



# **HOME-ARP FUNDING REQUEST FOR PROPOSALS (RFP)**

**RFP Announced: August 29, 2023**

**Applications Available: September 12, 2023**

**Responses Due: October 13, 2023**

**Housing and Community Development Division**

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## Section I – General Information

### A. Introduction

Through this Request for Proposals (RFP), the City of Memphis Division of Housing and Community Development (HCD) is seeking qualified nonprofit organizations and/or public entities to submit proposals to function as the City’s subrecipient to:

1. Provide supportive services, and/or
2. Provide tenant-based rental assistance (TBRA), including both rent and security deposit assistance.

In general, the City prefers proposals from TBRA applicants who will provide both TBRA and supportive services to assisted households. However, the City may entertain applications from agencies that will only provide TBRA or only provide supportive services to QPs.

Funding for these activities is limited to serving HOME-ARP Qualifying Populations (QPs) in the City of Memphis. Pursuant to HOME-ARP requirements, there are four (4) QPs, including individuals and/or households who are:

1. Homeless;
2. At risk of homelessness;
3. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; and
4. Other populations, meeting HUD’s definition of “at risk of housing instability” where supportive services or other HOME-ARP assistance is intended to prevent the household from becoming homeless.

While several of the QP categories are not specifically defined by income, HCD expects that the funding available through this RFP will primarily be available for programs that benefit low and moderate-income persons of Memphis.

See Attachment A for a more detailed description of the QPs.

This RFP describes the projects, scope of services, organization selection process, and all of the information that must be included in the proposal. Failure to submit information in accordance with the RFP’s requirements and procedures may lead to disqualification. The City of Memphis is strongly committed to equal opportunity for organizations or agencies.

***Note: The City also intends to make HOME-ARP funding available for the development of rental housing and non-congregate shelter serving QPs. Those activities will be addressed in future RFPs.***

## B. Background

On March 21, 2021, the President signed the American Rescue Plan Act (ARP) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses.

To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARP funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness or in other vulnerable populations. These activities include:

1. Development and support of affordable housing
2. Tenant-based rental assistance (TBRA)
3. Provision of supportive services
4. Acquisition and development of non-congregate shelter units

Allocations for funding to qualifying jurisdictions were announced on April 8, 2021. The City of Memphis was awarded a total of \$13,545,982 through the U.S. Department of Housing and Urban Development (HUD)'s HOME Program. At this time, the City anticipates awarding up to \$1,354,548 for TBRA and \$3,386,496 for Supportive Services over the course of its overall implementation of HOME-ARP. HCD may award all such funding under this RFP or reserve a portion of this funding for future RFPs or increases to awards for selected subrecipients.

## C. RFP Schedule and Proposal Submission

Provided below is the anticipated schedule of events. The City reserves the right to adjust the schedule and to add/remove specific events to meet the unique needs of this Project.

Advertisement of RFP:	August 29, 2023
RFP Workshop/Conference:	September 12, 2023
Second Workshop:	October 3, 2023
DUE DATE & TIME FOR PROPOSALS:	October 13, 2023

## D. Evaluation Criteria & Process

Proposals will be evaluated based on the agency's experience, capacity, and ability to meet the performance requirements of this RFP. Proposals will be assessed to determine the most comprehensive, competitive, and best solution for City residents based on, but not limited to, the following criteria:

- Qualifications and specific agency experience with providing TBRA and/or supportive services to QPs, including those populations already served by the homeless and CoC system;
- Proposed program outcomes;
- Proposed cost effectiveness; and
- Acceptance of the Terms of the Contract.

The evaluation committee may consider any other criteria it deems relevant, and the evaluation committee is free to make any recommendations it determines to be in the best interest of the HOME-ARP Program.

To be considered a complete proposal, the response should include the specified content and sequence of information described in this RFP.

HCD reserves the sole right to select the most qualified agencies based on HCD's determination of overall cost effectiveness and impact that is most advantageous to the City. It is likely that multiple awards will be made.

Following its initial reviews and preliminary funding determinations, HCD will provide written notice to each applicant of the status of its application. All applicants will be notified in writing by HCD of the status of their proposal. The City reserves the right to reject an application entirely, provide partial funding, seek further clarifications from applicants, or negotiate alternative award terms.

## Section II – General Terms And Conditions

### A. Incurred Expenses

Costs for developing the proposals are entirely the responsibility of the applicant and shall not be charged to the City of Memphis or otherwise reimbursed by the City of Memphis.

### B. Public Records

All proposals submitted in response to this RFP become the property of the City of Memphis and, according to applicable law, may in whole or in part, become public records which may subject the proposal, in whole or in part, to public review.

