

## IV. REQUIREMENTS FOR FUNDING

### A. Eligible Activities

Grant funds must be used for eligible activities as described in this Notice. There are four categories of eligible activities for the HPRP program: financial assistance, housing relocation and stabilization services, data collection and evaluation, and administrative costs. These eligible activities are intentionally focused on housing - either financial assistance to help pay for housing, or services designed to keep people in housing or to find housing. Generally, the intent of HPRP assistance is to rapidly transition program participants to stability, either through their own means or through public assistance, as appropriate. HPRP assistance 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 of households that affect housing stability. Rather, 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. Grantee programs should therefore ensure that there is a clear process for determining the type, level, and duration of assistance for each program participant.

1. **Financial Assistance.** 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. Grantees and subgrantees must not make payments directly to program participants, but only to third parties, such as landlords or utility companies. In addition, an assisted property may not be owned by the grantee, subgrantee or the parent, subsidiary or affiliated organization of the subgrantee.

#### a. Rental Assistance.

(1) Short-and medium-term rental assistance are tenant-based rental assistance that can be used to allow individuals and families to remain in their existing rental units or to help them obtain and remain in rental units they select. 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. No program participant may receive more than 18 months of assistance under HPRP. 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. HUD is requiring grantees and subgrantees to certify eligibility at least once every 3 months for all program participants receiving medium-term rental assistance. HUD additionally encourages grantees and subgrantees to provide ongoing case management, as needed, to all program participants receiving rental assistance in order to transition them to independence, including permanent housing arrangements (subsidized or unsubsidized).

(2) The grantee determines the amount of short-term and medium-term rental assistance provided, such as "shallow subsidies" (payment of a portion of the rent), payment of 100 percent of the rent

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charged, or graduated/declining subsidies. A grantee may also set a maximum amount of assistance that a single individual or family may receive from HPRP funds, or may set a maximum number of times that an individual or family may receive assistance, as long as the total amount of assistance that any individual or family receives does not exceed an amount equal to 18 months of rental assistance. Grantees may require program participants to share in the costs of rent, utilities, security and utility deposits, moving, hotel or motel, and other expenses as a condition of receiving HPRP financial assistance. For example, a program may require a program participant to pay a portion of the rent expense for a unit. HPRP assistance should be "needs-based," meaning that grantees and/or subgrantees should determine the amount of assistance based on the minimum amount needed to prevent the program participant from becoming homeless or returning to homelessness in the near term. This will also help communities to utilize program resources efficiently to serve as many households as possible.

(3) 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. If HPRP funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant's rental assistance, which may not exceed 18 months.

(4) The rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee or subgrantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner verifying the comparability of charged rents to other units owned (for example, the landlord would document the rents paid in other units). For more information, see HUD's worksheet on rent reasonableness at: [www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc](http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc)

(5) Rental assistance payments cannot be made on behalf of 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. Cost types are the categories of eligible HPRP financial assistance: rent, either the client portion or the subsidy; security deposits, utility deposits, utility payments, moving cost assistance, and hotel/motel vouchers.

b. **Security and utility deposits.** HPRP funds may be used to pay for security deposits, including utility deposits, for eligible program participants. In contrast to the requirements regarding rental assistance payments, security and utility deposits covering the same period of time in which assistance is being

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provided through another housing subsidy program are eligible, as long as they cover separate cost types. One example of this would be providing a security deposit for a participant in the HUD-VA Supportive Housing (HUD-VASH) program, which provides rental assistance and services. A program description of HUD-VASH can be found at: <http://www.hud.gov/offices/pih/programs/hcv/vashindex.cfm>

c. **Utility payments.** HPRP funds may be used for up to 18 months of utility payments, including up to 6 months of utility payments in arrears, for each program participant, provided that the program participant or a member of his/her household has an account in his/her name with a utility company or proof of responsibility to make utility payments, such as cancelled checks or receipts in his/her name from a utility company.

d. **Moving cost assistance.** HPRP funds may be used for reasonable moving costs, such as truck rental, hiring a moving company, or short-term storage fees for a maximum of 3 months or until the program participant is in housing, whichever is shorter.

e. **Motel and hotel vouchers.** HPRP funds may be used for reasonable and appropriate motel and hotel vouchers for up to 30 days if no appropriate shelter beds are available and subsequent rental housing has been identified but is not immediately available for move-in by the program participants.

