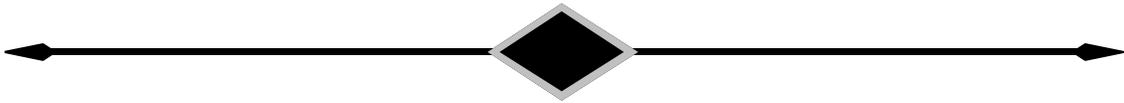


**HOMELESS PREVENTION AND  
RAPID RE-HOUSING PROGRAM**



**As Submitted to HUD on:  
June 29, 2009**

Proposed Applications Due July 15, 2009  
By 5:00 p.m. Central Time



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## STATE OF SOUTH DAKOTA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM

### I. SCOPE

On February 17, 2009, the U.S. Congress passed the American Recovery and Reinvestment Act of 2009 (ARRA). Consequently, the U.S. Department of Housing and Urban Development (HUD) announced the availability of \$3,254,060 to fund Homeless Prevention and Rapid Re-Housing (HPRP) efforts in South Dakota.

Program purpose is to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized. HUD expects that HPRP funds be targeted and prioritized to serve households that are most in need of this *temporary* assistance and are most likely to achieve stable housing, whether subsidized or unsubsidized, outside of HPRP after the program concludes. The program is focused on housing for homeless and at-risk households, and is designed to provide temporary financial assistance and housing relocation and stabilization activities to individuals and families who are homeless or who would be become homeless but for this assistance.

This Homelessness Prevention and Rapid Re-housing Program Plan (Plan) shall set forth the policies and procedures and selection criteria for administering the Homelessness Prevention and Rapid Re-housing Program (HPRP) on a state- wide basis in the State of South Dakota.

The South Dakota HPRP has been funded under Title XII of the American Recovery and Reinvestment Act of 2009 to provide communities financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized.

This Plan is in conformance with the approved State of South Dakota Consolidated Plan. In order to receive the HPRP funds, South Dakota Housing Development Authority (SDHDA) must submit a Substantial Amendment to the 2009 Consolidated Plan Update. The Substantial Amendment is incorporated into the Plan as Exhibit A attached hereto.

### II. DEADLINES

South Dakota Housing Development Authority will advertise and make available HPRP applications to units of general local government and to private, nonprofit organizations.

**Complete applications from local units of government and nonprofit organizations are due to the South Dakota Housing Development Authority by 5:00 p.m. Central Time, on or before July 15, 2009, with project selections to be made on or before September 1, 2009.** The application deadline is firm as to the *date* and *hour*. SDHDA will

not consider any incomplete applications or applications received after the deadline. Applicants should take this into account and submit applications as early as possible to avoid risk brought about by unanticipated delays or delivery-related problems. In particular, applicants intending to mail applications must provide sufficient time to permit delivery on or before the deadline date and hour. Acceptance by the post office or private mailer does not constitute delivery. Facsimile (FAX), COD, and postage due applications will not be accepted. A copy of the application form will be available on SDHDA's website – [www.sdhda.org](http://www.sdhda.org).

Upon project selection, an award letter and grant agreement will be forwarded to each sub-grantee detailing the activities funded, award conditions and the grant offer. Execution of the agreement is to be completed by a representative of the sub-grantee and the state Grantee (SDHDA). The funds will be considered obligated as of the date the grant agreement is signed by the sub-grantee.

### III. DEFINITIONS

**Grantee** means the legal entity to which HUD awards an HPRP grant and which is accountable for the use of the funds provided. SDHDA is the Grantee for the HPRP funds in South Dakota.

**Homeless** means as the term is defined by section 103 of the McKinney-Vento Homeless Assistance Act (42.U.S.C. 11302) which is as follows: A homeless person is someone who is living on the street or in an emergency shelter, or who would be living on the street or in an emergency shelter without HUD's homelessness assistance. A person is considered homeless only when he/she resides in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings or on the street;
- In an emergency shelter;
- In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters;
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
- Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing or their housing has been condemned by housing officials and is no longer considered meant for human habitation;
- Is being discharged within a week from an institution in which the person has been a resident for more that 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing; or

- Is fleeing a domestic violence housing situation and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

**HPRP** means Homelessness Prevention and Rapid Re-Housing Program.

**HUD** means the U.S. Department of Housing and Urban Development.

**Program Participants** means individuals and families benefitting from HPRP assistance.

**SDHDA** means South Dakota Housing Development Authority.

**Sub-grantee** means any private non-profit organization or unit of general local government to which a Grantee provides funds to carry out eligible activities under the grant and which is accountable to the Grantee for the use of the funds provided.

**Unit of local government** means any city, county, town, township, parish, village, or other general purpose political subdivision of a state.

#### IV. HOMELESSNESS DOCUMENTATION

All Program Participants who receive services under the HPRP must either be at risk of becoming homeless or meet the definition of homeless. HUD encourages HPRP sub-grantees to maintain adequate documentation to determine the eligibility of persons served by HUD's HPRP. The following guide provides recommendations on documentation of homelessness. This documentation will be reviewed during the on-site audits conducted by SDHDA and HUD.

