



CLACKAMAS COUNTY CONTINUUM OF CARE (COC) PROGRAM

SHELTER PLUS CARE (SPC aka S+C)

ADMINISTRATIVE PLAN

FOR THE HOUSING AUTHORITY OF CLACKAMAS COUNTY

HOUSING CHOICE VOUCHER PROGRAM

*Effective and Updated: October 1, 2024
(Formerly Chapter 21 of HCV Administrative Plan)*

Approved by the HA Board of Commissioners: October 2023
PHA Annual Plan Submitted to HUD: October 2023

Last Approved: 1/2024

Table of Contents

Section 1: Program Introduction	3
Program Goals:	4
HACCs, Sponsors, and Supportive Services Providers:	4
Section 2: Eligible Activities and Participants	4
- A disability that includes drug and/or alcohol abuse or dependency or both	8
Eligible Activities:	8
Rental Assistance	8
Assistance to non-citizens:	9
Tenant-based Rental Assistance (TRA) component:	9
Section 3: Locating Housing, Occupancy and Rent Determination:	10
Housing Quality Standards or INSPIRE Standards:	12
Reasonable Rent:	13
Calculating Tenant Rent Payments:	14
Income Recertification Requirements:	15
Termination Requirements:	18
Section 4: Supportive Services Match	19
Providing Appropriate Services:	19
Appropriate Eligible Services:	19
Documentation Responsibilities – Match, APR, Closeout	20
What Counts as Match?	20
Requirements for Calculating Match:	21
Section 5: Financial Management – Claims, Cost Savings, LOCCS:	23
Section 6: Reporting Requirements: Completing the Annual Progress Report (APR), HMIS & Closeout Form, Conflict of Interest	25
Purpose of the APR:	25
Reporting Requirements:	26
Tips for Completing the APR:	26
Section 7: Conflicts of Interest	28
SPC CHECK LIST	30
NEED THE FOLLOWING FOR FILE	30

Section 1: Program Introduction

Continuum of Care (CoC):

The CoC Program [formerly the Shelter Plus Care (SPC or also historically referred to as S+C) prior to 2012] is authorized under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (The Hearth Act) and the 24 CFR Part 578 Subtitle F of the McKinney-Vento Homeless Assistance Act. HACC continues to refer to this program as the Shelter Plus Care (SPC) program as a legacy program. New and renewal funding of the SPC grants is available through the Clackamas County Continuum of Care. The Housing Authority administers the current CoC SPC program for the Clackamas County Continuum of Care program.

HACC Policy

The SPC Program will be guided by this Administrative Plan and where other specific guidance is not provided by the SPC regulations, this program will follow guidance from its Housing Choice Voucher (HCV) Administrative Plan.

The program is a Housing First model. Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

HACC Policy

Effective July 1, 2024, The Clackamas County Coordinated Housing Access (CHA) maintains the wait list for referrals to this program. Clients are pulled off the CHA and matched with case management services before being referred to HACC.

Noting: Prior year participants were referred following previous preference guidance and policies that were documented in earlier versions of the HCV Administrative Plan.

The SPC program was built on the premise that housing and services need to be connected to ensure the stability of housing for this population. Consequently, SPC provides rental assistance that local service providers match with no less than 25% of grant value of supportive services appropriate to the target population. A majority of the match is through the Metro Supportive Housing Services (SHS) funding of a care provider through a formal solution of services and a formal grant agreement for services. Our model of administration for the SPC program is through the following partnership:

- The Housing Authority submits for renewal or new funding through the CoC;
- The Housing Authority administers all grant proceeds for rental assistance and administrative fees;
- The Housing Authority does all draws from LOCCS; and

The SHS team procures one or more nonprofit housing sponsors that coordinate leasing of housing for program participants; and a network of supportive services providers.

Program Purpose:

The purpose of the program is to provide permanent housing in connection with supportive services to homeless people with disabilities and their families.

The program provides rental assistance and assistance for utilities for a variety of housing choices, accompanied by a range of supportive services funded by other sources.

Program Goals:

The goals of the SPC Program are to assist homeless individuals and their families to:

- Increase their housing stability;
- Increase their skills and/or income; and
- Obtain greater self-sufficiency.

HACCs, Sponsors, and Supportive Services Providers:

- HACC is ultimately responsible for the SPC grant but may either administer the local project directly or delegate project responsibilities to one or more sponsors. Sponsors usually provide housing search assistance to homeless people with disabilities. Sponsors may also provide supportive services.
- Supportive services providers enable participants to maintain stable housing, address their social service and treatment needs, build skills, and enhance their ability to make decisions about their lives.

Program participants pay 30% monthly adjusted gross income or 10% of their monthly gross income (whichever is higher) of their income towards rent and SPC subsidizes the remaining portion of the rent.

Supportive services should be accessible and flexible and target housing stability. The tenant’s needs and goals should be clearly reflected in the design of the supportive services program. Service programs may require adjustment as the needs and interests of individual tenants evolve and change. Support services should help ensure stability, maximize each tenant’s ability to be self-sufficient, and be appealing and easily accessible.

Projects vary in how they provide services, but they uniformly stress housing stability as a basic and primary goal. In promoting housing stability, service providers focus on helping tenants meet their lease obligations, including paying rent, maintaining a safe and healthy living environment, allowing others the peaceful enjoyment of their homes and complying with lease obligations. In addition, services should foster, to the extent possible, independent living.

Section 2: Eligible Activities and Participants

To be eligible for assistance, the participants must meet particular guidelines. The individual or family applying for assistance must be **homeless and disabled**. HACC has established an additional admission only policy of serving very low or extremely low-income families (50% or below). Families will not lose assistance after admission until they fully graduate (which means they are paying 100% of rent and utilities due to an increase in their monthly income due to employment or other factors).

Definition of Homeless and Documentation requirements one of two definitions:

To be assisted under SPC the family must either be Literally Homeless (Category 1) or Fleeing Domestic Violence (Category 4) as defined:

Category 1 Literally Homeless is an individual or family who lacks a fixed, regular and adequate nighttime residence, meaning:

- (i) Has a primary nighttime residence that is a public or private place not meant for human habitation;
- (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels and motels paid for by charitable organizations or by federal, state or local government programs); or
- (iii) Is exiting an institution where (s) he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 4 Fleeing/Attempting to Flee Domestic Violence is any individual or family who:

- (i) Is fleeing or is attempting to flee, domestic violence;
- (ii) Has no other residence; and
- (iii) Lacks the resources or support networks to obtain other permanent housing.

Additionally, individuals and families may qualify if they come from transitional housing and were eligible under Category 1 or 4 prior to entering the transitional housing.