### C. Contact with HCD Staff

Unless otherwise authorized herein, applicants who are considering submitting a proposal in response to the RFP, or who submit a proposal in response to this RFP, are prohibited from communicating with HCD staff regarding this RFP from the date this RFP is issued until one or more contracts are awarded.

For the purpose of clarity, potential applicants may submit clarifying questions to appropriate HCD staff. In responding to any such questions, the City will generally provide summaries of the question and the specific response to all agencies that, to the knowledge of the City, have expressed an interest in the RFP. Further, nothing in this provision is intended to prohibit ongoing contact between an applicant and HCD staff in the normal course of any current contracts between the City and a given agency.

### D. Revisions to the RFP:

The City of Memphis reserves the right to revise the RFP prior to the date proposals are due. Notifications of all revisions to the RFP shall be posted on the City's website. The City of Memphis also reserves the right to extend the date by which proposals are due. Additionally, the City reserves the right not to make any awards under this RFP or to issue additional RFPs for the same or similar purposes in the future.

### E. Additional Information

The City of Memphis reserves the right to request additional information and/or clarification or to waive any irregularity or informalities in any or all responses to this RFP.

### F. Disqualification

Failure to comply with the requirements of this RFP may result in disqualification. Incomplete proposals may be considered non-responsive, and the proposal may be rejected.

### G. Payment for Services

The City of Memphis will provide HOME-ARP funds on a reimbursement basis only pursuant to HUD and City requirements and the terms of the agreement between the City and any agency receiving funding.

## Section III – Scope of Work

The Housing and Community Development Division is soliciting proposals to provide TBRA and Supportive Services to HOME-ARP QPs. In general, the City will favor proposals that can be completed in four years or less and reserves the right to issue awards on an incremental basis with increases based on actual performance.

HUD requires that HOME-ARP participating jurisdictions (PJs) provide access to HOME-ARP activities (e.g., housing, services, TBRA, etc.) for **all** four statutorily designated QPs. The City's HOME-ARP Allocation Plan **does not** provide for any preferences among the four HUD-defined QPs. In other words, all QPs are on equal footing, and a household within the homeless QP would not, for example, be prioritized over another household within the VAWA/human trafficking QP. Instead, all applicants for TBRA or Supportive Services must be selected from a waiting list in the order of application.

Because the City is obligated to serve all QPs and has not provided for any preferences between QPs, the City **strongly** prefers proposals from organizations that are willing and able to serve all four QPs.

However, the City will entertain applications from organizations proposing to serve only certain QPs (e.g., an applicant might propose only to provide TBRA and services to the VAWA/human trafficking QP and not the homeless, at risk of homelessness, or at risk of housing instability QPs). If such an application is submitted and preliminarily selected, award of a contract will be contingent upon HUD's approval of a substantial amendment to the City's HOME-ARP Allocation Plan.

### A. Eligible Activities

#### 1. Tenant Based Rental Assistance (TBRA)

HOME-ARP funds may be used to provide tenant-based rental assistance to qualifying households ("HOME-ARP TBRA"). In HOME-ARP TBRA, the subrecipient agency assists a qualifying household with monthly rental assistance payments covering the difference between the contract rent (and utility allowance as applicable) for the unit and the tenant's contribution. HOME-ARP TBRA can also provide assistance with security deposits and utility deposits.

HOME-ARP TBRA assisted households may choose to rent a unit in any eligible rental unit in the City. In general, an eligible unit is one that meets HUD's Housing Quality Standards (HQS), that has a reasonable rent, and where the owner is willing to participate in the program.<sup>1</sup>

HOME-ARP TBRA is a form of rental assistance that is attached to the household and not a particular rental unit or a particular portfolio of units (e.g., those owned by a given entity). Therefore, the HOME-ARP TBRA assisted household may choose to move to another unit with continued HOME-ARP TBRA subject to program requirements.

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<sup>1</sup> The HQS standard will soon be replaced by an NSPIRE HCV standard which will apply to TBRA.

See Attachment B for more detail on HOME-ARP TBRA.

## 2. Supportive Services

There are three categories specifically included as supportive services under HOME-ARP:

1. *McKinney-Vento Supportive Services*: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney Vento.
  - Outreach services: Costs of activities to engage qualified populations for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible costs.
  - Substance abuse treatment services: Cost of substance abuse treatment services to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors provided by licensed or certified professionals, are eligible costs.
  - Case management: Costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs. PJs and subrecipients providing these supportive services must have written standards for providing the assistance.
  - Landlord/Tenant Liaison: Costs of liaison services between property managers/owners and program participants, are eligible costs.
2. *Homelessness Prevention Services*: HOME-ARP Homelessness Prevention Services are adapted from eligible homelessness prevention services under the regulations at 24 CFR 576.102, 24 CFR 576.103, 24 CFR 576.105, and 24 CFR 576.106, and are revised, supplemented, and streamlined in Section VI.D.4.c.i.
3. *Housing Counseling Services*: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at 24 CFR 5.100 and 5.111, respectively, except where otherwise noted.