Situation	Documentation
Persons living on the street or in short-term emergency shelter	Information should be obtained to indicate that the participant is living on the street or in short-term emergency shelter. This may include names of organizations or outreach workers who have assisted them in the past, whether the client receives any general assistance checks and where the checks are delivered, or any other information regarding the participant's activities in the recent past that might provide documentation. If unable to verify that the person is living on the street or in short-term emergency shelter, the participant or a staff person may prepare a short written statement about the participant's previous living place. The participant should sign the statement and date it.
Persons coming from transitional housing for homeless persons	Obtain written verification from the transitional housing staff that the participant has been residing at the transitional housing facility. The verification should be signed and dated by the referring agency personnel. Also obtain written verification that the participant was living on the streets or in an emergency shelter prior to living in the transitional housing facility (see above for required documentation for emergency shelter), or was discharged from an institution or evicted from a private dwelling prior to living in the transitional housing and would have been homeless if not for the transitional housing (see below for required documentation for eviction from a private dwelling).
Persons being evicted from a private dwelling	Obtain evidence of formal eviction notice indicating that the participant was being evicted within a week before receiving homeless assistance. Also obtain information on the participant's income and efforts made to obtain housing and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.  If the participant's family is evicting, a statement describing the reason for eviction must be signed by the family member and dated. In other cases where there is no formal eviction process, persons are considered evicted when they are forced out of the dwelling unit by circumstances beyond their control.

	In those instances, obtain a signed and dated statement from the participant describing the situation. The grantee/recipient must make efforts to confirm that these circumstances are true and have written verification describing the efforts and attesting to their validity. The verification should be signed and dated.
Persons from a short-term stay (up to 30 consecutive days) in an institution who previously resided on the street or in an emergency shelter	Obtain written verification from the institution's staff that the participant has been residing in the institution for less than 31 days and information on the previous living situation. See above for guidance.
Persons being discharged from a longer stay in an institution	Obtain evidence from the institution's staff that the participant was being discharged within the week before receiving homeless assistance. Obtain information on the income of the participant, what efforts were made to obtain housing and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.
Persons fleeing domestic violence	Obtain written verification from the participant that he/she is fleeing a domestic violence situation. If a participant is unable to prepare verification, the grantee/recipient may prepare a written statement about the participant's previous living situation for the participant to sign and date.

## V. ELIGIBLE APPLICANTS

To be eligible to receive a grant from SDHDA under the HPRP, an applicant must be:

- A. A unit of local government within the state of South Dakota; or
- B. A private nonprofit organization that:
  - 1. Is incorporated as a private, nonprofit organization under the laws of the State of South Dakota; and
  - 2. Has a tax-exempt ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986.
- C. A primary religious organization is eligible for HPRP if they agree to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the principles, as outlined in 24 CFR Part 576.22.

## VI. ELIGIBLE PROGRAM ACTIVITIES

Two populations to be served are: 1) individuals and families currently in housing but who are at risk of becoming homeless and need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another housing units (Prevention); and 2) individuals and families who are experiencing homelessness and need temporary assistance in order to obtain housing and retain it (Rapid Re-Housing).

Only those applications certifying that Homelessness Prevention and Rapid Re-Housing Program funds will be used for the following eligible activities will be considered.

## **A. Eligible Activities**

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. Sub-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 (up to 3 months), medium-term rental assistance (4 to 18 months), security deposits, utility deposits, and utility payments, moving cost assistance, and motel and hotel vouchers. Sub-grantees 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 sub-grantee or the parent, subsidiary or affiliated organization of the sub-grantee.

### **a. Rental Assistance.**

(1) Rental assistance is 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. 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 sub-grantees to certify eligibility at least once every 3 months for all Program Participants receiving medium-term rental assistance. HUD additionally encourages sub-grantees 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 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 sub-grantees 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 sub-grantee 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 rent reasonableness worksheet 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. Deposits, originally paid for with HPRP funds, will be retained by 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 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/vash/index.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. SDHDA will allow a maximum of \$100 per day for motel and hotel vouchers. Sub-grantees must request a waiver of this maximum prior to issuing the motel and hotel voucher for any amount greater than \$100, if they will be asking for reimbursement under HPRP.

**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.

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. HPRP reimbursement will be limited to \$125 per hour charge. Prior SDHDA approval is necessary for any expense above this maximum.

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 sub-grantees 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**

Administrative costs may be used for: 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. Up to 3% of your total grant request is the maximum you may request for administrative costs.

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.

## **VII. PROGRAM PARTICIPANT ELIGIBILITY**

HUD has provided for discretion at the local level in determining who is most in need of HPRP program support. It is not expected that all program participants will experience the same level of need or receive the same level of support.

In order to receive HPRP services, individuals and families – whether homeless or housed – must meet the following MINIMUM CRITERIA:

- Individual or households must have an initial consultation with a case manager or authorized representative to determine the appropriate level of assistance.
- Individuals or households must be at or below 50% of Area Median Income. (Verified by using Section 8 income verification guidelines. See <http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/4350.3/43503c5HSGH.pdf> for more details).
- Individuals or households must be either homeless or at risk of losing its housing and 1) has not identified appropriate subsequent housing options, and 2) lacks financial resources and support networks to identify immediate housing or remain in existing housing.