Acceptable evidence of the homeless as status is set forth in 24 CFR 576.500(b). The type of acceptable documentation depends on the category of homelessness, and there is a hierarchy of preferred types of documentation. Generally, 3rd party documentation is preferred followed by intake worker direct observation then certification from the person seeking assistance. See https://www.hudexchange.info/resources/documents/HomelessDefinition_RecordkeepingRequirementsandCriteria.pdf.

HACC uses the “Chronically homeless” definition in [§ 578.3](#), evidence that the individual lives in a place not meant for human habitation, a safe haven, or an emergency shelter, to qualify an applicant, which includes:

1. An HMIS record or record from a comparable database; and
 2. Written observation by the outreach worker; or
 3. Written referral by another housing or service provider; or
 4. Where evidence cannot be obtained, a certification by the individual seeking assistance, which must be accompanied by the intake worker's documentation of the living situation of the individual or family seeking assistance and the steps taken to obtain evidence ;
- For individuals exiting an institution – one of the forms of evidence above and:
 - ✓ Discharge paperwork or written/oral referral, or
 - ✓ Written record of intake worker’s due diligence to obtain above evidence and certification by individual that they exited institution
 - For victims of Domestic Violence working with a service provider an oral statement by the individual or head of household seeking assistances which states they are fleeing; they have no subsequent residence, and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.
 - For victims of Domestic Violence not working with a service provider an oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by a case worker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified and Certification by the individual or head of household that no subsequent residence has been identified and self-certification or other written documentation that the family lacks the financial resources and support networks to obtain other permanent housing.

Evidence must include:

(A) Third-party documentation of a single encounter with a homeless service provider on a single day within 1 month is sufficient to consider an individual as homeless and living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter for the entire calendar month (e.g., an encounter on May 5, 2015, counts for May 1—May 31, 2015), unless there is evidence that there have been at least 7 consecutive nights not living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter during that month (e.g., evidence in HMIS of a stay in transitional housing);

(B) Each break in homelessness of at least 7 consecutive nights not living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter between separate occasions must be documented;

(C) Evidence of stays in institutional care facilities fewer than 90 days included in the total of at least 12 months of living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter; and

(D) For at least 75 percent of the chronically homeless individuals and families assisted by a recipient in a project during an operating year, no more than 3 months of living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter may be documented for each assisted chronically homeless individual or family. This limitation does not apply to documentation of breaks in homelessness between separate occasions, which may be documented entirely based on a self-report by the individual seeking assistance.

If an individual qualifies as chronically homeless under paragraph (2) of the “Chronically homeless” definition in [§ 578.3](#) because he or she has been residing in an institutional care facility for fewer than 90 days and met all of the criteria in paragraph (1) of the definition, before entering that facility, evidence must include the following:

(A) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institutional care facility stating the beginning and end dates of the time residing in the institutional care facility. All oral statements must be recorded by the intake worker; or

(B) Where the evidence of this section is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence and a certification by the individual seeking assistance that states that he or she is exiting or has just exited an institutional care facility where he or she resided for fewer than 90 days; and

(C) Evidence that the individual met the criteria in paragraph (1) of the definition for “Chronically homeless” in [§ 578.3](#), immediately prior to entry into the institutional care facility.

If a family qualifies as chronically homeless under paragraph (3) of the “Chronically homeless” definition in [§ 578.3](#), evidence must include the evidence that the adult head of household (or if there is no adult in the family, a minor head of household) met all of the criteria in paragraph (1) or (2) of the definition.

(5) ***At risk of homelessness status.*** For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish “at risk of homelessness”

status of each individual or family who receives Continuum of Care homelessness prevention assistance. Acceptable evidence is found in [24 CFR 576.500\(c\)](#).

(6) *Moves for victims of domestic violence, dating violence, sexual assault, and stalking.*

(i) For each program participant who moved to a different Continuum of Care due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under [§ 578.51\(c\)\(3\)](#), each recipient or subrecipient of assistance under this part must retain:

(A) Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.

(B) Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

(ii) Data on emergency transfers requested under [24 CFR 5.2005\(e\)](#) and [§ 578.99](#), pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of such requests.

Definition of Disability and Documentation:

The definition of disabled [[24 CFR Part 578](#)] that is used as the basis for determining eligibility in the SPC program and Persons with disabilities are defined as:

A household composed of one or more persons at least one of whom is an adult who has a disability. A minor child with a disability would not qualify for SPC.

1. A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such nature that such ability could be improved by more suitable housing conditions.

Results in substantial functional limitations in three or more of the following areas of major life activity;

(A) Self-care;

(B) Receptive and expressive language;

- (C) Learning;
- (D) Mobility;
- (E) Self-direction;
- (F) Capacity for independent living; and
- (G) Economic self-sufficiency; and
- (H) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

2. Participants must have a **disability** that the need for treatment is expected to be of a long, continued, and indefinite duration; the disability **substantially impedes** his/her ability to live independently and that the disability could be improved by more suitable housing conditions. For example, drug or alcohol abuse or an HIV/AIDS condition that does not substantially impede a person's ability to live independently and **does not** qualify as a disability in the SPC Program.

The primary disabilities with the program are:

- The individual has a primary diagnosis of a serious mental illness.
- A disability that includes drug and/or alcohol abuse or dependency or both
- An individual diagnosed with AIDS/HIV to be eligible.

Acceptable evidence of a disability includes:

- Written verification of the disability from a professional licensed by the state to diagnose and treat the disability and his or her certification that the disability is expected to be long-continuing or of indefinite duration and substantially impedes the individual's ability to live independently; OR
- Written verification from the Social Security Administration; OR
- The receipt of a disability check; OR • Intake staff-recorded observation of a disability that, no later than 45 days of the application for assistance, is confirmed and accompanied by evidence in this; OR
- Other documentation approved by HUD.

It is important to remember that a participant only needs to be diagnosed with one disability AND homeless to be eligible.

Written documentation that a person's disability meets the program definition must come from a credentialed psychiatric or medical professional trained to make such a determination. **The possession of a title such as case manager or substance abuse counselor does not by itself qualify a person to make that determination. "Self-certification" is also unacceptable.**

Eligible Activities:

The statute that created the SPC program strictly limits the kinds of activities that may be funded through SPC grants. The eligible activities are restricted to rental & utility assistance for program participants and administrative costs associated with administering the rental assistance.

Rental Assistance

HACC makes housing affordable for program participants by using SPC grant funds to pay the difference between the actual rent for a unit and 30 percent of the participant's adjusted income. (See [Section 3](#) for more information on determining allowable rent levels and calculating tenant rent payments.)

Rental assistance cannot be provided to a program participant who is already receiving rental assistance or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.

Rent must be calculated as provided in § 578.77. Rents collected from program participants are program income and may be used as provided under § 578.97.