See Attachment C for more detail on HOME-ARP supportive services.



## Section IV – Request For Proposals Procedures

This section describes the general procedures that will be used for this RFP.

### A. Schedule for Nomination, Selection and Award

The City of Memphis anticipates that the process for nominating and selecting subrecipients and issuing awards will be according to the following tentative schedule:

Release and Advertise RFP:	August 29, 2023
Preapplication Workshop:	September 12, 2023
Preapplication Office Hours #1:	October 3, 2023
Selection and Notification:	November 2023*
Contract Negotiation Complete:	December 2023*
Notice to Proceed:	January 2023*

*\*Exact dates may vary*

### B. Required Documentation

Proposals shall be submitted in electronic format via DocuSign. Submittals must use City-provided forms where specified. Agencies seeking both TBRA and Supportive Services funding should include both requests in a single application.

### C. Required Application Format

The City has provided an online application which can be accessed at:

<https://na3.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=b09b8209-d0cc-4b1d-81ac-5d30e33ff165&env=na3&acct=19cbdccc-227e-46af-a46c-0559a3cca114&v=2>

# MEMPHIS HOME-ARP FUNDING REQUEST FOR PROPOSALS (RFP)



## Attachment A: HOME-ARP Qualifying Populations

For more detailed information on HOME-ARP and requirements that apply broadly to program activities, read CPD Notice 21-10 or any updates published by HUD.

This attachment includes a HUD-published summary of HOME-ARP Qualifying Populations and comparison to ESG/CoC Eligible Participants. While there is substantial overlap, it is important for applicants to understand that HOME-ARP Qualifying Populations (QP) are deliberately broader than those eligible under HUD's standing ESG and Continuum of Care programs.



# HOME-ARP Qualifying Populations

CoC/ESG Eligible Participants Comparison

January 2023

# Comparison of HOME-ARP qualifying populations vs. CoC/ESG eligible participants

## Purpose

This document compares the HOME-ARP qualifying populations (QPs) and the eligible participants for the Emergency Solutions Grant (ESG) and Continuum of Care (CoC) programs. Participating Jurisdictions (PJs) may choose to use HOME-ARP funds to further their existing efforts to reduce and prevent homelessness. It is important that PJs understand the differences between the populations currently served by homeless service providers and populations that qualify as HOME-ARP QPs. In addition, HOME-ARP permits the use of the CoC's Coordinated Entry (CE) system(s) as a referral method if certain conditions are met. PJs should understand how the populations covered by the standard CE system differ from HOME-ARP QPs before making decisions about referral methods, including whether and how to expand CE for HOME-ARP projects and activities. For more information on HOME-ARP referral methods, please see [Understanding HOME-ARP Preferences, Referral Methods, and Allocation Plan Requirements](#), [Using HOME-ARP Referral Methods](#), and [Introduction to HOME-ARP Referral Methods and Coordinated Entry](#) on the [HUD Exchange](#).

## HOME-ARP Qualifying Populations

1. Homeless—as defined in [24 CFR 91.5 Homeless](#) (1), (2), (3)
2. At risk of homelessness—as defined in [24 CFR 91.5 At risk of homelessness](#)
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking—as defined by the U.S. Department of Housing and Urban Development (HUD)
4. Other Populations—those who do not qualify under the other three QP definitions but meet one of the Other Populations criteria identified in Section IV of the [HOME-ARP Notice](#).

## ESG and CoC Eligible Participants

1. Persons experiencing homelessness—as defined in [24 CFR 578.3](#) and [576.2](#)
2. Persons at risk of homelessness—as defined in [24 CFR 578.3](#) and [576.2](#)