Prevention Assistance: Funds should target those at greatest risk of homelessness. **Would they be homeless BUT for this assistance?** HUD recommends considering the following risk factors when determining which households should receive which levels of assistance and whether or not households can be reasonably expected to transition off of the program at the end of the designated term:

- Eviction within two weeks from a private dwelling (including housing provided by friends or family),
- Discharge within two weeks from an institution in which the person has been a resident for more than 180 days (including prisons, mental health institutions, hospitals, etc),
- Residency in a dwelling 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% of income),
- Homeless in the past 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% of AMI),
- High overcrowding (the number of persons exceeds health and/or safety standards for the housing unit size),
- Past institutional care,
- Recent traumatic life event, such as the death of a spouse or caregiver, or recent health crisis, that prevented the household from meeting financial responsibilities,
- Credit problems that preclude obtaining housing, and
- Significant amount of medical debt

Rapid Re-Housing Assistance: Rapid re-housing assistance is available for persons who meet the minimum criteria (above) AND are homeless according to HUD's definition:

- Sleeping in an emergency shelter or in a place not meant for human habitation (car, park, abandoned building, sidewalk etc),
- Staying in a hospital or institution for up to 180 days but was sleeping in an emergency shelter or other place not meant for human habitation immediately prior to entry into that institution,
- Graduating from or timing out of a transitional housing program, and
- Victim of domestic violence

### **VIII. INELIGIBLE PROGRAM ACTIVITIES**

Sub-grantees are strongly encouraged to the maximum extent possible to utilize all resources that may be available with Recovery Act fund other than HPRP. The intent of HPRP is to provide funding for housing expenses, therefore financial assistance or services to pay for expenses that are available through other Recovery Act programs are not eligible. Some of the ineligible costs include the following: child care, employment training, mortgage costs, construction or rehabilitation, credit card bills or other consumer debt, car repair or 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, cash assistance to Program Participants and certifications, licenses, and other general training costs not specific to HPRP programs. HPRP funds may not be used to develop discharge planning programs in mainstream institutions such as hospitals, jails or prisons. If funds are found to be used for ineligible activities as determined by HUD, the sub-grantee will be required to reimburse the costs.

### **VIV. MATCHING FUNDS**

There is no match requirement for the application for and use of HPRP funds. However, sub-grantees are encouraged to leverage dollars and resources where possible to serve the greatest number of Program Participants.

### **X. HABITABILITY STANDARDS**

Organizations providing rental assistance with HPRP funds will be required to conduct initial and appropriate follow-up inspections of housing units into which a program participant will be moving. Units should be inspected on an annual basis and upon a change on tenancy. Sub-grantees must follow the habitability standards as outlined in Exhibit B or they may require more stringent standards.

## **XI. REPORTING REQUIREMENTS**

Grantees are responsible for ensuring that HPRP funds are administered in accordance with program guidelines and other applicable laws, quarterly as well as annual performance reports will be required, as well as submitting appropriate documentation with each draw request.

## **XII. OTHER FEDERAL REQUIREMENTS**

With respect to the use of HPRP funds to procure services, equipment, supplies or other property, states, territories and units of general local government that receive HPRP funds shall comply with 24 CFR 85.36(b)(3), and non-profit Grantees shall comply with 24 CFR 84.42. A more detailed explanation of these requirements is located in Exhibit C.

- A. Conflicts of Interest;
- B. Environmental Requirements;
- C. Habitability Standards;
- D. Nondiscrimination and Equal Opportunity Requirements;
- E. Affirmatively Furthering Fair Housing;
- F. Lead-Based Paint Requirements;
- G. Uniform Administrative Requirements;
- H. Equal Participation of Religious Organizations;
- I. Lobbying and Disclosure Requirements;
- J. Drug-Free Workplace Requirements; and
- K. Procurement of Recovered Materials

Sub-grantees will be required to certify that they will administer, in good faith, a policy designed to ensure that the homeless facility is free from illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

Sub-grantees will terminate assistance to any individual or family violating the HPRP requirements in accordance with a formal process established by the sub-grantee. The process will recognize the rights of the individuals and may include a hearing.

Certification forms for the above items will be provided to sub-grantees for execution once grant selections have been made.

### **XIII. CONSOLIDATED PLAN**

SDHDA has certified that the HPRP Plan is consistent with the State of South Dakota's Consolidated Plan; however, applications received from either Sioux Falls or Rapid City must include a certification that the activities proposed are consistent with their respective local Consolidated Plans. A copy of the certification form to be used is attached to the application.

### **XIV. SELECTION CRITERIA**

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the Program Participants will be given priority. There is no maximum amount of funding a Grantee can request, although they will be required to document the need for that amount. The minimum grant amount that can be requested is \$5,000.

Due to the demand for the funds, grants will be awarded based upon the following:

- A. Need for the funding;
- B. Plan for distribution of the funds in an effective and efficient manner; and
- C. Collaboration efforts with other agencies

A committee of state employees, who work with or have some knowledge of homeless programs, will review the applications along with SDHDA staff. The review committee consists of representatives from the Governor's Office, the Department of Health, the Department of Education, the Department of Labor, the Department of Human Services, the Department of Social Services, and the South Dakota Housing Development Authority.

When making final selections, the review committee may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the Program Participants, and the reasonableness of the costs proposed.

The review committee reserves the right to award HPRP funds to any applicant or deny HPRP funds for any applicant if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

- A. Comments of officials of local governmental jurisdictions,
- B. Information regarding the fact that a particular market is saturated with emergency units and/or services,
- C. The likelihood that the applicant may not comply with HPRP requirements in a timely manner,
- D. The applicant's (including any related party's) lack of or unacceptable prior experience and performance related to prior SDHDA awards, project management, and compliance with emergency shelters or other related services, or

## **XV. GRANT ADMINISTRATION**

Grant funds will be considered obligated once the grant agreement has been signed by the sub-grantee. A grant agreement will be sent under separate cover detailing the sub-grantee's requirements and responsibilities, including those required for the environmental review. The sub-grantee will be required to sign and return the grant agreement to SDHDA.