Rental assistance can take several forms:

- monthly rent payments;
- when necessary, a security deposit in an amount up to two month's rent;
- one month's rent for damages to unit; and
- one month's rent for housing units vacated by a program participant. The term "vacated" excludes brief periods of inpatient care (limited to 90 days for each occurrence). staff costs carrying out eligible activities

HACC Policy

For as long as the state funds a Landlord Guarantee Program that offers recovery for damages and vacancy loss, HACC will first defer landlords to this program for recovery related to damages and vacancy loss.

HACC will focus funding on rental assistance and will only approve other allowable expenditures such as security deposits only if there is projected to be adequate funding in excess of rental assistance projections for the year.

Grant funds can also be used to help offset utility costs paid by the participant if utilities are not included in the rent. Where rent does not include utilities, the tenant's contribution is reduced to allow for a reasonable utility allowance.

HACC Policy

HACC retains and uses its utility allowance schedule that is used for all its Rental Assistance Programs.

Assistance to non-citizens:

HUD offers the language below as guidance as follows:

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 impose restrictions on eligibility for receipt of public benefits. Governmental entities should consult with their legal counsel for interpretation. Nonprofit charitable organizations are not required to, but may, verify an applicant's citizenship or immigration status. If a nonprofit elects to do so, they should also consult with legal counsel, as they must follow the procedures required by the Act.

HACC Policy

HACC will follow its Housing Choice Voucher Policy on verifying citizenship status and will prorate benefits for noncitizens.

Tenant-based Rental Assistance (TRA) component:

Under the TRA component, an applicant may request funds to provide rental assistance on behalf of program participants who choose their own housing units. If a participant decides to move, he or she may take their rental assistance to the new housing unit.

Applicants are required to live in Clackamas County and HACC may choose to project base assistance with HUD prior approval that would require a particular structure for the first year of assistance.

HACC Policy

HACC may decline a program participant's request to choose housing or move outside of Clackamas County if the recipient or sub recipient is unable to comply with all CoC program requirements in the geographic area where the housing selected by the program participant. HACC may and will decline a program participant's request to choose housing or move outside of Clackamas County if the recipient or sub recipient cannot reasonably meet all statutory and regulatory program requirements.

For example, if the jurisdiction selected cannot ensure the housing meets required Housing Quality Standards (HQS) or INSPIRE, because HACC requires a certified inspectors inspect the unit and provide documentation of inspection. HACC may reject a request to move to outside of Clackamas County.

With respect to a participant fleeing domestic violence, the regulations allow them to move outside Clackamas County subject to the program participant having complied with all program requirements during their residence and being able to have housing meet the required inspection requirements.

HACC may also deny a request if services cannot be monitored or provided to the client due to a move to an outside jurisdiction.

All requests will be decided on a case-by-case basis with the service provider that is aiding the family.

SPC Application Process for Participants:

All participants must do an intake with the Clackamas County's Continuum of Care's Coordinated Housing Access and will be placed on a wait list based on vulnerability. Once a family comes to the top of the wait list, they need to complete the SPC Intake Application Packet with the Sponsor agency. Sponsors must have written documentation in the client's files that qualifies each participant as having met the program definition of disability and homeless criteria.

HMIS Intake and Discharge Forms from the HMIS system,
Documentation of Disability Form,
Homeless Documentation Form, Chronic Homeless form if needed
Confidentiality Release Form,
Income Documentation Form.
Zero Income Affidavits

Section 3: Locating Housing, Occupancy and Rent Determination:

Participants may search for a studio, single family detached unit, duplex or two-family units, an apartment or a manufactured home. Case workers should assist participants in locating a unit that is best for that individual or family. Families can only lease a unit that meets rent reasonable for the unit size based on their family composition. For example, a single person would be given a rent reasonable for a one bedroom and if they found a 2 bedroom that was rent reasonable for a 1 bedroom then they could rent the 2 bedrooms.

The applicant has 120 days from the time of assignment to use a slot. If the slot is not utilized the applicant or their service provider(s) may request one 30-day extension. Extension requests must be submitted in writing to the Sponsor. A verbal extension would be appropriate if it was written in the file accordingly. Extensions will be granted to applicants when it is shown that housing is actively being sought or for other good cause (i.e. hospitalization, family emergencies, etc.). If an extension is not requested or approved, then the slot may be re-assigned.

Household Composition - Unit Sizes and limitation:

§578.75 General operations.

.....

(c) *Suitable dwelling size.* The dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

(1) Children of opposite sex, other than very young children, ***may*** not be required to occupy the same bedroom or living/sleeping room.

HACC Policy

HACC will follow its own Subsidy Standards of two per room regardless of gender or age.

(2) If household composition changes during the term of assistance, recipients and subrecipients may relocate the household to a more appropriately sized unit. The household must still have access to appropriate supportive services.

.....

(i) *Retention of assistance after death, incarceration, or institutionalization for more than 90 days of qualifying member.* For permanent supportive housing projects surviving, members of any household who were living in a unit assisted under this part at the time of the qualifying member's death, long-term incarceration, or long-term institutionalization, have the right to rental assistance under this section until the expiration of the lease in effect at the time of the qualifying member's death, long-term incarceration, or long-term institutionalization.

Subsidy Size by Number of Units:

Under §578.75(c) *'Suitable dwelling size,* is specified as 'the dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

The Housing Authority has determined the following occupancy standards as the number of bedrooms appropriate to the family size:

Voucher Size	Persons in Household (Minimum – Maximum)
SRO	1
Studio (400 Sq Ft or under)	1
Studio (401 Sq Ft or over)	1-2
1 Bedroom	1-3
2 Bedrooms	2-5
3 Bedrooms	4-7
4 Bedrooms	6-9
5 Bedrooms	8-11

HACC Standard: Landlord Forms/Leasing: Utilize the landlord and leasing forms that are part of the Landlord SPC Package. (effective July 2017)

- Participant Form with Contractor
- Request for Unit Approval Form
- Rental Assistance Payment Contract with Landlord and Contractor
- Lease Addendum
- Rent Reasonable Form
- Rental Calculation Excel Form (TRA & SRA)
- Housing Quality Inspection Form (HQS) or INSPIRE Form for TRA and SRA
- Copy of the Landlord Rental Agreement or Lease Agreement

Housing Quality Standards or INSPIRE Standards:

§578.75 (b) Housing quality standards. Housing leased with Continuum of Care program funds, or for which rental assistance payments are made with Continuum of Care program funds, must meet the applicable housing quality standards (HQS) under 24 CFR 982.401 of this title, except that 24 CFR 982.401(j) applies only to housing occupied by program participants receiving tenant-based rental assistance.

Housing Quality Standards (HQS) set acceptable conditions for interior living space, building exterior, heating and plumbing systems, and general health and safety. Before any rental assistance may be provided, the HACC, or another qualified entity acting on the HACC's behalf (but not the entity providing the housing), must physically inspect each SPC unit to ensure that it meets HQS.