2. **Housing Relocation and Stabilization Services.** HPRP funds may be used for services that assist program participants with housing stability and placement. These services are limited to the following eligible activities:

a. **Case management.** 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. Component services and activities may include: counseling; developing, securing, and coordinating services; monitoring and evaluating program participant progress; assuring that program participants' rights are protected; and developing an individualized housing and service plan, including a path to permanent housing stability subsequent to HPRP financial assistance.

b. **Outreach and engagement.** HPRP funds may be used for services or assistance designed to publicize the availability of programs to make persons who are homeless or almost homeless aware of these and other available services and programs.

c. **Housing search and placement.** HPRP housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include: tenant counseling; assisting individuals and families to understand leases; securing utilities; making moving arrangements; representative payee services concerning rent and utilities; and mediation and outreach to property owners related to locating or retaining housing.

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d. **Legal services.** HPRP funds may be used for legal services to help people stay in their homes, such as services or activities provided by a lawyer or other person(s) under the supervision of a lawyer to assist program participants with legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues. Legal services related to mortgages are not eligible.

e. **Credit repair.** HPRP funds may be used for services that are targeted to assist program participants with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit issues.

### 3. Data Collection and Evaluation.

a. **Data Collection.** The Recovery Act requires that data collection and reporting for HPRP be conducted through the use of Homeless Management Information Systems (HMIS) or a comparable client-level database. Therefore, reasonable and appropriate costs associated with operating an HMIS for purposes of collecting and reporting data required under HPRP and analyzing patterns of use of HPRP funds are eligible. Eligible costs include the purchase of HMIS software and/or user licenses, leasing or purchasing needed computer equipment for providers and the central server, costs associated with data collection, entry and analysis, and staffing associated with the operation of the HMIS, including training. HMIS activities that are ineligible include planning and development of HMIS systems, development of new software systems, and replacing state and local government funding for an existing HMIS. Only those jurisdictions that do not have an HMIS already implemented may use a portion of these funds for HMIS implementation or start-up activities.

b. **Evaluation.** Grantees and subgrantees must comply if asked to participate in HUD-sponsored research and evaluation of HPRP. HPRP funds are eligible for costs to the grantee of participating in HUD research and evaluation of the program.

### 4. Administrative Costs.

a. **Administrative costs may be used for:** pre-award administrative costs, as defined in section b. below; accounting for the use of grant funds; preparing reports for submission to HUD; obtaining program audits; similar costs related to administering the grant after the award; and grantee or subgrantee staff salaries associated with these administrative costs. Administrative costs also include training for staff who will administer the program or case managers who will serve program participants, as long as this training is directly related to learning about HPRP. Administrative costs *do not* include the costs of issuing financial assistance, providing housing relocation and stabilization services, or carrying out eligible data collection and evaluation activities, as specified above, such as grantee or subgrantee staff salaries, costs of conducting housing inspections, and other operating costs. These costs should be included under one of the three other eligible activity categories.

b. **Pre-award administrative costs.** Given the urgent need in many communities for this funding and the short timeframe set forth in section V.A.I. for obligation to grantees, grantees will need to act quickly to

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prepare the HPRP substantial amendment and to undertake other administrative actions. Therefore, HUD is granting permission to grantees receiving a direct allocation of HPRP funds (see Attachment A) to incur pre-award costs in accordance with OMB Circular A87, Attachment B, paragraph 31 (24 CFR part 225, Appendix B, paragraph 31). All costs and activities funded with pre-award HPRP funds must comply with the Recovery Act statutory language relevant to HPRP, and they must comply with the requirements of HPRP as described in this Notice. Eligible pre-award costs that grantees may incur are costs that are directly related to preparing the application for submission to HUD, starting with the publication of this Notice and ending with the submission of the substantial amendment or, if applicable, the revised substantial amendment. This includes, but is not limited to, staff costs for preparing the substantial amendment and publication, other costs related to the public comment process, or costs related to participation in HUD-sponsored HPRP training.