The grant agreement will indicate the activities and the corresponding approved funding amounts by category. Prior written approval is needed from SDHDA to vary from the funding amounts and categories as specified in the executed grant agreement.

## **METHOD OF PAYMENT**

Payment of HPRP funds will be completed as a reimbursement. Requests for payment must be received by SDHDA on or before the tenth of each month. Requests must be submitted in a format approved by SDHDA, and must include a breakdown of expenses incurred and HPRP funds requested. Copies of all expenses and sources must be submitted for verification purposes. Lack of documentation or explanation may result in a delay in payment. Sub-grantees are encouraged to send draw requests to SDHDA on a minimum of a quarterly basis.

## **XVII. RECORDKEEPING**

The sub-grantee will be required to keep records necessary to document compliance with the provisions of the grant agreement and all applicable laws and regulations governing the Homelessness Prevention and Rapid Re-housing Program. Such records shall be made available to SDHDA staff monitoring and providing technical assistance to the sub-grantee.

## **XVIII. SANCTIONS**

If SDHDA determines that a sub-grantee is not complying with the requirements of the HPRP or other applicable federal laws, SDHDA will take appropriate action, which may include the following:

- A. Issue a warning letter;
- B. Direct the sub-grantee to stop incurring costs with grant amounts;
- C. Require the return of some or all of the grant amounts;
- D. Reduce (de-obligate) the level of funds the sub-grantee would otherwise be entitled to receive; or
- E. Elect to make the sub-grantee ineligible for future SDHDA funding.

## **XIV. EXPENDITURE OF GRANT FUNDS**

Each sub-grantee must draw down 100 percent of its HPRP grant funds within 2 years of the date that HUD signs the grant agreement. Any funding after the 2<sup>nd</sup> year will be recaptured and reallocated to existing sub-grantees to be fully expended within the 3<sup>rd</sup> year.

## EXHIBIT A

### **Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)**

Grantees eligible to receive funds under the Homelessness Prevention and Rapid Re-Housing Program (HPRP) are required to complete a substantial amendment to their Consolidated Plan 2008 Action Plan. This form sets forth the required format for this substantial amendment. A completed form is due to HUD within 60 days of the publication of the HUD HPRP notice.

To aid Grantees in meeting this submission deadline, the HPRP Notice reduces the requirement for a 30-day public comment period to no less than 12 calendar days for this substantial amendment. With this exception, HPRP Grantees are required to follow their Consolidated Plan's citizen participation process, including consultation with the Continuum of Care (CoC) in the appropriate jurisdiction(s). Grantees are also required to coordinate HPRP activities with the CoC's strategies for homeless prevention and ending homelessness. To maximize transparency, HUD strongly recommends that each Grantee post its substantial amendment materials on the Grantee's official website as the materials are developed.

A complete submission contains the following three documents:

- 1) A signed and dated SF-424,
- 2) A completed form HUD-40119 (this form), and
- 3) Signed and dated General Consolidated Plan and HPRP certifications.

For additional information regarding the HPRP program, visit the HUD Homelessness Resource Exchange ([www.hudhre.info](http://www.hudhre.info)). This site will be regularly updated to include HPRP resources developed by HUD and its technical assistance providers.

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The information collection requirements contained in this application have been submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

**Information is submitted in accordance with the regulatory authority contained in each program rule. The information will be used to rate applications, determine eligibility, and establish grant amounts.**

Public reporting burden for this collection of information is estimated to be 16 hours, including the time for June 2009

reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. To the extent that any information collected is of a confidential nature, there will be compliance with Privacy Act requirements. However, the substantial amendment to the Consolidated Plan 2008 Action Plan does not request the submission of such information.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

**A. General Information**

<b>Grantee Name</b>	South Dakota Housing Development Authority
<b>Name of Entity or Department Administering Funds</b>	South Dakota Housing Development Authority
<b>HPRP Contact Person</b> (person to answer questions about this amendment and HPRP)	Lorraine Polak
<b>Title</b>	Director of Rental Housing Development
<b>Address Line 1</b>	PO Box 1237
<b>Address Line 2</b>	221 South Central Avenue
<b>City, State, Zip Code</b>	Pierre, SD 57501
<b>Telephone</b>	(605) 773-3108
<b>Fax</b>	(605) 773-5154
<b>Email Address</b>	<a href="mailto:Lorraine@sdhda.org">Lorraine@sdhda.org</a>
<b>Authorized Official</b> (if different from Contact Person)	Mark Lauseng
<b>Title</b>	Executive Director
<b>Address Line 1</b>	PO Box 1237
<b>Address Line 2</b>	221 South Central Avenue
<b>City, State, Zip Code</b>	Pierre, SD 57501
<b>Telephone</b>	(605) 773-3181
<b>Fax</b>	(605) 773-5154
<b>Email Address</b>	<a href="mailto:mark@sdhda.org">mark@sdhda.org</a>
<b>Web Address where this Form is Posted</b>	<a href="http://www.sdhda.org">www.sdhda.org</a>

<b>Amount Grantee is Eligible to Receive*</b>	<b>\$3,254,060</b>
<b>Amount Grantee is Requesting</b>	<b>\$3,254,060</b>

\*Amounts are available at <http://www.hud.gov/recovery/homelesspreventrecov.xls>

## **B. Citizen Participation and Public Comment**

1. Briefly describe how the Grantee followed its citizen participation plan regarding this proposed substantial amendment (limit 250 words).