- Sponsors that are SRA owned units cannot be inspected by the agency that owns the property. Contact your local housing authority to see if they would be able to provide the inspections.

Any housing quality problems must be corrected within 30 days from the start of the lease, and the sponsor must verify that all problems have been corrected. For first time inspection, the client should not sign lease until the inspection passes. The sponsor should have the initial inspection within 10 working days of finding the unit.

- During recertification of the unit, the landlord is required to repair any structural damages to the unit. Ultimately, the landlord is responsible for all damages to be repaired. If there are life hazardous issues, require the damage to be repaired within 24 hours.

Some HQS or INSPIRE violations constitute a hazardous situation for the family. Families should not move into a new unit until the situation is remedied. If a participating family already occupies the unit, they should make arrangements to leave the unit until the situation is remedied, particularly where there is any imminent danger to their health or safety.

If a family already occupies a unit and there is an endangering failure of HQS or INSPIRE, the owner must make repairs within twenty-four hours.

Emergency situations include:

- Unsafe or inoperable heating systems
- Any “red-tagged” heating units.
- Significant water or sewer malfunctions
- Non-functioning water heater.
- Any “red-tagged” water-heating units.
- Water heater lacking pop-off valve and drip leg
- Detection of high levels of carbon monoxide.
- Gas leaks.
- Missing or malfunctioning smoke detectors.
- Lead-based paint if minors under 6 in household.
- Unsafe, exposed, or sparking wiring.
- Severely unsafe structural defects such as rotting floors.
- Citation of the unit for any health and safety violation, by the Health Department.
- Non-locking doors, windows, or other openings to the outside.

In any instance where a problem is found with a unit that has the potential of endangering the health or safety of the occupants, it is to be considered an HQS or INSPIRE violation, whether or not it is specified in the regulations or Guidebook. With SPC Program, the inspector does not have to be certified.

HACC Standard: Utilize the HQS Section 8 Forms or NSPIRE as dictated by the Admin Plan Chapter 8. Part of the SPC intake application.

Reasonable Rent:

Rents for units leased with SPC assistance must meet a "rent reasonableness" test. This section describes this standard for rents and how a reasonable rent is documented.

578.51(g) Rent reasonableness. HUD will only provide rental assistance for a unit if the rent is reasonable. The recipient or sub recipient must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, Facilities, and management and maintenance of each unit. Reasonable rent must not exceed rents currently being charged by the same owner for comparable unassisted units.

HACC recommends that the rent reasonable be performed at the annual review. Leasing units at rents higher than the FMR may cause problems down the line since the original SPC grant amounts are calculated by multiplying the number of units to be assisted by the FMR, not the "reasonable rent. Administrative costs, damage payments and rent increases can only be covered if the total grant amount exceeds the actual costs of serving the number of people proposed to be served in the SPC application.

HACC Policy

Currently due to low vacancy and above average market area rents HACC is utilizing rent reasonable rents above FMR, but if grant funds head into shortfall it will convert to requiring a cap at FMR for all movers at notice given at Orientation when family is thinking of moving from their unit.

If in shortfall and household searching, voucher may be rescinded and follows Section 8 Administrative Plan rescission guidance and places family at top of wait list when funding becomes available.

Calculating Tenant Rent Payments:

To determine the rent payment for a SPC participant, program operators need to follow these steps:

1. Calculate 10 percent of monthly gross income.
2. Calculate 30 percent of monthly adjusted income.
3. Determine whether a welfare rent may apply, and, if so, determine the amount.
4. Determine which of these three rent amounts is the highest.
5. Set the participant's monthly rent contribution at this amount.

Rent must be calculated as provided in § 578.77. Rents collected from program participants are program income and may be used as provided under § 578.97. Amounts paid directly to landlords are not program income.

Income must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a). A few things to keep in mind when making these calculations are:

- Types of income that must be included are employment income, social security, welfare assistance, unemployment benefits, and disability or worker's compensation.
- Some income may be eligible for exclusion. Examples include income earned by children under age 18, payment received for the care of foster children or adults, and reimbursement for the cost of medical expenses. These amounts are subtracted from household income before the rent contribution is calculated.
- The "disallowance of increase in annual income" provision in 24 CFR 5.617 does not apply to the SPC program.
- Welfare Rent

HUD considers FMR – Fair Market Rent with utilities included. When looking for units with utilities included within the FMR range would be best for the client and the sponsors (utilize rent reasonable also). The McKinney Vento Application awards are based upon the FMR for each unit. FMR sheets are sent out by HUD every October.

Income Recertification Requirements:

As required by statute, SPC program operators must reexamine participants' income at least annually and make any needed adjustments to the participants' rent contribution amount.

- The SPC participant may request an interim reexamination if there is a change in family composition (such as the birth of a child) or a decrease in household income.
- Participants whose income increases during the year do not have to have their rent increased until the next scheduled (annual) reexamination.

HACC Policy

Due to funding crisis HACC will conduct interim to increase rents with increases in income to try to help as many families as possible with the rental assistance awarded.

Once a client is accepted onto the program, Income verification for ALL family members such as:

1. Wage verification
 2. Social Security verification (SSI, SSDI) –will accept letter from Social Security Office or payment verification form
 3. Spend Down verification – will accept letter or payment verification from Social Security Office
 4. TANF verification –will accept letter from TANF Office
 5. Child Support verification –will accept a letter from the Child Support Office or verification from a check
 6. Food Stamp Verification – Will accept a letter from TANF Office or the V-Can system.
- Banking Verification – Need copy of last banking statement only if income exceeds \$5,000.
 - Medical Deductions – Contact pharmacy for documentation of total spent for the year
 - Child Care expenses – Will only accept letter from the agency providing service.

Occupancy Issues:

HACC recognizes there are times when it may be necessary for an individual to leave their current housing. At these times, the Sponsor will work toward a satisfactory resolution for both the tenant and the landlord in the hopes of keeping both the tenant and landlord engaged in the program.

Vacating unit: If a participant in the program vacates a unit for more than 30 days for any reason without giving a 30-day written notice to both the Sponsor and the landlord the assistance payment for the unit may continue for a maximum of 30-days from the end of the month in which the unit was vacated. If the tenant returns to their unit before the last day of the assistance payment SPC will continue to provide the subsidy. “Vacate” means to be absent from the unit (i.e. visiting family, vacationing, jail time, etc.). The term vacate does not include brief periods of inpatient care. **The assistance payments for individuals receiving inpatient care may continue for a period not to exceed 90 days per occurrence**

A unit will be considered abandoned if the Sponsor is unable to verify occupancy by a participant after a good faith effort has been made to locate the participant

Moving: In accordance with the lease or rental agreement, a participant may move from a current unit to another unit only if a 30-day written notice has been submitted by the first day of the month previous to the move to both the Sponsor and the landlord. If a participant leaves a unit at the conclusion of a 30-day notice and wishes to continue to receive assistance the participant must keep Sponsor informed of such plans. If the

participant does not locate another unit within 30-days and does not maintain contact with the Sponsor, the tenant could be terminated from the program.

