

Overview of HUD HPRP Notice

March 20, 2009

On March 19, the U.S. Department of Housing and Urban Development (HUD) released a Notice about the guidelines for using the Homelessness Prevention Fund that was created by the American Recovery and Reinvestment Act of 2009. The Notice stated that HUD would call the new fund the Homelessness Prevention and Rapid Re-Housing Program (HPRP). While communities and plan administrators should read the entire Notice, below is an overview of many of the important provisions contained within that Notice.

Timeline

Each grantee (jurisdiction receiving funds) must submit to HUD a "substantial amendment to their consolidated plan" by May 18, 2009. HUD has a form (see <http://www.hudhre.info/documents/HUD-40119.pdf>) for the substantial amendment, and grantees must meet specific requirements, including the provision of a period for public comment. After submission, HUD has 45 days to accept or disapprove of the submission. After HUD approves it, HUD and the grantee sign a grant agreement. Expenditure deadlines will be calculated using this date as the starting point. The grantee must select and sign agreements with subgrantees (providers) by September 30, 2009. Grantees that plan to use an RFP process must therefore act quickly. HUD is encouraging grantees to submit their plans early and begin spending as soon as possible.

Eligible Activities

1. Financial Assistance

Eligible activities under HPRP include financial assistance, though payments may only be made to third parties and not directly to clients. Financial assistance can include:

- Rental assistance of up to 18 months, including shallow subsidies, declining subsidies, and subsidies deeper than Section 8 subsidies;
- Up to 6 months of back rent, which counts against the 18 month maximum;
- Security and utility deposits;
- Up to 18 months of utility payments, including up to 6 months of back utility payments;
- Moving cost assistance (not furnishings); and
- Motel and hotel vouchers for no more than 30 days, if no appropriate shelter is available and rental housing has been identified but is not ready to be moved into.

The HUD Notice does not limit the number of times that a household can receive financial assistance, but households cannot exceed the 18 month total cap on rental assistance and utilities. Also, the monthly amount of rental assistance cannot exceed HUD's rent reasonableness standards.

2. Services

Housing relocation and stabilization services are also considered eligible activities under HPRP, including:

- Housing search and placement services, such as tenant counseling, representative payee services with respect to housing costs, and mediation and outreach to landlords;
- Outreach and engagement;
- Case management services, including counseling;
- Service coordination;
- Monitoring and evaluating program participant performance;
- Developing housing and service plans;
- Legal services to help people stay in their housing (not assistance with mortgages); and
- Credit repair, including money management and resolving personal credit issues.

3. Data Collection and Administration

HPRP funds can also be used to pay for data collection and evaluation, including:

- Operating HMIS for purposes of HPRP;
- Analyzing data and patterns of use of HPRP;
- Purchase of HMIS software or licenses for HPRP subgrantees;
- Equipment;
- Developing new software; and
- HMIS implementation and start up activities, if the community currently has no HMIS.

4. Administrative Costs

Up to 5 percent of HPRP funds can be used to pay for administrative costs, which can include:

- Pre-award Administrative Costs;
- Accounting and audits; and
- Training for staff and case managers, if the training is directly related to learning about HPRP.

Ineligible Activities

Communities and plan administrators should note that activities ineligible for funding under HPRP include:

- Coordination with other Recovery Act resources (though this activity is strongly encouraged);
- Mortgage costs;
- Construction or rehabilitation;
- Credit card bills or other consumer debt;
- Car repair or transportation costs;
- Travel costs;
- Food;
- Medical or dental costs or medicines;
- Clothing and grooming;
- Home furnishings;
- Pet care;
- Entertainment;
- Work- or education-related materials;
- Cash assistance;
- Developing discharge planning programs in mainstream institutions; and
- Certifications, licenses, and general training classes.

Eligible Recipients

To receive assistance, a program participant must:

- Have income below 50% AMI;
- Have no appropriate subsequent housing options identified; and
- Lack the resources and support networks needed to obtain immediate housing or remain in existing housing.

Funding can be used to serve individuals or families and those that are homeless or at-risk of homelessness. HUD strongly encourages grantees and subgrantees to target prevention to those who would be homeless "but for this assistance." In the Notice, HUD includes the following criteria that it hopes communities will use to determine if someone is at risk.

- Eviction within 2 weeks from a private dwelling (including housing provided by family or friends);
- Discharge within 2 weeks from an institution in which the person has been a resident for more than 180 days (including prisons, mental health institutions, and hospitals);
- Residency in housing that has been condemned by housing officials 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);
- Homeless in last 12 months;
- Young head of household (under 25 with children or pregnant);
- Current or past involvement with child welfare, including foster care;
- Extremely low income (less than 30 percent of Area Median Income);
- High overcrowding (the number of persons exceeds health and/or safety standards for the housing unit size);
- Past institutional care (prison, treatment facility, hospital);
- Recent traumatic life event, such as death of a spouse or primary care provider, or recent health crisis that prevented the household from meeting its financial responsibilities;
- Credit problems that preclude obtaining of housing; or
- Significant amount of medical debt.

Reporting

Grantees and subgrantees will report data and outcomes through the HMIS for the relevant Continuum of Care. The data elements and standards will be forthcoming. The first quarterly report on expenditures and people served will be due October 10, 2009. If asked by HUD, grantees must participate in research and evaluation of the program. They will be able to use funds to pay for their part in any research or evaluation.

Miscellaneous Provisions

The HPRP Notice also includes a number of miscellaneous guidelines of which communities should be aware.

- Unlike the ESG program, subgrantees can be paid in advance;
- A jurisdiction can subgrant to another jurisdiction;
- If a jurisdiction does not want funding, its portion of funding goes to the state;
- Grantees will draw down funds using IDIS, the same system used for CDBG and ESG;
- There is no matching requirement; and
- Funds can be used to fund the Rapid Re-housing programs that communities applied for in the 2008 HUD NOFA. They will not be subject to some of the requirements for that application, such as the match and the requirement for centralized intake (although HUD suggests that communities use centralized intake).

To read the full Notice, visit http://www.hudhre.info/documents/HPRP_Notice_3-19-09.pdf.

HUD has posted a Frequently Asked Questions document here:
http://www.hudhre.info/documents/HPRP_QA.pdf.