Response: The South Dakota Housing Development Authority made available the Substantial Amendment to the Consolidated Plan Update to the public for a 12 day comment period beginning April 20<sup>th</sup>, 2009 and June 12<sup>th</sup>, 2009. Citizens were notified of the proposed Plan's availability through newspaper notification. A display ad was published in all daily newspapers across the state at the beginning of the comment period.

South Dakota Housing Development Authority (SDHDA) presented the HPRP Plan for public comment April 2009. Since that time, U.S. Department of Housing and Urban Development has provided additional clarifications to the HPRP Program. In order to incorporate the necessary changes, SDHDA made substantial amendments to the Homeless Prevention and Rapid Re-Housing Program Plan and invited the public to review and provide comments to the amended HPRP Plan.

Changes to the HPRP Plan included Administrative Costs as an eligible activity, revision of the application date, further clarification of eligible program participants and requirement that 100% of the HPRP funds be utilized within two years of the date that HUD signs the grant agreement.

The proposed Substantial Amendment and Plan was made available at SDHDA's website at [www.sdhda.org](http://www.sdhda.org) for the first and second public comment periods. Copies of the proposed Plan were also available from SDHDA during these public comment periods.

SDHDA received 6 comments on the proposed Amendment and Plan during the initial 12 day comment period. No comments were received for the secondary comment period of June 12<sup>th</sup>, 2009, to June 24, 2009. All public comments and responses are within the Plan.

Upon request this Amendment and Plan would have been made available in a format accessible to persons with disabilities.

2. Provide the appropriate response regarding this substantial amendment by checking one of the following options:

- Grantee did not receive public comments.
- Grantee received and accepted all public comments.
- Grantee received public comments and did not accept one or more of the comments.

3. Provide a summary of the public comments regarding this substantial amendment. Include a summary of any comments or views not accepted and the reasons for non-acceptance.

*Response: - One commentator requested the Method of Payment to be modified to allow for request of Homeless Prevention and Rapid Re-Housing Program (HPRP) funds in advance to cover eligible expenses. The comment further stated the Program Participants' needs are urgent and critical in nature and by not being able to request funds in advance causes the administration of the program to become extremely burdensome for any sub-grantee thus limiting the effectiveness of the program.*

The expenditure of HPRP funds must occur in an efficient and expedient manner. While SDHDA does not want the method of payment to be burdensome, it must ensure the HPRP funds are utilized for eligible activities and eligible Program Participants. Reimbursement method of payment is consistent with other financing programs offered by SDHDA and provides an opportunity to ensure program compliance prior to disbursement of funds.

In addition, the sub-grantees awarded HPRP funds must have the capacity to administer the HPRP funds in the abbreviated time frame. Capacity will be demonstrated by years of experience in providing services, sufficient staff to provide additional services and financial capacity by having access to funds. Based on these reasons no change was made to the HPRP Plan in regards to method of payment.

*Another Commentator requested more information regarding the use of the security deposit and if there is a requirement that the landlord return the security deposit, as applicable, to the program participant or to the Sub-grantee?*

The South Dakota Housing Development Authority has determined that HPRP funds utilized as security deposits will remain with the Program Participant. Page six of the Plan was amended accordingly.

*Another commentator requested clarification as to what would be considered reasonable costs for motel and hotel vouchers.*

Since the cost of motels/ hotels can change not only geographically but also during summer/winter months, SDHDA has set a limit of \$100 per night per room. Waivers may be obtained from SDHDA if the cost would be more than the stated amount. Sub-grantees should make an effort to work with area hotels/motels to ensure a reasonable charge, especially if the stay may be long-term. Page six of the Plan was modified to incorporate this clarification.

*Another commentator requested clarification as to what would be considered reasonable costs for attorney services.*

The sub-grantee is encouraged to find attorneys that may do pro-bono work. SDHDA understands that this may not always be available and has set the reasonable attorney fees at \$125.00 per hour. Waivers may be obtained prior to incurring the work, from SDHDA if the costs would be higher than the stated amount. The reasonable fee was included in page seven of the Plan.

*Another commentator requested clarification regarding if a community has city housing codes (under the Habitability Standards Section) it would be very unlikely that a Sub-grantee would have the expertise to be able to inspect a housing unit for compliance with the city housing codes.*

The responsibility is on the Sub-grantee to ensure that housing occupied by a family or individual receiving HPRP assistance is in compliance with all applicable state and local housing codes. In most cases, there will not be any local housing codes, but those few instances in which there is local housing codes, SDHDA encourages the sub-grantees to partner with the city for compliance. If no such local housing codes exist, it is the sub-grantees responsibility to work with their local housing authority to perform the Housing Quality Standards process. No change to the Plan was made.

*The last comment received requested that a more detailed explanation of the federal requirements should be provided within the Plan so the applicants are aware of the specific requirements prior to going through the application process.*

SDHDA amended the HPRP Plan to incorporate Exhibit C for a more detailed explanation for each federal requirement.