Landlord Request: If the tenant cooperates with the landlord's request to leave, they may keep their assigned slot and continue the program. The case manager should assist the client to look for another unit.

Death: In the case of death, rent will be paid for the lesser of up to the date the tenant's possessions are removed or for up to 14 days after a tenant has died. If the family has not removed the possessions, they must pay market rent for any additional time needed. **§578.75 (i) Retention of assistance after death, incarceration, or institutionalization for more than 90 days of qualifying member.** For permanent supportive housing projects surviving, members of any household who were living in a unit assisted under this part at the time of the qualifying member's death, long-term incarceration, or long-term institutionalization, have the right to rental assistance under this section until the expiration of the lease in effect at the time of the qualifying member's death, long-term incarceration, or long-term institutionalization.

HACC Standard:

HACC recommends that SPC sponsors consider flexible supportive services and utilize The Housing First model that emphasizes:

- *Housing is a choice, not a placement. Housing is a person's home, not a treatment program.*
- *Flexible supportive services that emphasis tenants needs and individual goals*
- *Tenants hold leases and full rights and obligations of tenancy*
- *Participation in services is voluntary and not a condition of tenancy*
- *Case managers work to build relationships with tenants and support them in maintaining their housing.*

Program Agreement:

If the sponsor chooses to utilize a program agreement, we highly recommend that the program agreements are not too restrictive and that they do not place unrealistic rules on the clients. Instead, the program agreement should follow the restrictions as stated on the lease that was signed by the client/tenant and the landlord.

§578.75(h) Supportive service agreement. Recipients and subrecipients may require the program participants to take part in supportive services that are not disability-related services provided through the project as a condition of continued participation in the program. Examples of disability-related services include, but are not limited to, mental health services, outpatient health services, and provision of medication, which are provided to a person with a disability to address a condition caused by the disability. Notwithstanding this provision, if the purpose of the project is to provide substance abuse treatment services, recipients and subrecipients may require program participants to take part in such services as a condition of continued participation in the program.

Note: Meeting with a case manager is not considered 'disability-related'.

The program agreement should give the requirements of the program and the possible reasons for terminations. The agreement should also state the policy and procedure for appeals. The agreement should be included in the participant's file.

Annual Recertification of Participant:

Participants need to be re-certified for SPC **annually**. The re-certification process is similar when they first applied however there is no new application. Below are items that are required each new year. The annual re-certifications should follow the dates on the lease.

- Require a housing inspection
- Require an income verification
- Require a copy of the newly signed lease with landlord
- Require a New Landlord Packet Forms that coincide with the lease

Waiting List:

The Clackamas County Continuum of Care Coordinated Housing Access will maintain the wait lists for this program and families will be referred by the sponsor agency off the top of this wait list. Using the centralized or coordinated assessment system as required under 578.23(c) (9)

Termination from the Program:

578.91 Termination of assistance to program participants.

(a) *Termination of assistance.* The recipient or subrecipient may terminate assistance to a program participant who violates program requirements or conditions of occupancy. Termination under this section does not bar the recipient or subrecipient from providing further assistance at a later date to the same individual or family.

(b) *Due process.* In terminating assistance to a program participant, the recipient or subrecipient must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- (1) Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
- (2) Written notice to the program participant containing a clear statement of the reasons for termination;
- (3) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- (4) Prompt written notice of the final decision to the program participant.

(c) *Hard-to-house populations.* Recipients and subrecipients that are providing permanent supportive housing for hard-to-house populations of homeless persons must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a program participant's assistance is terminated only in the most severe cases. Note (c) on hard-to-house populations.

Participants can be terminated from SPC for a number of reasons. However, termination is always the last result. Before a recommendation of termination is approved, we must first do all that we are capable of doing to resolve all situations. Recipients and sub recipients that are providing permanent supportive housing for hard-to-house populations of homeless persons must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a program participants assistance is terminated only in the most severe cases.

Rental assistance *may* be terminated if a participant violates conditions of lease. Program regulations recommend, however, that HACCs exercise judgment and take into consideration extenuating circumstances so that participants are only terminated for the most serious rule violations.

Listed below may be actions for termination:

- Eviction from the residence due to violation of the landlord/tenant agreement by the participant or those family members living with the participant.
- If the participant moves to another HUD funded project or moves out of the unit without notice.
- Incarcerated for more than 30 days
- Hospitalized for either medical or psychiatric reasons for more than 90 days
- Voluntarily termination
- Submission of incorrect information
- Non-compliance with the financial portion of the rental assistance
- Violation of the Occupancy Agreement/Program agreement if different from the lease.
- Subleasing to other persons
- Illegal activity

Termination Requirements:

If termination is necessary, principles of due process must be followed. At a minimum, this process must include:

- Written notice to the participant containing a clear statement of the reason for the termination and at least 30 days' notice and a date to when they can appeal the decision.
- A review of the decision, during which the participant can present written or verbal objections before someone other than the person (or a subordinate of the person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the participant.

The SPC Program permits HACCs to resume assistance to persons or families whose assistance was previously terminated. If this occurs, there is no need to document disability again. Homeless documentation will be required to be attained again.

Appeal Process:

The Project Sponsor should determine a written policy and procedures regarding appeal process for those who are denied or terminated from the SPC Program. These policies and procedures should be provided to all participants at the beginning of the program. This could be part of the Occupancy/Program Agreement and should be part of their file – signed and dated by client and staff.

SPC Portability:

If an individual elects to move from their current town, the Sponsor must ensure the new location is part of the grant jurisdiction. The rental assistance subsidy is portable within a jurisdiction as defined by the grant application.

HACC Policy

In general this program limits the family to search only in Clackamas County. If a client for reasonable accommodation need must look outside the Clackamas County jurisdiction, they must provide verification from a medical provider of need and will be placed as a priority for a regular HCV to be “ported” as a regular voucher.

For all other purposes, if a family for domestic violence needs to look outside the Clackamas County jurisdiction, they must complete HUD DV forms will be place as a priority for a regular HCV to be “ported” as a regular voucher.

Section 4: Supportive Services Match

This section addresses the role of supportive services within the SPC program, including service provision requirements, the types of services likely to be appropriate to the target SPC participants, and how to best coordinate with service providers. It also discusses the supportive service match requirement and how to document the match appropriately. Full details on the SPC regulations governing supportive services and match requirements can be found in 24 CFR 578.53. **§578.53 describes supportive services that can qualify as match; §578.73 describes how to compute and document match.**

As the name of the program indicates, a key goal of the SPC program is to connect housing and services. Appropriate supportive services are essential to helping individuals and families remain in a stable housing environment. An MOU is required for services match.