c. **Limitations on administrative costs.** No more than 5 percent of the total HPRP grant to the grantee may be spent on administrative costs, whether by the grantee or subgrantee(s). In addition, all administrative costs must be incurred, and all funds for administrative costs must be drawn down from IDIS (defined in section V.B.), prior to the 3-year expenditure deadline (described in section V.A.2).

d. **Sharing of administrative funds.** Grantees shall share a reasonable and appropriate amount of their administrative funds with subgrantees.

### B. Ineligible and Prohibited Activities

1. **Coordination with Recovery Act Resources.** Grantees are strongly encouraged, as part of local planning, to maximize all resources that may be available with Recovery Act funds other than HPRP (see chart on Recovery Act resources located at [www.hudhre.info](http://www.hudhre.info)). A grantee's local plan for spending HPRP funds should coordinate closely with other Recovery Act funding streams, so that eligible activities under other Recovery Act programs are aligned with HPRP funds to create a comprehensive package of housing and service options available to eligible program participants. The intent of HPRP is to provide funding for housing expenses to persons who are homeless or who would be homeless if not for this assistance. Therefore, financial assistance or services to pay for expenses that are available through other Recovery Act programs, including child care and employment training, are not eligible. Case managers should work to link program participants to these other resources.

2. **Mortgage Costs are Ineligible.** Financial assistance may not be used to pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable.

3. **Other Ineligible and Prohibited Activities.** HPRP funds may not be used to pay for any of the following items: construction or rehabilitation; credit card bills or other consumer debt; car repair or other transportation costs; travel costs; food; medical or dental care and medicines; clothing and grooming; home furnishings; pet care; entertainment activities; work or education related materials; and cash assistance to program participants. HPRP funds may not be used to develop discharge planning

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programs in mainstream institutions such as hospitals, jails, or prisons. Finally, while training for case managers and program administrators is an eligible administrative cost as long as it is directly related to HPRP program operations, HPRP funds may not be used to pay for certifications, licenses, and general training classes. Programs may not charge fees to HPRP program participants. Any HPRP funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants. If funds are found to be used for ineligible activities as determined by HUD, the grantee will be required to reimburse its line of credit.

### C. Discharge Coordination Policy

Grantees must agree to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions), in order to prevent such discharge from immediately resulting in homelessness for such persons. Developing or updating system discharge plans and policies is not an eligible expense under HPRP. However, persons who are being imminently discharged into homelessness from such publicly funded institutions are eligible to receive financial assistance or services through HPRP as long as they meet the minimum requirements as discussed in section D.2. below.

### D. Eligible Program Participants

1. **General.** HUD allows grantees significant discretion in program design and operation while targeting those who are most in need of temporary homelessness prevention and rapid re-housing assistance. When establishing local programs, grantees should consider how their programs will identify eligible program participants and meet their needs as intended by the Recovery Act. Grantees should consider serving two eligible populations with HPRP funds: persons who are still housed but at risk of becoming homeless and persons who are already homeless. Although persons in both target populations are eligible to receive financial assistance and services under HPRP, creating this distinction can help communities serve households most in need of temporary assistance, as well as track the funds used for rapid re-housing and prevention. Since not all program participants in either of the target populations will have the same level of need, it is not expected that all persons in each target population will receive identical levels of assistance. For example, the scope and intensity of assistance provided to a homeless family may be greater than that provided to a homeless individual. Likewise, a family on the verge of becoming homeless within a few days may require more services or a higher level of assistance than a family whose risk of homelessness is not as imminent or one who may only need a shorter period of financial assistance. Grantees are responsible for verifying and documenting the individuals' risk of homelessness that qualifies them for receiving rental assistance. HUD requires grantees and/or subgrantees to evaluate and certify the eligibility of program participants at least once every 3 months for all persons receiving medium-term rental assistance. Similarly, grantees and subgrantees should

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carefully assess a household's need and appropriateness for HPRP. If the household needs more intensive supportive services or long-term assistance, or if a household is not at risk of homelessness, grantees and subgrantees should work to link them to other appropriate available resources.

