the grantee for further eligibility criteria and application process.

17. Q: Does the Grantee have to engage in a competitive process for the selection of subgrantees? Or can the grantee select subgrantees through its own selection process? Does this process have to be included in the Consolidated Plan submission? (ADDED 4-3-09)

A: HUD is giving discretion to grantees to develop their own allocation process. The grantee's plan for distribution, administration, and oversight of funds must be addressed in the Substantial Amendment that is submitted to HUD to receive HPRP funding. Grantees must ensure that any agency or organization receiving HPRP funding is in compliance with the requirements outlined in the HUD Notice.

Eligible Activities and Participants

18. Q: Can funding help me with my mortgage payments?

A: No, HPRP is not a mortgage assistance program. However, homeowners who meet HPRP eligibility criteria may receive utilities assistance and moving cost assistance (i.e. after foreclosure), as well as services needed to help them stay housed. These might include case management, credit counseling, housing search, and legal services not related to a mortgage.

19. Q: How is HPRP different from the Rapid Re-housing (RRH) demonstration program?

A: The following chart highlights differences between HPRP and RRH.

PROGRAM	ELIGIBLE PARTICIPANTS	RENTAL SUBSIDY PERIOD	CENTRALIZED INTAKE PROCESS	COMMUNITY-WIDE SCREENING TOOL
RRH	Households with dependent children (families)	3-6 months OR 12-15 months	Required	Required
HPRP	Individuals or Families (households with dependent	Any # of months up to 18 months	Optional (HUD recommends)	Optional (HUD recommends)

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20. Q: Does a program participant need to have a child or children in the household to be eligible to receive assistance?

A: No, a program participant can be an individual or a household with or without children.

21. Q: What are the eligible categories for activities under the HPRP?

A: There are four categories of eligible activities for the HPRP: financial assistance, housing relocation and stabilization services, data collection and evaluation, and administrative costs.

22. Q: Does HPRP assistance provide long-term assistance?

A: The purpose of HPRP short- and medium-term assistance is to help eligible program participants to quickly obtain and/or sustain stable housing. It is not intended to provide long-term support for program participants, nor will it be able to address all of the financial and supportive services needs that affect housing stability. In fact, many prevention and rapid re-housing program models include short- or medium-term rental assistance and services for households who have barriers to housing, but who are likely to sustain housing after the subsidy ends. Therefore, organizations providing assistance should use a process to assess, for all potential program participants, their level of service need, other resources available to them, and the appropriateness of their participation in the rapid re-housing assistance portion of HPRP. Program participants who require longer-term housing assistance and services should be directed to programs that can provide the requisite services and financial assistance.

23. Q: What are the eligible financial assistance expenses?

A: Financial assistance is limited to the following activities: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel and hotel vouchers.

24. Q: What is considered short-term rental assistance and what is considered medium-term rental assistance?

A: Short-term rental assistance may not exceed rental costs accrued over a period of 3 months. Medium-term rental assistance may not exceed actual rental costs accrued over a period of 4 to 18 months.

25. Q: If a program participant initial received short-term rental assistance for 3 months and need additional assistance, are they eligible to receive more funding through the HPRP?

A: Yes, after 3 months, if program participants receiving short-term rental assistance need additional financial assistance to remain housed, they must be evaluated for eligibility to receive up to 15 additional months of medium-term rental assistance, for a total of 18

months.

26. Q: As a grantee, can I establish more strict requirements than HUD has established?

A: Yes. HUD is providing grantees with discretion to establish requirements that further target community needs. Grantees may elect to implement more stringent targeting and/or eligibility requirements as long as all program participants meet the minimum eligibility criteria and the grantees comply with all local and federal requirements. For example, grantees may set limits on the amount of assistance any household may receive, may pay for only a portion of a program participant's rent, may require participants be at 30% or less of Area Median Income (AMI) or may require participants have additional risk factors.

27. Q: Can the rental assistance be used to pay unpaid rental debt?

A: Yes, rental assistance may also be used to pay up to 6 months of rental arrears for eligible program participants. Rental arrears may be paid if the payment enables the program participant to remain in the housing unit for which the arrears are being paid or move to another unit.

28. Q: If a participant is receiving rental assistance through another federal funded grant program, can they also receive funding through HPRP?

A: HPRP assistance cannot be provided to eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program. There are six cost types: rent payments (client portion or the subsidy), security deposits, utility deposits, utility payments, moving cost assistance, and hotel/motel vouchers. So, if a participant is receiving rental assistance under another program, HPRP funds may not be used for rental assistance during that same time period. However, it could be used to pay for a security deposit or utility payments. For example, a homeless veteran entering a HUD-VASH project may receive security deposit assistance through HPRP funds.