**The populations served by ESG and CoC programs are a subset of the HOME-ARP QPs.**



## Comparison of HOME-ARP qualifying populations vs. CoC/ESG eligible participants

HOME-ARP QPs	CoC/ESG eligible participants	Comparison
Homeless, as defined in <a href="#">24 CFR 91.5</a> <i>Homeless</i> (1), (2), or (3), which aligns with the CoC/ESG definition with one exception.	Homeless, as defined in <a href="#">24 CFR 578.3</a> and <a href="#">576.2</a> .	HOME-ARP QPs and CoC/ESG program participants share many attributes, with one exception: Category 4 as defined in <a href="#">24 CFR 578.3</a> and <a href="#">576.2</a> , <i>people fleeing or attempting to flee domestic violence</i> , is not included in the HOME-ARP QP homeless definition. More information below.
At risk of homelessness, as defined in <a href="#">24 CFR 91.5</a> , which aligns with the CoC/ESG definition.	At risk of homelessness, as defined in <a href="#">24 CFR 578.3</a> and <a href="#">576.2</a> .	No differences. These programs serve the same populations at risk of homelessness.
Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD in <a href="#">24 CFR 5.2003</a> and Trafficking Victims Protection Act of 2000 (TVPA), as amended ( <a href="#">22 U.S.C. 7102</a> ).	Homeless, category 4 as defined in <a href="#">24 CFR 578.3</a> : Any individual or family who: (i) is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing.	<p>The definition of HOME-ARP QP is broader than the CoC/ESG definition of eligible participants.</p> <p>The HOME-ARP QP includes <i>persons fleeing or attempting to flee human trafficking</i>, which includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000, as amended (<a href="#">22 USC 7102</a>).</p> <p>HOME-ARP eliminates the CoC/ESG requirement that an individual or family:</p> <ul style="list-style-type: none"> <li>• has no other residence; and</li> <li>• lacks resources or support networks</li> </ul> <p>PJs must consider the domestic violence/sexual assault/trafficking QP a separate population from the homeless population.</p>

## Comparison of HOME-ARP qualifying populations vs. CoC/ESG eligible participants

HOME-ARP QPs	CoC/ESG eligible participants	Comparison
<p>Other Populations: Other families, defined as households who have previously been qualified as “homeless” under <a href="#">24 CFR 91.5</a>, are currently housed due to temporary or emergency assistance, <b>and</b> who need additional housing assistance or supportive services to avoid a return to homelessness.</p>	<p>No equivalent definition.</p>	<p>Households under this HOME-ARP QP might be currently served in a homeless service program or considered homeless under the CoC/ESG definition, depending on the temporary or emergency assistance being provided.</p>
<p>Other Populations: At greatest risk of housing instability, defined as households who meet either (i) or (ii) below:</p> <ul style="list-style-type: none"> <li>i. have annual incomes less than or equal to 30% Annual Median Income (AMI) and experience severe housing cost burden (pay more than 50% of monthly income toward housing); or</li> <li>ii. have annual incomes less than or equal to 50% AMI and meet one of seven housing instability conditions from the QP definition established at <a href="#">24 CFR 91.5</a>: <i>At risk of homelessness</i>, paragraph (iii), and outlined in the <a href="#">HOME-ARP Notice</a>.</li> </ul>	<p>At risk of homelessness as defined in Notice <a href="#">CPD-20-08</a> Waivers and Alternative Requirements for the ESG Program Under the CARES Act.</p> <p><a href="#">CPD-20-08 temporarily</a><sup>1</sup> expanded the income limit in the definition of <i>at risk of homelessness</i>, as defined in <a href="#">24 CFR 576.2</a>, paragraph (1)(i), to 50% AMI for ESG-CV and annual ESG funds used to prevent, prepare for, and respond to coronavirus.</p> <p>Persons must also lack sufficient resources or support networks to prevent them from moving to an emergency shelter or another place described under the “homeless” definition in accordance with <a href="#">24 CFR 576.2 (ii)</a> AND must meet one of the conditions in <a href="#">(iii)</a>.</p>	<p>At greatest risk of housing instability (i) is different than the ESG/CoC at risk of homelessness definitions which does not include the condition <i>experiencing severe cost burden</i>.</p> <p>At greatest risk of housing instability (ii) and the <a href="#">CPD-20-08 temporarily</a> expanded definition of <i>at risk of homelessness</i> serve the same populations.</p> <p>The expanded income eligibility ends on 9/30/2023 for ESG-CV funds and 6/30/2024 for reallocated ESG-CV funds as outlined in <a href="#">Notice CPD-22-06</a>.</p>

<sup>1</sup> This waiver for homeless prevention eligibility is in effect for ESG-CV funds. The expanded income eligibility ends on 9/30/2023 for ESG-CV funds and 6/30/2024 for reallocated ESG-CV funds ([Notice CPD-22-06](#)). The expanded income eligibility for annual ESG funds used to prevent, prepare for and respond to coronavirus expired on 9/30/2022.



## Comparison of HOME-ARP qualifying populations vs. CoC/ESG eligible participants

HOME-ARP QPs	CoC/ESG eligible participants	Comparison
Veterans and families that include a veteran family member that meet the definition of a QP.	Veterans experiencing homelessness.	No difference. Both programs serve veterans when that veteran or their household qualifies under the existing criteria.