### **C. Distribution and Administration of Funds**

Reminder: The HPRP grant will be made by means of a grant agreement executed by HUD and the Grantee. The three-year deadline to expend funds begins when HUD signs the grant agreement. Grantees should ensure that sufficient planning is in place to begin to expend funds shortly after grant agreement.

1. Check the process(es) that the Grantee plans to use to select Sub-grantees. Note that a Sub-grantee is defined as the organization to which the Grantee provides HPRP funds.

Competitive Process

Formula Allocation

Other (Specify: \_\_\_\_\_)

2. Briefly describe the process(es) indicated in question 1 above (limit 250 words).

Response: SDHDA will solicit applications for the use of HPRP funds through a

competitive application process. Applications will be made available by June 15th. Completed applications will be due on or before July 15th.

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the Program Participants will be given priority. There is no maximum amount of funding a grantee can request, although they will be required to document the need for that amount. The minimum grant amount that can be requested is \$5,000.

Due to the demand for the funds, grants will be awarded based upon the following:

- A. Need for the funding;
- B. Plan for distribution of the funds in an effective and efficient manner; and
- C. Collaboration efforts with other agencies

A committee of state employees, who work with or have some knowledge of homeless programs, will review the applications along with SDHDA staff. The review committee consists of representatives from the Governor's Office, the Department of Health, Department of Education, Department of Labor, Department of Human Services, Department of Social Services, and the South Dakota Housing Development Authority.

When making final selections, the review committee may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the homeless, and the reasonableness of the costs proposed.

3. Briefly describe the process the Grantee plans to use, once HUD signs the grant agreement, to allocate funds available to Sub-grantees by September 30, 2009, as required by the HPRP Notice (limit 250 words).

Response: Once approval has been received from HUD, The South Dakota Housing Development Authority will advertise and make available HPRP applications to units of general local government and to private nonprofit organizations through press releases and on our website.

Complete applications from local units of government and nonprofit organizations will be due to the South Dakota Housing Development Authority by 5:00 p.m. Central Time, on or before July 15, 2009, with project selections to be made on or before September 1, 2009.

Upon project selection, an award letter and grant agreement will be forwarded to each sub-grantee detailing a description of the activities funded, award conditions and the grant offer. Execution of the agreement is to be completed by a representative of the

sub-grantee and the state Grantee (SDHDA). The funds will be considered obligated as of the date the grant agreement is signed by the sub-grantee.

4. Describe the Grantee's plan for ensuring the effective and timely use of HPRP grant funds on eligible activities, as outlined in the HPRP Notice. Include a description of how the Grantee plans to oversee and monitor the administration and use of its own HPRP funds, as well as those used by its Sub-grantees (limit 500 words).

Response: Each sub-grantee must draw down 100 percent of its HPRP grant funds within 2 years of the date that HUD signs the grant agreement. Any funding after the 2<sup>nd</sup> year will be recaptured and reallocated to existing sub-grantees to be fully expended within the 3<sup>rd</sup> year.

Payment of HPRP funds will be completed as a reimbursement. Requests for payment must be received by SDHDA on or before the tenth of each month. Requests must be submitted in a format approved by SDHDA, and must include a breakdown of expenses incurred and HPRP funds requested. Copies of all expenses and sources must be submitted for verification purposes. Lack of documentation or explanation may result in a delay in payment. Sub-grantees are encouraged to send draw requests to SDHDA on a minimum of a quarterly basis.

The sub-grantee will be required to keep records necessary to document compliance with the provisions of the grant agreement and all applicable laws and regulations governing the Homelessness Prevention and Rapid Re-housing Program. Such records shall be made available to SDHDA staff monitoring and providing technical assistance to the sub-grantee.

South Dakota Housing Development Authority staff will monitor HPRP disbursements to ensure sub-grantees are using the funds in a timely manner. If sub-grantees have not requested reimbursement of HPRP funds for a length of time, SDHDA will follow up with the sub-grantee to ensure regular reimbursement requests are received.

#### **D. Collaboration**

1. Briefly describe how the grantee plans to collaborate with the local agencies that can serve similar target populations, which received funds under the American Recovery and Reinvestment Act of 2009 from other Federal agencies, including the U.S. Departments of Education, Health and Human Services, Homeland Security, and Labor (limit 250 words).

Response: South Dakota Housing Development Authority is a partner agency for many South Dakota work groups including the Interagency Council on Homelessness, Governor's Reentry Council, and Mental Health Advisory Council. Newsletters, web pages, emails and quarterly meetings provide an opportunity to share information and exchange goals and challenges of the various programs. The coordinated effort of the councils and our respected working relationship with all state agencies provides an

avenue to gather input, guidance and collaborated efforts for utilization of funding under the American Recovery and Reinvestment Act.

In drafting of this Plan, SDHDA has been in contact the Governor's Office to ensure collaboration among the state agencies. A web-link from our agency website to the state website on stimulus funding will also provide a direct link to valuable information. In addition, notice of funding regarding the Homelessness Prevention and Rapid Re-Housing Program and a copy of the draft Plan will be provided to the Continuum of Care list serve, which includes state, local and service agencies across South Dakota.

In addition, the selection of HPRP sub-grantees will be completed by a selection committee consisting of employees from the Governor's Office and state agencies of Health, Education, Labor, Social Services, Human Services, and SDHDA.

2. Briefly describe how the Grantee plans to collaborate with appropriate Continuum(s) of Care and mainstream resources regarding HPRP activities (limit 250 words).