29. Q: Will the condition of a unit or building impact a household's ultimate eligibility with getting financial assistance?

A: For persons residing in buildings that have been condemned or otherwise not suitable for human habitation, HPRP funds may be used to relocate them to more suitable housing. The HPRP assistance may include financial assistance and housing relocation and stabilization services. The unit into which the program participants move, must meet habitability standards as defined Appendix C of the Notice.

Grantees and subgrantees are encouraged to consider local and state building and housing codes when providing financial assistance to persons to allow them to remain in their housing.

Keep in mind that HPRP funds may not be used for the construction or rehabilitation of a building.

30. Q: What assistance can be provided to homeowners? (ADDED 4-3-09)

A: While mortgage assistance is not eligible under HPRP, homeowners who become homeless are eligible for all HPRP activities, provided they meet the other eligibility criteria as listed in the Notice. Homeowners who are housed but are at risk of becoming homeless and meet all other eligibility criteria (consultation with a case manager, below 50% of AMI, and at risk of becoming homeless with no housing options and lack financial resources/support network) may be assisted with the following: utility payments (including arrears but excluding deposits) and housing relocation and stabilization services (including credit repair, case management, and housing search/placement but excluding legal services).

31. Q: Will citizens returning to the community following discharge from a state correctional system (who meet all stated eligibility requirements) be eligible for receipt of short-term housing assistance? (ADDED 4-3-09)

A: Yes, persons who are discharged from publicly funded institutions and who meet all HPRP eligibility requirements may receive financial assistance and/or services under HPRP.

32. Q: Are inspections required for both the prevention and rapid re-housing components? Does the inspection requirement apply to those already living in a housing unit where prevention assistance might be applied? (ADDED: 4-3-09)

A: The standards for housing unit inspections are the habitability standards described in Appendix C of the Notice. Please note that these standards apply only when a program participant is moving into a new unit. They do not apply to persons served with HPRP prevention assistance in an existing unit.

33. Q: What costs are eligible pre-award costs? Must these be pre-approved? Can housing inspections be considered a pre-award cost? (ADDED 4-3-09)

A: Eligible pre-award costs include administrative costs, such as hiring a consultant for preparation of the Substantial Amendment, costs associated with establishing the procurement process for awarding subgrantees, attending HUD-sponsored HPRP meetings and trainings. Note that housing inspections are not considered administrative costs, and therefore, are not eligible pre-award costs.

34. Q: Are there any notification requirements to HUD if jurisdictions wish to exercise the option of incurring pre-award administrative expenses? (ADDED: 4-3-09)

A: There are no notification requirements. Grantees, however, must make sure that the pre-award costs are eligible and, of course, maintain documentation of all expenses. If a grantee has questions about any costs, it should contact its local HUD field office to verify whether they are eligible.

35. Q: Can HPRP be used to create a regional or state-wide prevention hotline? If yes, under what activity could the costs be incurred? (ADDED 4-3-09)

A: Yes, a regional or state-wide prevention hotline would be eligible as an outreach and engagement activity under Housing Relocation and Stabilization Services.

36. Q: Where would assisting clients to access mainstream benefits/entitlements (e.g., SSI/SSDI) fit under HPRP? Would they be considered a case management service and funded as such? (ADDED 4-3-09)

A: Yes, assisting a participant to access public benefits would be considered case management. As stated in the Notice (FR-5307-N-01) "HPRP case management funds may be used for activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability." This activity would be considered an arrangement and coordination of public benefits.

Post-Award and Timeliness Requirements

37. Q: What is the deadline to submit the substantial amendment?

A: Substantial amendments, certifications, and the SF-424 (the application package) must be postmarked by May 18, 2009.

38. Q: What is the deadline for grantees to obligate funds?

A: Grantees must select all subgrantees and obligate funds to them by September 30, 2009.

39. Q: What is the timeframe to spend HPRP funds?

A: The Recovery Act requires grantees to spend 60 percent of HPRP grant funds within two years of the date that funds become available to the grantees for obligation (the date that HUD signs the grant agreement), and 100 percent of funds within three years of this date. If a grantee receives any reallocated funds, these must all be expended within three years of the grantee's initial grant agreement as well.