### Additional Resources

This crosswalk is part of a series of documents that can be used together or separately to assist PJs in making informed decisions about HOME-ARP projects and activities in which there are ESG or CoC program funds. The two other crosswalks in this series are:

[HOME-ARP Eligible Activities: CoC/ESG Housing and Services Crosswalk](#) provides an overview of how HOME-ARP eligible activities differ from the housing and services provided through the ESG and CoC programs. Understanding these differences will allow PJs to consider whether program design changes are necessary to ensure that a project proposed by a CoC or homeless service provider will meet HOME-ARP requirements.

[Homeless Housing and Services Funding Crosswalk](#) provides an overview of common funding sources for housing and services for persons at risk of or experiencing homelessness and other special populations. This overview of existing resources will assist PJs with the review of proposed HOME-ARP projects and activities, in particular those that layer funding from multiple sources.



*This material is based upon work supported, in whole or in part, by Federal award number Z-21-TA-MD-0001 awarded to Abt Associates, Inc by the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. Neither the United States Government, nor any of its employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any individuals, agencies, companies, products, process, services, service by trade name, trademark, manufacturer, or otherwise does not constitute or imply an endorsement, recommendation, or favoring by the author(s), contributor(s), the U.S. Government or any agency thereof. Opinions contained herein are those of the author(s) and do not necessarily reflect the official position of, or a position that is endorsed by, HUD or any Federal agency.*





# MEMPHIS HOME-ARP FUNDING REQUEST FOR PROPOSALS (RFP)



## Attachment B: HOME-ARP Tenant Based Rental Assistance

For more detailed information on HOME-ARP and requirements that apply broadly to program activities, read CPD Notice 21-10 or any updates published by HUD.

This attachment includes:

- HOME-ARP Program Fact Sheet: Tenant-Based Rental Assistance
- Excerpt of CPD 21-10 addressing HOME-ARP TBRA

## HOME-ARP Program Fact Sheet: Tenant-Based Rental Assistance

### Overview:

HOME-ARP funds may be used to provide tenant-based rental assistance (“HOME-ARP TBRA”) to individuals and families that meet one of the Qualifying Populations defined in the *CPD Notice: Requirements for the Use of Funds in the HOME-American Rescue Plan Program* (“the Notice”). A PJ may assist a qualifying household by providing payments towards housing and housing-related costs, such as rent, security deposits, utility deposits, and utility costs. Because HOME-ARP TBRA is attached to the qualifying household and not a particular rental unit, the household may choose to move to another unit with continued assistance as long as the new unit meets the applicable property standards. HOME-ARP TBRA may be provided in coordination with a non-profit HOME-ARP sponsor that facilitates a qualifying household’s use of HOME-ARP TBRA. The HOME-ARP sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household or may sublease a unit to the qualifying household.

### Eligible Costs:

- **Eligible Costs:** HOME-ARP funds may be used to provide rental assistance, security deposit assistance, utility deposits, and utility payments to qualifying households. HOME-ARP may pay up to 100% of these costs for a qualifying household.

### Project Requirements:

- **Portability of Assistance:** A PJ may require the HOME-ARP TBRA assisted household to use the assistance within the PJ's boundaries or may permit the household to use the assistance outside its boundaries as outlined at [24 CFR 92.209\(d\)](#).
- **Term of Rental Assistance Contract:** The PJ must determine the maximum term of HOME-ARP TBRA assistance contracts and whether contracts will be renewable.
- **Maximum Subsidy:** The PJ must establish policies for the allowable maximum subsidy, which may differ from the maximum subsidy requirements at [24 CFR 92.209\(h\)](#). PJs may provide up to 100 percent subsidy for rent, security deposit payments, and utility bills. The PJ must also establish policies for determining any household contribution to rent.
- **Rent Reasonableness:** The PJ must determine whether the rent is reasonable in comparison to rent for other comparable unassisted units and must disapprove a lease if the rent is not reasonable.
- **Housing Quality Standards:** Housing must comply with all housing quality standards required at [24 CFR 982.401](#) (or successor inspection standards issued by HUD) unless the

tenant is residing in a HOME or HOME-ARP unit, in which case the PJ may defer to initial and ongoing inspection standards for the housing.

- Use of a HOME-ARP Sponsor: A HOME-ARP sponsor – a nonprofit organization that provides housing or supportive services to qualifying households – may facilitate the leasing of a HOME-ARP rental unit or the use and maintenance of HOME-ARP TBRA. A sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household.