Supportive services are the key to maintaining SPC Participants in housing. Sponsors must be able to provide HACC with reasonable assurances that supportive services are being made available to participants for the entire term of the rental assistance. Under this program, these services must be paid for with sources of funding other than the SPC grant. Each Sponsor must have the skills and experience working with homeless and disabled clients to provide the support necessary to keep clients housed. Keeping participants housed is essential to a successful program, which is why we require all Sponsors to offer intensive case managements, ongoing supportive services and assist in locating appropriate housing.

If Sponsors partner with a mental health center or similar agency to provide social services, the Sponsor should enter a Memorandum of Understanding with the partner clearly outlining responsibilities.

For further technical assistance, HACC recommends Sponsors refer to “Putting the Support in Supportive Housing” by the Corporation for Supportive Housing. A free pdf file of this publication is available at www.csh.org.

Providing Appropriate Services:

Appropriate services should be offered to SPC participants, and should be tailored to meet the needs of each individual participant.

Appropriate Eligible Services:

In general, and as the definition of "supportive service" in the SPC regulation (section only services described in **§578.53** qualify for match) indicates, a supportive service qualifies as a matching resource when it addresses the "special needs" of the individual.

Examples of supportive services that might be provided by you or one of your sponsors include, but are not limited to:

- Health care
- Mental health treatment
- Alcohol and other substance abuse services
- Childcare services
- Case management
- Counseling
- Education and/or job training
- Other services essential for achieving and maintaining independent living, such as courses on household budgeting

Not eligible for match: inpatient acute hospital care.

Case Management – Service Provision Requirements:

The statute does not exclude any source of funding for the purposes of meeting the supportive services match requirement, except that SPC grant funds cannot be used for supportive services in any event. The sources may be Federal, State, local, or private. Of course, supportive services must be an eligible use of the source program's funds. For example, the HOME Program cannot be used to meet the SPC match requirement since supportive services are not an allowable use of HOME funds. The services may be created specifically for the SPC program or already be in operation.

Supportive service may be provided by a variety of entities including SPC sponsors, the HACC, or social service agencies in the community. The services may be offered by paid staff or by volunteers. Service plans need to be developed and tailored to each participant's needs, both at program entry and over time. You must perform ongoing assessments of participants' service needs annually and adjust service plans as needed. (See 24 CFR 578.53 (a) (2).) This is essential so that tenants are not made to receive specific services for which there may no longer be a need.

To qualify as match, the supportive service must:

- Address the special needs of the population being served.
- Be appropriate or assist participants in obtaining appropriate services.

Over time, some tenants may require few if any supportive services. When this happens, you may wish to consider offering these tenants the option of receiving Section 8 vouchers, if available in your community, thus freeing up rental assistance dollars in your SPC Program for new tenants.

Outreach:

SPC HACCs must make an ongoing effort to ensure that eligible hard-to-reach persons are identified and served by the program. Outreach activities to identify eligible homeless people are considered a supportive service, and the value of outreach activities that occur after the execution of the grant agreement counts toward meeting the match requirement.

Evaluation of Client Satisfaction:

A program evaluation should be completed on a quarterly basis. This is a measure of consumer compliance with the program, satisfaction ratios, and improvement suggestions. A 10% consumer base sample is required from the population.

Documentation Responsibilities – Match, APR, Closeout

Given the importance of the match requirement, it is especially critical that service providers understand their responsibilities in tracking and documenting services offered to SPC participants. HACCs and their partners need to develop procedures and reporting formats to collect and compile this information. Because the service needs of SPC participants are high, it is likely that the value of supportive services provided to them far exceeds the value of the SPC rental assistance. However, to get credit for having met the statutory match requirement, these supportive services must be adequately documented. This section provides guidance and suggestions for documenting the match.

HACC has a Supportive Housing Services (SHS) funded grant for services to be provided and the cost of this is used as match.

What Counts as Match?

§ 578.73 Matching requirements.

(a) In general. The recipient or sub recipient must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources. For Continuum of Care geographic areas in which there is more than one grant agreement, the 25 percent match must be provided on a grant-by-grant basis. Recipients that are UFAs or are the sole recipient for their Continuum, may provide match on a Continuum-wide basis. Cash match must be used for the costs of activities that are eligible under subpart D of this part, except that HPCs may use such match for the costs of activities that are eligible under § 578.71.

(b) Cash sources. A recipient or sub recipient may use funds from any source, including any other federal sources (excluding Continuum of Care program funds), as well as State, local, and private sources, if funds from the source are not statutorily prohibited to be used as a match. The recipient must ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds to be used as matching funds for a grant awarded under this program.

(c) In-kind contributions.

(1) The recipient or sub recipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or sub recipient had to pay for them with grant funds, the costs would have been eligible under Subpart D, or, in the case of HPCs, eligible under § 578.71.

(2) The requirements of 24 CFR 84.23 and 85.24 apply.

(3) Before grant execution, services to be provided by a third party must be documented by a memorandum of understanding (MOU) between the recipient or sub recipient and the third party that will provide the services. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or sub recipient's organization. If the recipient or sub recipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

(i) The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services, the specific service to be provided, the profession of the persons providing the service, and the hourly cost of the service to be provided.

(ii) During the term of the grant, the recipient or sub recipient must keep and make available, for inspection, records documenting the service hours provided.

The following items count toward the supportive service match requirement:

- Salaries paid to HACC staff to provide supportive services to participants;
- The value of supportive services provided to participants by other organizations or by professionals volunteering their professional services;
- Supportive services provided by other volunteers (at the rate of \$10 per hour);
- The prorated value of any lease on a building used for supportive services to program participants;
- The cost of outreach activities after the grant agreement has been signed.

Requirements for Calculating Match:

HACC must match the total value of SPC rental assistance provided through the grant with no less than 25% equal value of supportive services. Grant funds spent on eligible administrative costs are not subject to the match requirement.

The match is an overall grant wide requirement, not year-by-year, component-by-component or participant-by-participant. Since HUD assumes that the provision of supportive services will vary according to the needs

of the participants, any given participant is not required to receive the same amount of services as rental assistance. As a result, the value of the services provided may be higher or lower than the value of rental assistance for any given year.

Keep in mind that the match must be reported annually in the Annual Progress Report (APR); therefore, the HACC should request information on supportive services from providers at regular intervals at least yearly and preferably more often - quarterly. Good management practices would dictate that a standard reporting format be developed and made available to each service provider **before** they begin providing services.

Utilize the Quarterly Match Form.