40. Q: What happens if the grantee does not spend at least 60 percent of the grant amount within the 2 year timeframe?

A: Any grantee failing to meet the statutory requirement to expend at least 60 percent of its grant amount within 2 years of the date of the obligation, will be notified by August 1, 2011 and given 21 days to submit information to HUD regarding additional eligible expenses for HPRP activities accrued within the 2-year period in order to bring the grantee into compliance with the 60 percent requirement. In cases where the grant agreement is signed after July 30, 2009 so less than two years has elapsed, HUD will notify grantees in the same manner if it appears that the grantee will fail to meet the 60 percent requirement.

41. Can grantees draw down funds as a cash advance, or do they have to get reimbursed as with ESG?

A: Unlike ESG, grantees and subgrantees may be paid in advance, pursuant to procedures outlined in 24 CFR 84.22 for non-profit organizations and 24 CFR 85.21 for units of government. Payments are made to the grantee upon its request after the grant agreement has been fully executed.

42. Will there be flexibility to adjust budgets among the four eligible funding areas during the contract period? (ADDED 4-3-09)

A: HPRP grantees may adjust budgeted amounts for the eligible activities just as they do under ESG. The Substantial Amendment to the grantee's 2008 Annual Action Plan, completed by the grantee to receive HPRP funds, is only a planned budget. Actual budgets may vary during implementation.

A grantee should consult its citizen participation plan (in the grantee's Consolidated Plan) to determine if the grantee provides a threshold amount for budget changes for which local citizen participation and consultation is required.

The HPRP grantee must document changes in IDIS via funds committed to projects and activities. The grantee should use its own internal process to document contract changes with subgrantees.

43. Q: Is there a cap on any of the funding categories? For example, is there a cap on services or data collection and evaluation? (ADDED 4-3-09)

A: The only limit is on administrative costs, which are limited by statute to 5 percent of the grant amount. Grantees should consider the extent and variety of needs in their communities in order to determine how much to spend on any given type of activity.

44. Q: What guidance is available on calculating household income? (ADDED: 4-3-09)

A: HPRP requires that all program participants be at or below 50% Area Median Income. The Housing Choice Voucher program (formerly Section 8) uses specific guidelines and data sets to determine eligibility and document income. Verification Guidance can be found on HUD's web site at <http://www.hud.gov/offices/pih/publications/notices/04/verifguidance.pdf>, although you are strongly encouraged to contact your local Public Housing Agency, which has developed a local process and forms that you can use to verify income.

45. Q: Is there guidance available on documenting a participant's "risk of homelessness"? (ADDED 4-3-09)

A: HUD has not yet developed specific documentation requirements for prevention assistance under HPRP. However, as stated in the Notice, the grantee or subgrantee must maintain documentation on client eligibility, which includes that the household is either

homeless or at-risk of homelessness and is at or below 50% AMI, that no appropriate housing options have been identified, and that the household lacks the financial resources and support networks needed to obtain immediate housing or remain in its existing housing. Examples of appropriate documentation may include an eviction notice or writ of eviction, documentation of loss of income, pay stubs, letter of eviction from a family member, etc. Many communities have developed specific practices related to documentation for prevention assistance. HUD encourages you to review the community documents listed on the Homelessness Resource Exchange at <http://www.hudhre.info/index.cfm?do=viewResourcesByTopic&topicId=78>.

46. Q: With regard to verifying and documenting an individuals' risk of homelessness, is a letter from a landlord stating that he/she will begin eviction proceedings unless the rent is paid sufficient documentation, or does HUD require an actual eviction notice? (ADDED 4-3-09)

A: HPRP funds are intended to assist persons who would become homeless but for the HPRP assistance. HUD has provided grantees the flexibility to target HPRP funds and determine when persons are most likely to become homeless unless they receive HPRP assistance. Grantees are required to maintain documentation, but HUD has not yet prescribed the type of documentation required.

47. Q: What category does staff time for screening clients for eligibility and processing client applications fall under? Are these considered administration costs or service costs? (ADDED 4-3-09)

A: Staff time associated with administering a particular program activity is charged to that program activity. Staff time for screening clients and processing client applications would be considered case management and are eligible under housing relocation and stabilization services.

48. Q: Is completion of "Rent Reasonableness Checklist and Certification" required documentation for payments related to rental arrears, security deposits, utility deposits, or other financial assistance? (ADDED 4-3-09)

A: In the Notice, HUD set a requirement that rents must be in compliance with the HUD standard of "rent reasonableness." This would include rental payments, rental arrears, and security deposits. However, it is up to the grantee to determine exactly which documentation it will require in order to ensure that the rent reasonableness standard is met.

49. Q: Does a lease have to be in place in order to pay rental assistance? For example, could the funding go to pay for a tenant's rent at a relative or friend's house if they are not on the lease? (ADDED 4-3-09)

A: A lease must be in place and the program participant must be on the lease in order to use HPRP funds for the program participant's share of the rent or security deposit.