#### **PJ Management and Oversight:**

- Rental Assistance Contract: HOME-ARP TBRA must be provided through a rental assistance contract with the PJ and (1) an owner that leases a unit to a qualifying household; (2) the qualifying household, (3) a HOME-ARP sponsor or (4) an owner and the qualifying household in a tri-party contract.
- Lease and Sublease: PJs must require and verify that there is an executed lease between the qualifying household and the owner of the rental unit or a between an owner and a HOME-ARP sponsor with a sublease between the qualifying households and the HOME-ARP sponsor that complies with tenant protection requirements in accordance with [24 CFR 92.253\(a\)](#). PJs may permit a HOME-ARP sponsor to execute a lease with an owner for an individual unit or a master lease for more than one unit restricted for occupancy by HOME-ARP TBRA households.
- Written Agreement with HOME-ARP Sponsor: The PJ must enter into a written agreement with the HOME-ARP sponsor if the HOME-ARP TBRA rental assistance contract is not with the HOME-ARP sponsor and the HOME-ARP sponsor will be receiving the HOME-ARP TBRA subsidy directly from the PJ.

account and recorded as HOME program income receipt in the Integrated Disbursement and Information System (IDIS) and used for eligible costs under [24 CFR part 92](#).

### **C. Tenant-Based Rental Assistance (TBRA)**

HOME-ARP funds may be used to provide tenant-based rental assistance to qualifying households (“**HOME-ARP TBRA**”). In HOME-ARP TBRA, the PJ assists a qualifying household with payments to cover the entire or insufficient amounts that the qualifying household cannot pay for housing and housing-related costs, such as rental assistance, security deposits, and utility deposits. HOME-ARP TBRA assisted households may choose to rent a unit in a HOME-ARP rental project or any other eligible rental unit. HOME-ARP TBRA is a form of rental assistance that is attached to the household and not a particular rental unit. Therefore, the HOME-ARP TBRA assisted household may choose to move to another unit with continued HOME-ARP TBRA as long as the new unit meets the applicable property standards of this Notice. If a HOME-ARP TBRA assisted household chooses to move, the rental assistance contract terminates and a new rental assistance contract for the new unit will be executed according to HOME-ARP TBRA requirements. The HOME-ARP TBRA assisted household must notify the PJ before moving in order to receive continued HOME-ARP TBRA.

- 1. Tenant Selection:** Only individuals and families in the qualifying populations are eligible to receive HOME-ARP TBRA assistance. PJs must perform tenant selection in accordance with [Section IV.C](#) of this Notice. The PJ must select qualifying households for HOME-ARP TBRA in accordance with written tenant selection policies and criteria that are based on local housing needs established in the HOME-ARP allocation plan. The PJ must follow written tenant selection policies and criteria that:
  - a. Limit eligibility to households that meet one of the HOME-ARP qualifying populations definitions in accordance with HOME-ARP requirements. Preferences for households in one or more of the HOME-ARP qualifying populations, if any, must comply with the preferences and/or method of prioritization in the PJ’s HOME-ARP allocation plan and the PJ’s policies and procedures for applying such preferences, if any, and must not violate nondiscrimination requirements in [24 CFR 92.350](#).
  - b. If the PJ selects HOME-ARP TBRA applicants off a waiting list, it must provide for the selection of qualifying households from a written waiting list in accordance with the PJ’s preferences or method of prioritization in the chronological order of their application, insofar as is practicable.
  - c. Give prompt written notification to any rejected applicant of the grounds for any rejection, and
  - d. Comply with the VAWA requirements as described in [24 CFR 92.359](#).

Finally, the PJ may offer, in conjunction with HOME-ARP TBRA assistance, a simultaneous award of services in accordance with [Section VI.D](#) of this Notice, and also provide particular types of other nonmandatory services that may be most appropriate for persons with a special need or a particular disability. Any provision of supportive services must comply with all requirements of [Section VI.D](#) of the Notice and the PJ’s policies and procedures.