A sample format and instructions will help support service providers to provide accurate documentation for the match:

1. Pull the clinical records on all SPC clients.
2. Check the client record against the activities listed on the Supportive Services match tracking form (see example in [Appendix F](#).)
3. Check YES if the service or referral for each service took place.
4. In HOURS column, indicate how much time was spent on each service or referral.
5. In RATE column, indicate hourly rate for staff providing service.
6. In MATCH \$ column, calculate the dollar amount of service or referral provided.
7. Sign and date the verification at the bottom of the page. This form remains part of the Federal records.
8. Return completed form to HACC.

Instructions should accompany the reporting format that includes a listing of what qualifies as match under the program. However, it is the responsibility of the HACC to check that the match claimed is eligible and verify the match dollars claimed.

Determining the amount spent on matching services might look like this:

Example: The prorated salary paid to a case manager who works with eligible SPC participants may be counted as match. If the service provider, who earns \$30,000 a year, spends 50% of her time providing eligible services to SPC participants, then half of her salary and benefits may be counted as match.	
50% of case manager salary (at \$30,000 a year)	= \$15,000
+ 50% of benefits paid by employer (estimated at 30% of salary or \$9,000 a year)	= \$4,500
= \$19,500 that may be counted as supportive service match under SPC	

The following items count as match:

- Salaries paid to HACC’s staff to provide supportive services to participants;
- The value of supportive services provided to participants by other organizations or by professional volunteering their professional services, except for donated professional services, which may be counted as customary charge for the services.
- The value of time and supportive services provided by other volunteers (at the rate of \$10 per hour);

- The prorated value of any lease on a building used for supportive services, for program participants.
- The cost of outreach activities

The supportive services may be newly created for the program or already in operation, and may be provided or funded by other Federal State, local, or private programs. Only services that are provided after execution of the contract may be counted towards the match.

HACC Standard: Documentation of the Match: Utilize Quarterly Match form to be submitted to the HACC (HACC) quarterly based upon the cycle year of each particular program.

A blank match form is available upon request from HACC.

Section 5: Financial Management – Claims, Cost Savings, LOCCS:

A LOCCS status of funds report is like a bank statement. It is a monthly report listing all a HACC's sponsors by grant and SPC component, including funds spent-to-date and remaining balances. The authorized grant amount is listed in the first column under Authorized. The second and third columns show the amount spent-to-date under Disbursed and Disbursement in Process. The last column shows the remaining balance of funds available under the grant.

HACCs should carefully monitor these reports, paying particular attention to the balance and the end date of the grant to ensure that the program is on track to spend its funds within the grant term.

Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

HACC Policy Updated as of October 1, 2024 HUD Monitoring:

The entire participant files and associated records must be retained for five years after grant closeout.

(1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served; and

(2) Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until 15 years after the date that the project site is first occupied, or used, by program participants.

Claims:

HACC Standard: The claim forms needs to specify type of payment being requested (security deposit, damages or vacancy loss) by a case worker and submitted and approved by the Housing Services Manager.

In addition to rent and utilities, "rental assistance" includes up to one month's rent each for a security deposit and damage payment. There is a small amount (up to 8 percent of the grant) of administering the housing assistance which is called cost savings.

Administration Activity/Cost Savings:

HACCs may use up to 10% of the SPC grant for certain administrative costs associated with the program. This does not include staff and overhead costs directly related to carrying out activities eligible under § 578.43 through § 578.57, because those costs are eligible as part of those activities.

Eligible administrative costs (578.59)

Include:

(1) General management, oversight, and coordination. Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:

(i) Salaries, wages, and related costs of the recipient's staff, the staff of sub recipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:

(A) Preparing program budgets and schedules, and amendments to those budgets and schedules;

(B) Developing systems for assuring compliance with program requirements;

(C) Developing agreements with sub recipients and contractors to carry out program activities;

(D) Monitoring program activities for progress and compliance with program requirements;

(E) Preparing reports and other documents directly related to the program for submission to HUD;

(F) Coordinating the resolution of audit and monitoring findings;

(G) Evaluating program results against stated objectives; and

(H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.

(ii) Travel costs incurred for monitoring of sub recipients;

(iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and

(iv) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

(2) Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD-sponsored Continuum of Care trainings.

(3) Environmental review. Costs of carrying out the environmental review responsibilities under § 578.31.

§ 578.61 Relocation costs.

(a) In general. Relocation costs under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 are eligible.

(b) Eligible relocation costs. Eligible costs are costs to provide relocation payments and other assistance to persons displaced by a project assisted with grant funds in accordance with § 578.83.

§ 578.63 Indirect costs.

(a) In general. Continuum of Care funds may be used to pay indirect costs in accordance with OMB Circulars A-87 or A-122, as applicable.

(b) Allocation. Indirect costs may be allocated to each eligible activity as provided in subpart D, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circulars A-87 or A-122, as applicable.

(c) Expenditure limits. The indirect costs charged to an activity subject to an expenditure limit under §§ 578.39, 578.41, and 578.59 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limits.

The funds available for administrative costs are determined by statute; the amount of the SPC grant award is based on:

(Number of units to be assisted) x (HUD's Fair Market Rent in effect at the time the application is approved for the unit sizes the HACC expects to lease) x (the number of months of rental assistance to be provided)

In most cases, the actual costs of rental assistance are lower than the amount used to calculate the grant. This happens for several reasons. First, most participants contribute something to their rent, so they do not need the full FMR subsidy. In addition, in many communities sponsors are able to find units to lease that are less than the local FMRs.

As a result, HACCs generally have excess funds to help cover the costs of administering the rental assistance. However, if making rental subsidy payments for the number of SPC participants specified in the grant agreement leaves less than 8 percent of the grant remaining, then the amount set aside out of the SPC grant for administrative costs cannot exceed that lower percentage. The HACC must pay for any administrative costs in excess of this cap with funds from some other source.

Ineligible Administrative Costs (578.59)

HUD recognizes that there are other administrative costs necessary to running a local SPC project. But, by statute, administrative costs other than those described above cannot be covered by SPC grant funds.

Section 6: Reporting Requirements: Completing the Annual Progress Report (APR), HMIS & Closeout Form, Conflict of Interest

Purpose of the APR:

HUD uses the APR to review the progress of your SPC project annually. Performance of your project is tracked using the following three outcomes:

- Increased residential stability;
- Increased skill level and/or income; and
- Greater self-sufficiency.

HACC can also use the APR as a tool for evaluating performance and setting future program goals.

Reporting Requirements:

HACCs must submit an Annual Progress Report (APR) for Competitive Homeless Assistance Programs within 90 days of the end of each operating year. It is important to complete the report accurately and submit it on time.

Tips for Completing the APR:

The APR documents project enrollments and departures, participants' demographic characteristics, and outcomes including participants' length of stay in housing, changes in skills and income, and changes in levels of self-sufficiency.

As discussed in Section 4, HACCs must also document the SPC match by reporting the value of supportive services received by SPC participants during the year. You are advised to develop a standard form for supportive service providers to use to report services received by SPC participants (the agency can utilize the Quarterly Match Form) This information must be collected and summarized at least annually for inclusion in the APR.