50. Q: Are grantees allowed to charge a program fee (e.g., 30% of a participant's adjusted gross income) and use it to establish a savings account for the participant? (ADDED 4-3-09)

A: Grantees and subgrantees may not charge program fees to participants. However, programs may be designed to require participants to pay a portion of their income for rent and/or into escrow/savings accounts for the purpose of maximizing their housing stability.

Reporting Requirements

51. Q: When will the revised HMIS technical standards be published, and what are the HMIS requirements under HPRP? (ADDED 4-3-09)

A: HUD anticipates that the Notice for the proposed revised data standards for HMIS will be published for public comment by April 30, 2009. These standards will include HPRP requirements for HMIS.

52. Q: When will HUD issue the Quarterly Progress Reports required for this funding? (ADDED 4-3-09)

A: HUD is currently developing the formats and data elements that will be included in the Initial, Quarterly, and Annual Performance Reports referenced in the HPRP Notice. The data elements will be made available for public review and comment (through the OMB Paperwork Reduction Act process) prior to being finalized. HUD anticipates that this process will be completed sometime this summer.

These reports will utilize the same data elements included in HUD's HMIS Data and Technical Standards plus any additional data that is required under the Recovery Act. These reports will not be the same as the CAPER or the ESG data currently collected through IDIS.

53. Q: Participation in HMIS is mandated by this program. Is HUD taking the lead to make sure that grantees funded directly through entitled jurisdictions comply? Often, a CoC has little influence over another jurisdiction within the CoC to mandate participation. (ADDED 4-3-09)

A: The HPRP Operating Instructions and Grant Agreement will include HMIS participation requirements and HUD will monitor HPRP grantees for compliance with the requirements.

54. Q: In the Performance Reports it asks "the number of jobs created and retained" what entity is responsible for creating the jobs and who are the potential employees to be hired? (ADDED 4-3-09)

A: One of the requirements of the Recovery Act of 2009 is that jobs that are created and/or retained through the use of these funds be tracked and reported. For HPRP, this could be jobs created or retained at the grantee or subgrantee levels. For example, a subgrantee may need to hire three case managers to operate a new Homelessness Prevention program in a

particular County. These three jobs will be reported as "created" through the use of HPRP funds.

55. Q: It states in the HPRP Notice that funds can be used for Data Collection and Evaluation costs, but is limited to jurisdictions that do not have an HMIS already implemented. How does this address the cost of data entry for existing HMIS users? And, if a new subgrantee receives HPRP funds but does not currently use HMIS, can HPRP funds be used to pay for their training, computer equipment, and other associated costs, including access to DSL? (ADDED 4-3-09)

A: There are five eligible HMIS cost categories for HPRP: (1) Equipment. Leasing or purchase of hardware (computers, servers, printers), networking, and security; (2) Software. User licensing for existing HMIS software, purchase of HMIS software (only if CoC does not have an HMIS and with HUD Headquarters approval), support and maintenance, tools that support existing software, and participation fees; (3) Services. Third-party training, technical services, programming (customization, system interface, data conversion), connectivity, disaster and recovery, and data integration support; (4) Personnel. System administrators, trainers, technical staff, and data entry, analysis, and programming support; and (5) HMIS space and operations. Grantees that are the HMIS administering agency and/or will be providing services directly to HPRP participants may use HPRP funds to expand the scope of the HMIS for data collection and reporting for HPRP. Grantees that do not administer the HMIS or will not be providing direct service may provide funds to the HMIS administering agency to allow the HMIS to expand the scope of the HMIS. Subgrantees may use HPRP funds to fund activities necessary for the organizations to implement the HPRP data collection and reporting requirements in the CoC's HMIS.

Technical Assistance and Training

56. Q: When will HPRP Technical Assistance and Training be available to grantees? (ADDED 4-3-09)

A: HUD will host a webcast on April 8, 2009, 2:00-4:00 PM EDT. Additionally, the Department plans to host nine 1-1/2 day regional meetings during May and June. As soon as the schedule for the regional meetings is finalized, HUD will publish the dates and locations as well as registration information. Additional technical assistance and training initiatives are also being planned and will be announced via the listserv and the HRE.

57. Q: Can local jurisdictions receiving HPRP funds use any of their administrative funds to contract for technical assistance from an expert of their choosing? (ADDED 4-3-09)

A: No. Technical assistance is not an eligible use of HPRP funds for a grantee or subgrantee. HUD has been working with four national TA providers that will be available to assist communities with administering their local programs.