2. **Tenant Protections:** PJs must require and verify that there is an executed lease between the qualifying household that receives HOME-ARP TBRA and the owner of the rental unit or between the owner of the rental unit and a HOME-ARP sponsor with a sublease between the qualifying households and the HOME-ARP sponsor, in accordance with [24 CFR 92.253\(a\)](#). A HOME-ARP sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a rental unit to a qualifying household or the use and maintenance of HOME-ARP TBRA by a qualifying household. PJs may permit a HOME-ARP sponsor, as defined in [Section VI.B.19](#), to execute a lease or master lease with a project owner. The HOME-ARP sponsor must then sublease a unit to a qualifying household. The lease between the qualifying household and the rental unit owner or the sublease between the HOME-ARP sponsor and the qualifying household cannot contain any of the prohibited lease terms specified in [24 CFR 92.253\(b\)](#).
3. **Eligible Costs:** Eligible costs under HOME-ARP TBRA include rental assistance, security deposit payments, and utility deposit assistance to qualifying households. HOME-ARP funds may be used to pay for up to 100% of these eligible costs. A PJ may use HOME-ARP TBRA funds to provide loans or grants to qualifying households for security deposits for rental units regardless of whether the PJ provides any other HOME-ARP TBRA assistance. The amount of funds that may be provided for a security deposit may not exceed the equivalent of two months' rent for the unit. Utility deposit assistance is an eligible cost only if rental assistance or a security deposit payment is provided. Costs of inspecting the housing are also eligible as costs of HOME-ARP TBRA. Administration of HOME-ARP TBRA is an eligible cost only if executed in accordance with general management oversight and coordination at [24 CFR 92.207\(a\)](#), except that the costs of inspecting the housing and determining the income eligibility of the family are eligible project costs under HOME-ARP TBRA.
4. **Ineligible Costs:** HOME-ARP TBRA may not be used to pay for the homebuyer program as defined at [24 CFR 92.209\(c\)\(2\)\(iv\)](#).
5. **Portability of Assistance:** A PJ may require the HOME-ARP TBRA assisted household to use HOME-ARP TBRA within the PJ's boundaries or may permit the household to use the assistance outside its boundaries pursuant to [24 CFR 92.209\(d\)](#).
6. **Term of Rental Assistance Contract:** The requirements at [24 CFR 92.209\(e\)](#) defining the term of the rental assistance contract for providing assistance with HOME funds are waived for HOME-ARP TBRA. The PJ must determine the maximum term of the rental assistance contract. The rental assistance contract continues until the end of the rental assistance contract term, as determined by the PJ, or until the lease or sublease is terminated, whichever occurs first. The term of the rental assistance contract may be renewed, subject to the availability of HOME-ARP funds. The term of the rental assistance contract must begin on the first day of the term of the lease or sublease. HOME-ARP TBRA funds cannot be used after the end of the budget period.
7. **Maximum Subsidy:** The PJ must establish policies for the allowable maximum subsidy, which may differ from the maximum subsidy requirements at [24 CFR 92.209\(h\)](#). PJs may

provide up to 100 percent subsidy for rent, security deposit payments, and utility bills. The PJ must also establish policies for determining any household contribution to rent based on a determination of the qualifying household's income.

8. **Rent Standard:** Consistent with [24 CFR 92.209\(h\)\(3\)](#), PJs must also establish a rent standard for HOME-ARP TBRA by unit size that is based upon local market conditions or the section 8 Housing Choice Voucher program under [24 CFR part 982](#). The PJ must determine whether the rent for a HOME-ARP TBRA household complies with the rent standard established by the PJ for the HOME-ARP program and must disapprove a lease if the rent does not meet the PJ's rent standard for HOME-ARP TBRA.
9. **Housing Quality Standards:** Housing occupied by a household receiving HOME-ARP TBRA must comply with all housing quality standards required in [24 CFR 982.401](#) (or successor inspection standards issued by HUD) unless the tenant is residing in a HOME or HOME-ARP unit, in which case the PJ may defer to initial and ongoing inspection standards.
10. **Program Operation:** The PJ may operate HOME-ARP TBRA itself or may contract with a PHA or other entity with the capacity to operate a rental assistance program. In either case, the PJ or entity operating the program must approve the lease. HOME-ARP TBRA may be provided through an assistance contract with (1) an owner that leases a unit to a qualifying household; (2) the qualifying household, or (3) an owner and the qualifying household in a tri-party contract. In the case of HOME-ARP TBRA provided in coordination with a HOME-ARP sponsor, as described below, the PJ may require that payments be made directly to the HOME-ARP sponsor that will make rental payments to the owner on behalf of the qualifying household or require payments directly to the owner of the unit.
11. **HOME-ARP TBRA with a HOME-ARP Sponsor:** HOME-ARP TBRA may be provided in coordination with a HOME-ARP sponsor. As defined in [Section VI.B.19](#), a HOME-ARP sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a HOME-ARP rental unit to a qualifying household or the use and maintenance of HOME-ARP TBRA by a qualifying household. A HOME-ARP sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household. Under HOME-ARP TBRA, a qualifying household may reside in housing leased by a HOME-ARP sponsor if there is a sublease that complies with HOME-ARP lease requirements between the HOME-ARP sponsor and the qualifying household.
  - a. **Rental Assistance Contract:** There must be a rental assistance contract between the PJ and at least one of the following:
    - HOME-ARP sponsor;
    - Qualifying household; or
    - Owner of the housing.

Rental subsidy payments are made on behalf of the HOME-ARP TBRA household pursuant to a rental assistance contract. The rental assistance contract continues until the

lease is terminated or the term of the rental assistance contract expires (and is not renewed). Regardless of the role of the HOME-ARP sponsor, the HOME-ARP TBRA household has the right to continued HOME-ARP TBRA assistance if the household chooses to move from the unit. HOME-ARP TBRA funds cannot be used beyond the end of the HOME-ARP budget period.