**2. Requirements for All Program Participants.** In order to receive financial assistance or services funded by HPRP, individuals and families - whether homeless or housed - must at least meet the following minimum criteria: 1) Any individual or family provided with financial assistance through HPRP must have at least an initial consultation with a case manager or other authorized representative who can determine the appropriate type of assistance to meet their needs. HUD encourages communities to have a process in place to refer persons ineligible for HPRP to the appropriate resources or service provider that can assist them. 2) The household must be at or below 50 percent of Area Median Income (AMI). Income limits are available on HUD's web site at: <http://www.huduser.org/DATASETS/il.html> Grantees should use HUD's Section 8 income eligibility standards for HPRP. 3) The household must be either homeless or at risk of losing its housing and 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.

**3. Prevention Assistance.** While HUD's definition of homelessness is well-understood, it can be more challenging to identify persons who are housed but who have a very high risk of becoming homeless. There are many people who are housed and have great need but would not become homeless if they did not receive assistance. HUD strongly encourages grantees and subgrantees to target prevention assistance to those individuals and families at the greatest risk of becoming homeless. It is helpful to remember that the defining question to ask is: "Would this individual or family be homeless *but* for this assistance?"

The requirements set forth in paragraph 2 of this section establish HUD's minimum conditions that an individual or family must meet in order to receive assistance through HPRP. However, HUD strongly encourages communities to consider more factors when designing their local programs and determining a household's level of need for receiving assistance through HPRP. To aid grantees and subgrantees in targeting HPRP funds toward persons most at risk of becoming homeless, a number of potential "risk factors" are listed below that could indicate that a person or family is at a higher risk of becoming homeless. This list represents examples of some commonly identified risk factors for homelessness from scholarly research and practical experience drawn from existing homelessness prevention programs. One way a grantee or subgrantee could use these factors would be to consider the first four criteria on this list as indicative of the most urgent need, and could require that a program participant meet one of these criteria in order to receive the most expensive benefit, "medium-term" rental assistance. Likewise, a grantee might require that a program participant have at least two or more of the risk factors to qualify for any assistance. Grantees and subgrantees should note, however, that this list is optional and not exhaustive; grantees and subgrantees may consider other risk factors or other ways to target persons at risk of homelessness when developing local programs and requirements. Grantees and subgrantees may also consider the expected ability of the program participant to achieve stable housing,

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unsubsidized or subsidized, outside of HPRP. HUD will provide technical assistance to communities to assist them in developing local programs.

The risk factors for homelessness for consideration by grantees and subgrantees in developing their programs are as follows:

- 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, 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;
- Pending foreclosure of rental housing;
- 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.

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4. **Rapid Re-Housing Assistance.** Rapid re-housing assistance is available for persons who are homeless according to HUD's definition. Individuals and families who meet one of the following criteria, along with the minimum requirements established in paragraph 2 of this section, are eligible under the rapid re-housing portion of HPRP:

- Sleeping in an emergency shelter;
- Sleeping in a place not meant for human habitation, such as cars, parks, abandoned buildings, streets/sidewalks;
- 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 (cars, parks, streets, etc.) immediately prior to entry into the hospital or institution;
- Graduating from, or timing out of a transitional housing program; and
- Victims of domestic violence.

Generally, 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. The purpose of HPRP rapid re-housing funds is to assist eligible program participants to quickly obtain and sustain stable housing. Therefore, organizations providing assistance should utilize 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.

Persons familiar with the Rapid Re-Housing Demonstration Program in the 2008 Continuum of Care competition should note that these funds are not subject to the same requirements as under that demonstration program. HPRP provides flexibility to grantees to use these funds in a way that meets the needs of the community, as long as grantees, subgrantees, and program participants meet the requirements established in this Notice.