Response: South Dakota Housing Development Authority is the lead agency for the South Dakota Housing for the Homeless Consortium, which is a statewide continuum. There are no other Continuums of Care in South Dakota. As the lead agency, we provide information to the Consortium members via email and meetings. At the annual Homeless Summit held on April 7 and 8, we further discussed HPRP and eligible activities and sub-recipients. This was a great opportunity to provide detail information to many service providers across the state regarding the purpose of the HPRP funding and the collaboration efforts necessary to ensure a successful continuum of care for Program Participants.

The on-going collaboration will occur with follow up emails and meetings. Applicants for HPRP funding, must evidence within their application, the full range of services being provided for the Program Participants. The services can be provided within their agency or contracted with another agency. Creation of new services that are duplicative of other agencies will be discouraged and HPRP funding will not be provided for creation of duplicative services. SDHDA is knowledgeable of service providers across the state and has direct contact with them.

In addition, notice of funding regarding the Homelessness Prevention and Rapid Re-Housing Program and a copy of the draft Plan will be provided to the Continuum of Care list serve, which includes state, local and service agencies across South Dakota. SDHDA will strongly encourage service providers to review and provide comments on the proposed Plan.

3. Briefly describe how HPRP grant funds for financial assistance and housing relocation/stabilization services will be used in a manner that is consistent with the Grantee's Consolidated Plan (limit 250 words).

Response: Utilization of HPRP grant funds for financial assistance and housing relocation and stabilization services correlates well with South Dakota's Consolidated Plan. Per South Dakota's Plan, the following are identified as housing needs in South Dakota.

- Rental assistance for extremely low-income, cost burdened households (households whose incomes are below 30 percent of median income and who pay more than 30 percent of their income toward housing); and
- Coordinate homeless housing and supportive services such as support for the chronic homeless and housing with intensive services;

In addition, SDHDA currently utilizes a portion of the HOME Incentives Partnership Program funding for Security Deposit assistance for homeless or those at risk of being homeless.

While HPRP funds for rental assistance and security deposits can only be utilized for homeless prevention or rapid re-housing, the additional funding correlates well with South Dakota's goal of providing individuals and families with permanent housing while receiving other necessary services for self-sufficiency.

South Dakota's Consolidated Plan also addresses the continuing need to strengthen our statewide Continuum of Care and coordinated efforts among state agencies and service providers. The HPRP funding will provide another avenue to pursue these goals.

### **E. Estimated Budget Summary**

HUD requires the Grantee to complete the following table so that participants in the citizen participation process may see the Grantee's preliminary estimated amounts for various HPRP activities. Enter the estimated budget amounts for each activity in the appropriate column and row. The Grantee will be required to report actual amounts in subsequent reporting.

<b>HPRP Estimated Budget Summary</b>			
	<b>Homelessness Prevention</b>	<b>Rapid Re-housing</b>	<b>Total Amount Budgeted</b>
Financial Assistance <sup>1</sup>	\$1,000,000	\$1,000,000	\$2,000,000
Housing Relocation and Stabilization Services <sup>2</sup>	\$500,000	\$500,000	\$1,000,000
<b>Subtotal</b> (add previous two rows)	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$3,000,000</b>

Data Collection and Evaluation <sup>3</sup>	\$91,357
Administration (up to 5% of allocation)	\$162,703
<b>Total HPRP Amount Budgeted<sup>4</sup></b>	<b>\$3,254,060</b>

<sup>1</sup>Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

<sup>2</sup>Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

<sup>3</sup>Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

<sup>4</sup>This amount must match the amount entered in the cell on the table in Section A titled "Amount Grantee is Requesting."

**F. Authorized Signature**

By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete, and accurate to the best of my knowledge. I also provide the required assurances and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

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Signature/Authorized Official

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Date

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Title

## **EXHIBIT B HABITABILITY STANDARDS**

Organizations providing rental assistance with HPRP funds will be required to conduct initial and any appropriate follow-up inspections of housing units into which a program participant will be moving. Following are the habitability standards that Grantees must follow:

- (a) State and local requirements: Each Grantee or Sub-grantee under this Notice must ensure that housing occupied by a family or individual receiving HPRP assistance is in compliance with all applicable state and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the housing codes, licensing requirements, and any other requirements in the jurisdiction in which the housing is located regarding the condition of the structure and the operation of the housing or services.
- (b) Habitability standards: Except for less stringent variations as are proposed by the Grantee or Sub-grantee and approved by HUD, housing occupied by a family or individual receiving HPRP assistance must meet the following minimum requirements:
  - a. Structure and materials. The structures must be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the residents from the elements.
  - b. Access. The housing must be accessible and capable of being utilized without unauthorized use of other private properties. Structures must provide alternate means of egress in case of fire.
  - c. Space and security. Each resident must be afforded adequate space and security for themselves and their belonging. Each resident must be provided an acceptable place to sleep.
  - d. Interior air quality. Every room or space must be provided with natural or mechanical ventilation. Structures must be free of pollutants in the air at levels that threaten the health of residents.
  - e. Water supply. The water supply must be free from contamination.
  - f. Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.
  - g. Thermal environment. The housing must have adequate heating and/or cooling facilities in proper operating condition.
  - h. Illumination and electricity. The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. Sufficient electrical sources must be

provided to permit use of essential electrical appliances while assuring safety from fire.