Collecting and compiling the information for the APR requires close cooperation between the HACC and local project sponsors. HACC records client data in HMIS or HAB (databases).

HACC Standard Program Reporting: An Annual Progress Report (APR) must be completed by the Project Sponsor and submitted to HACC (60) sixty days after the end of the operating year. The APR must be printed off from HMIS system. If you need assistance with the HMIS System, contact the HMIS staff.

The HMIS APR is reviewed by HACC prior to them sending it to HUD Field Office. It is imperative this form be complete and exact. If there are any errors, HACC will contact you to correct them prior to sending to HUD.

- Verification of supportive service match
- Accomplished percentages of the three performance goals and verification of admissions and discharges of the program during the year

The APR categories should be reviewed throughout the year to monitor your program's performance.

The APR will reflect if participants are being discharged with positive outcomes like increase in income, increased mainstream resources, employment if able and being discharged to other permanent housing – example Section 8 or other subsidized housing. If the APR reflects that persons are leaving with negative outcomes, example being discharged to an emergency shelter or transitional housing, and leaving with less resources, your agency should look at your strategies and/or rules of how to affectively modify these types of outcomes.

When determining your program goals, keep in mind the difference between input and outcomes. Program objectives should be quantified performance measurements of outcomes in the lives of the participants, not measurements of inputs.

For example, “Ninety percent of participants eligible for food stamps will receive food stamps within two months of entering the program” is an outcome. This is a good example of a quantified performance.

“Ninety percent of participants will apply for food stamps” is an input. This is a poor example.

HMIS:

HUD requires all Sponsors to enter participant data into Housing Management and Information System (HMIS). Sponsors should contact HACC HMIS staff for technical assistance. The Sponsor is responsible for entering correct information into HMIS and obtaining necessary consents.

HACC utilizes the HMIS Intake Form and the Discharge form as part of the SPC application and file. HACC requires that SPC Sponsors utilize HMIS system to pull their annual progress report (APR).

Closeout Forms:

After the grant year has ended, a closeout form will need to be completed by the Project Sponsor and sent to HACC. This is a purely financial form and will need to be completed at least 60 days after the year has been completed and after all claims have been reimbursed for that year. This form will ensure that HACC numbers and the agencies numbers match. If there is a discrepancy, HACC will contact the Project Sponsor. A blank closeout form is available upon request from HACC.

Section 7: Conflicts of Interest

§ 578.95 Conflicts of interest.

(a) Procurement. For the procurement of property (goods, supplies, or equipment) and services, the recipient and its sub recipients must comply with the codes of conduct and conflict-of-interest requirements under 24 CFR 85.36 (for governments) and 2 CFR 200 (for private nonprofit organizations).

(b) Continuum of Care board members. No Continuum of Care board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.

(c) Organizational conflict. An organizational conflict of interest arises when, because of activities or relationships with other persons or organizations, the recipient or sub recipient is unable or potentially unable to render impartial assistance in the provision of any type or amount of assistance under this part, or when a covered 106 person's, as in paragraph (d)(1) of this section, objectivity in performing work with respect to any activity assisted under this part is or might be otherwise impaired. Such an organizational conflict would arise when a board member of an applicant participates in decision of the applicant concerning the award of a grant, or provision of other financial benefits, to the organization that such member represents. It would also arise when an employee of a recipient or sub recipient participates in making rent reasonableness determinations under § 578.49(b) (2) and § 578.51(g) and housing quality inspections of property under § 578.75(b) that the recipient, sub recipient, or related entity owns.

(d) Other conflicts. For all other transactions and activities, the following restrictions apply:

(1) No covered person, meaning a person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or its sub recipients and who exercises or has exercised any functions or responsibilities with respect to activities assisted under this part, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under this part, may obtain a financial interest or benefit from an assisted activity, have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one-year period following his or her tenure.

(2) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of this section on a case-by-case basis, taking into account the cumulative effects of the criteria in paragraph (d)(2)(ii) of this section, provided that the recipient has satisfactorily met the threshold requirements of paragraph (d)(2)(ii) of this section.

(i) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:

(A) Disclosure of the nature of the conflict, accompanied by a written assurance, if the recipient is a government, that there has been public disclosure of the conflict and a description of how the public disclosure was made; and if the recipient is a private nonprofit organization, that the conflict has been disclosed in accordance with their written code of conduct or other conflict-of-interest policy; and

(B) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law, or if the sub recipient is a private nonprofit organization, the exception would not violate the organization's internal policies.

(ii) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the threshold requirements under paragraph (c) (3) (i) of this section, HUD must conclude that the exception will serve to further the purposes of the Continuum of Care program and the effective and efficient administration of the recipient's or sub recipient's project, taking into account the cumulative effect of the following factors, as applicable:

(A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(B) Whether an opportunity was provided for open competitive bidding or negotiation;

(C) Whether the affected person has withdrawn from his or her functions, responsibilities, or the decision-making process with respect to the specific activity in question;

(D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (c) (1) of this section;

(E) Whether undue hardship will result to the recipient, the sub recipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict;

(F) Whether the person affected is a member of a group or class of persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class; and

(G) Any other relevant considerations.

SPC CHECK LIST

FOR NEW AND YEARLY RE-CERTIFICATIONS

Forms needed for the program. Contact SPC Coordinator at HACC.

SPC Application required documentation includes:

Homeless Documentation Form (includes HUD definition of homeless and chronic homelessness), Disability Form, Program Agreement, Release Form, Income Form, and Zero Income Affidavits

SPC Landlord Lease Packet includes:

- Participant Form with Contractor
- Request for Unit Approval Form
- Rental Assistance Payment Contract with Landlord and Contractor
- Lease Addendum
- Rent Reasonable Form
- Rental Calculation Form
- Housing Quality Inspection Form (HQS) or INSPIRE Form
- Landlord Lease Agreement or Rental Agreement

NEED THE FOLLOWING FOR FILE

_____ Homeless Documentation – 3rd party verification

_____ Disability Form signed by medical professional

_____ Program Agreement

_____ Copy of the Landlord Lease or Rental Agreement

_____ Permission to Release Information Form

_____ Zero Income if Applicable

_____ Income information form along with copies of SSDI, SSI, Work, child support, etc.

_____ Housing Quality Inspection Passed – copy included – (recert requirement)

_____ Rent Reasonable list of comparables/form (recert requirement)

_____Income Calculation Excel Sheet Completed (recert requirement)

_____Signed copy of new lease (recert requirement)

_____Signed Lease Addendum (recert requirement)

_____Signed RAP Form with Landlord (recert requirement)

_____Signed RAP Form with Participant/Client (recert requirement)

_____Copy of HMIS Intake and Discharge

_____ Other Case Management Notes/Letters