### E. Application Requirements

1. **Required Submission Documents.** HUD will consider a completed application to contain the following three documents:

- a. A completed and signed Standard Form 424 (SF-424);
- b. A completed and signed substantial amendment using form HUD-40119; and
- c. A signed copy of the required certifications.

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2. **Substantial Amendment.** To receive its grant allocation, each grantee must prepare and submit to HUD for approval a substantial amendment to its Consolidated Plan 2008 Action Plan using the form HUD-40119. Each grantee must prepare its substantial amendment in accordance with the Consolidated Plan procedures as modified by this Notice, or HUD will reallocate the funds allocated for that grantee. Eligible grantees must download a copy of [HUD-40119](#) to use in completing and submitting their HPRP substantial amendment from HUD's web site at: [www.hud.gov/recovery](http://www.hud.gov/recovery). To request a paper copy of this form, call 1-800-998-9999. HUD will not approve and will return to the grantee amendments not submitted in the required format. The substantial amendment form requires the grantee to address six major components of its plan to use HPRP funds:

- a. Grantee contact information;
- b. The citizen participation plan and public comments received;
- c. The grantee's plan for distribution, administration, and oversight of funds;
- d. The grantee's plan for collaboration with local organizations receiving Recovery Act funds and Continuums of Care, and ensuring consistency with the Consolidated Plan;
- e. An estimated budget for HPRP funds; and
- f. The signature of the official authorized to sign the substantial amendment.

3. **Deadline.** To receive funding, each eligible HPRP grantee listed in Attachment A must ensure that its complete application is postmarked no later than May 18, 2009. Some grantees' local Consolidated Plan processes require that the grantee make available for public comment a list of the proposed awards to subgrantees prior to finalizing agreements with those subgrantees. A grantee with such local requirements or other timing considerations may need to submit its application in advance of the May 18 deadline in order to obligate funds to subgrantees by September 30, 2009.

4. **Process for Submission.** Each eligible grantee must provide HUD with two hard copies of the completed substantial amendment, along with the required SF-424 form and certifications. Each eligible grantee must send one hard copy to HUD Headquarters in Washington, DC, and the other to the appropriate HUD Field Office.

**a. Addresses for submission:**

(1) To HUD Headquarters. Submit the original completed HPRP application (the HPRP substantial amendment form with the other original signed documents) to: U.S. Department of Housing and Urban Development, Office of Special Needs Assistance Programs, Robert C. Weaver Building, 451 Seventh Street, SW, Room 7262, Washington, DC 20410, Attention: Homelessness Prevention and Rapid Re-Housing Program.

(2) To the appropriate CPD Field Office. Also submit one copy of the completed substantial amendment package to the Office of Community Planning and Development of the appropriate HUD field office for your jurisdiction. Please see the following web site for field office addresses: <http://www.hud.gov/localoffices.cfm>

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b. **Security procedures.** HUD recommends grantees use the United States Postal Service (USPS) to submit their substantial amendment packages. However, grantees may also use United Parcel Service (UPS), FedEx, or DHL. Due to HUD security regulations, no other delivery service is permitted into HUD Headquarters without escort. Grantees must, therefore, use one of the four carriers listed above.

5. **Posting Substantial Amendments Online.** To improve transparency, HUD strongly recommends that each grantee post its substantial amendment materials on the grantee's official website as the materials are developed, published, and submitted to HUD.

6. **Coordination with CDBG-R.** Many grantees will be simultaneously developing a substantial amendment for funding under the Community Development Block Grant-Recovery (CDBG-R) program, pursuant to the requirements in the CDBG-R Notice. In order to ease administrative burden for grantees, any HPRP grantee that is receiving a direct allocation of CDBG-R funding may consolidate the two amendment processes and may submit their CDBG-R substantial amendment simultaneously with their HPRP substantial amendment by the HPRP submission deadline. Grantees interested in this option must also follow the requirements and guidelines described in the CDBG-R Notice.