- i. Food preparation and refuse disposal. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.
- j. Sanitary condition. The housing and any equipment must be maintained in sanitary condition.
- k. Fire safety.
  - i. Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing-impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.
  - ii. The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

## **EXHIBIT C OTHER FEDERAL REQUIREMENTS**

### **A. Conflicts of Interest**

1. General. With respect to the use of HPRP funds to procure services, equipment, supplies or other property, states, territories and units of general local government that receive HPRP funds shall comply with 24 CFR 85.36(b)(3), and non-profit Subgrantees shall comply with 24 CFR 84.42. With respect to all other decisions involving the use of HPRP funds, the following restriction shall apply: No person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

2. Exceptions. Upon the written request of the Grantee, HUD may grant an exception to the restrictions in paragraph 1 above on a case-by-case basis when it determines that the exception will serve to further the purposes of the HPRP program and promote the efficient use of HPRP funds. In requesting an exception, the Grantee must provide the following:

- a. For states and other governmental entities, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- b. For all Grantees, an opinion of the Grantee's attorney that the interest for which the exception is sought would not violate state or local law.

### **B. Environmental Requirements**

This Notice does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing (other than tenant based rental assistance), rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this Notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321). Moreover, consistent with the provisions for administrative and management expenses, tenant-based rental assistance, and supportive services in 24 CFR 50.19(b)(3), (11), and (12), the eligible activities to be assisted under this Notice are categorically excluded from the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321) and are not subject to environmental review under the related laws and authorities.

### **C. Habitability Standards**

Organizations providing rental assistance with HPRP funds will be required to conduct

initial and any appropriate follow-up inspections of housing units into which a program participant will be moving. Units should be inspected on an annual basis and upon a change of tenancy. The minimum habitability standards are listed in Appendix C. Grantees may require more stringent standards.

#### **D. Nondiscrimination and Equal Opportunity Requirements**

As stated in section IV.E.8., Grantees and Sub-grantees must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a). In addition, Grantees must make known that HPRP rental assistance and services are available to all on a nondiscriminatory basis and ensure that all citizens have equal access to information about HPRP and equal access to the financial assistance and services provided under this program. Among other things, this means that each Grantee must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may mean providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction and that limited English proficient persons have meaningful access to HPRP assistance. This will be a particular issue for state Grantees that may not be aware of LEP speaking populations in jurisdictions that are not normally served with ESG funds. To assist Grantees, the Department published the “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” (72 Federal Register 2732; January 22, 2007). In addition, all notices and communications shall be provided in a manner that is effective for persons with hearing, visual, and other communication related disabilities consistent with section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.6.

If the procedures that the Grantee intends to use to make known the availability of the rental assistance and services are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for such rental assistance and services, the Grantee must establish additional procedures that will ensure that such persons are made aware of the rental assistance and services.

#### **E. Affirmatively Furthering Fair Housing**

Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. Grantees and Sub-grantees will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. Examples of affirmatively furthering fair housing include:

- (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency;
- (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD’s rule on effective communications at 24 CFR 8.6);
- (3) providing fair housing counseling services or referrals to fair housing agencies;
- (4) informing participants of how to file a housing discrimination complaint, including

providing the toll-free number for the Housing Discrimination Hotline: 1-800-669-9777; and (5) recruiting landlords and service providers in areas that expand housing choice to Program Participants.

#### **F. Lead-Based Paint Requirements**

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M, and R shall apply to housing occupied by families receiving assistance through HPRP.

#### **G. Uniform Administrative Requirements**

All States, Territories, Urban Counties, and Metropolitan cities receiving funds under HPRP shall be subject to the requirements of 24 CFR part 85. Non-profit Sub-grantees shall be subject to the requirements of 24 CFR part 84. Note that the closeout requirements apply to all entities receiving HPRP funds, but that no charges may be applied to the grant beyond the Recovery Act's 3-year expenditure deadline, as explained in section V.A.2.

#### **H. Equal Participation of Religious Organizations**

1. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in HPRP. Neither the federal government nor a Grantee shall discriminate against an organization on the basis of the organization's religious character or affiliation.
2. Organizations that are directly funded under HPRP may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under HPRP. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under HPRP, and participation must be voluntary for the Program Participants.
3. A religious organization that participates in HPRP will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HPRP funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide HPRP-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a HPRP-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
4. An organization that participates in the HPRP program shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
5. If a state or local government voluntarily contributes its own funds to supplement federally funded activities, the state or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, the requirements listed above apply to all of the commingled funds.

### **I. Lobbying and Disclosure Requirements**

The disclosure requirements and prohibitions of section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (the Byrd Amendment), and implementing regulations at 24 CFR part 87, apply to HPRP. Applicants must disclose, using Standard Form LLL (SF-LLL), "Disclosure of Lobbying Activities," any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding specific grants or contracts.

### **J. Drug-Free Workplace Requirements**

The Drug-Free Workplace Act of 1988 (41 U.S.C. 701, et seq.) and HUD's implementing regulations at 24 CFR part 21 apply to HPRP.

### **K. Procurement of Recovered Materials**

State agencies and agencies of a political subdivision of a state that are using assistance under a HUD program for procurement, and any person contracting with such an agency with respect to work performed under an assisted contract, must comply with the requirements of section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. In accordance with section 6002, these agencies and persons must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; must procure solid waste management services in a manner that maximizes energy and resource recovery; and must have established an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.