7. **Coordination with Other Community Planning Efforts.** Each grantee must coordinate with the local Continuum(s) of Care (CoC) to ensure that HPRP activities are aligned with the CoC's strategies for preventing and ending homelessness (state grantees may designate subgrantees to assume this responsibility). Because persons who are homeless are eligible to receive assistance through HPRP, the impact of these funds will ultimately be reported by CoCs through required point-in-time counts and through other data collected by HUD. In addition, HUD strongly encourages grantees to coordinate with other local organizations that are planning and carrying out activities related to prevention and rapid re-housing. Such organizations include other Continuums of Care, FEMA Boards, local agencies responsible for administering and implementing ten-year plans (and other plans) to end homelessness, and agencies that administer mainstream resources such as Temporary Assistance to Needy Families (TANF).

HUD also strongly encourages grantees to ensure that program participants are enrolled in all applicable mainstream resources. In particular, grantees should carefully assess how HPRP funds can be used in conjunction with other funds from the Recovery Act to prevent homelessness and rapidly re-house homeless persons, and plan a coordinated approach to serving similar target populations. Federal agencies that received funding for serving persons who are homeless or unstably housed include the U.S. Departments of Education, Health and Human Services, Homeland Security, and Labor.

8. **DUNS Number.** All grantees and subgrantees are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so, and complete or renew their registration in the Central Contractor Registration (CCR). For more information see 73 FR 23483, April 30, 2008 or go to [www.dnb.com](http://www.dnb.com)

9. **Compliance with Fair Housing and Civil Rights Laws.** (1) Grantees and subgrantees must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a). (2) If the grantee or

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subgrantee: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved to HUD's satisfaction before the application deadline, then the grantee is ineligible. HUD will determine if actions to resolve the charge, lawsuit, or letter of findings are sufficient to resolve the matter. Examples of actions that would normally be considered sufficient to resolve the matter include, but are not limited to: (i) A voluntary compliance agreement signed by all parties in response to a letter of findings; (ii) A HUD-approved conciliation agreement signed by all parties; (iii) A consent order or consent decree; or (iv) An issuance of a final judicial ruling or a HUD Administrative Law Judge's decision.

### F. Review and Approval of Applications

1. **Review of Applications.** HUD will review each application for completeness and consistency with the requirements of this Notice, and will disapprove incomplete and inconsistent substantial amendments in accordance with 24 CFR 91.500. HUD will notify the grantee within 45 days of receipt, and no later than July 2, 2009, that it was either accepted or that it did not meet the requirements of this Notice. If HUD fails to review and/or notify the grantee of approval or required resubmission within 45 days of receipt of the application, the grantee may consider it automatically approved.

2. **Resubmission.** If the application is not approved, the grantee may submit a revised application to HUD, and will have 15 days after HUD sends the first notification of its disapproval to do so, per the same submission requirements above. HUD will then approve or disapprove the revised application within 15 days of receiving the resubmission.

3. **Conditional Grant.** For HPRP grantees that HUD determines are high risk in accordance with 24 CFR 85.12(a), HUD will apply additional grant conditions in accordance with 24 CFR 85.12(b) (see Appendix D of this Notice). Conditional grants may be made where there is substantial evidence that there has been, or there will be, a failure to meet the requirements of this Notice. In such a case, the reason for the conditional grant, the action necessary to remove the condition and the deadline for taking those actions will be specified. Failure to satisfy the condition may result in imposition of a sanction or in any other action authorized under applicable federal law.

4. **Grant Agreement.** The grant will be made by means of a grant agreement executed by HUD and the grantee. The statutory 2-and 3-year deadlines for expenditure of funds begin when the grant agreement is signed by HUD. The grantee must sign and return the grant agreement to HUD within 15 days of the date that HUD signs the grant agreement, or risk losing part or all of the grant amount. Grantees should ensure that sufficient planning is in place to begin to expend funds shortly after the grant agreement is executed.

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5. **Line of Credit.** After HUD processes and approves the substantial amendment and there is a fully executed grant agreement, HUD will establish the grantee's line of credit in the amount of funds included in the substantial amendment, up to the allocation amount.