The HOME-ARP sponsor may only receive the TBRA subsidy directly from the PJ on behalf of the qualifying household if the rental assistance contract is between the HOME-ARP sponsor and the PJ or the HOME-ARP sponsor and the PJ have entered into a written agreement as outlined below. The HOME-ARP sponsor must make rental subsidy payments to the owner on behalf of the qualifying household per the terms and conditions of the HOME-ARP TBRA contract or written agreement with the PJ. When the HOME-ARP TBRA assisted household moves to a new unit, the HOME-ARP sponsor is not required to continue its sponsor relationship with the HOME-ARP TBRA assisted household for the new rental unit but may do so with the consent of the HOME-ARP TBRA household.

The PJ must establish policies and procedures regarding termination of HOME-ARP TBRA assistance for qualifying households who are absent from the rental unit for a minimum of 60 days and where a HOME-ARP sponsor is leasing the rental unit and subleasing to the qualifying household or providing HOME-ARP TBRA rental subsidy payments on behalf of the household.

- b. *Lease and Sublease*: PJs must require and verify that each household that receives HOME-ARP TBRA assistance has an executed lease that complies with the tenant protection requirements of this Notice. The lease agreement may be between the project owner and the HOME-ARP TBRA household, or PJs may permit a HOME-ARP sponsor to execute a lease with an owner for an individual unit or a master lease for more than one unit restricted for occupancy by HOME-ARP TBRA households. If the lease agreement is between the HOME-ARP sponsor and owner, the HOME-ARP sponsor must execute a sublease agreement with a HOME-ARP TBRA household. The sublease between the HOME-ARP sponsor and the HOME-ARP TBRA household must meet the tenant protection requirements of this Notice.
- c. *Written Agreement with HOME-ARP Sponsor*: The PJ must enter into a written agreement with the HOME-ARP sponsor if the HOME-ARP TBRA rental assistance contract is not with the HOME-ARP sponsor and the HOME-ARP sponsor will receive the HOME-ARP TBRA subsidy directly from the PJ. The written agreement must specify the requirements for the HOME-ARP sponsor receiving the HOME-ARP TBRA subsidy on behalf of the qualifying household and the HOME-ARP sponsor's obligation to provide the HOME-ARP TBRA payment to the owner for the unit's required rent.

**12. Project Completion:** Project completion for a HOME-ARP TBRA project means the final drawdown has been disbursed for the project.

# MEMPHIS HOME-ARP FUNDING REQUEST FOR PROPOSALS (RFP)



## Attachment C: HOME-ARP Supportive Services

For more detailed information on HOME-ARP and requirements that apply broadly to program activities, read CPD Notice 21-10 or any updates published by HUD.

This attachment includes:

- HOME-ARP Program Fact Sheet: Supportive Services
- Excerpt of CPD 21-10 addressing HOME-ARP Supportive Services



## HOME-ARP Program Fact Sheet: Supportive Services

### Overview:

A PJ may use HOME-ARP funds to provide a broad range of supportive services to individuals and families that meet one of the qualifying populations as defined in *CPD Notice: Requirements for the Use of Funds in the HOME-American Rescue Plan Program* (“the Notice”). Supportive services may be provided to individuals and families who are not already receiving the services outlined in the Notice through another program. PJs may establish a separate supportive services activity or activities or may combine supportive services with other HOME-ARP activities.

### Eligible Services and Costs:

Eligible Supportive Services: There are three categories specifically included as supportive services under HOME-ARP:

- McKinney-Vento Supportive Services: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act (“**McKinney-Vento Supportive Services**”) ([42 U.S.C. 11360\(29\)](#)).
- Homelessness Prevention Services: HOME-ARP Homelessness Prevention Services are adapted from certain eligible homelessness prevention services under the Emergency Services Grant (ESG) regulations at [24 CFR Part 576](#).
- Housing Counseling Services: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at [24 CFR 5.100](#) and [5.111](#), respectively, except that homeowner assistance and related services are not eligible HOME-ARP activities.

Eligible Costs of Supportive Services for Qualifying Individuals and Families: HOME-ARP funds may be used to pay eligible costs associated with the HOME-ARP supportive services activity in accordance with the requirements of the Notice.

### Eligible Costs Associated with McKinney-Vento and Homelessness Prevention Supportive Services:

- All qualifying households are eligible to receive supportive services under the HOME-ARP supportive services activity. Eligible costs associated with McKinney-Vento supportive services and homelessness prevention supportive services include:
  - Costs of child care;
  - Costs of improving knowledge and basic educational skills;

- Costs of establishing and/or operating employment assistance and job training programs
- Costs of providing meals or groceries
- Costs of assisting eligible program participants to locate, obtain and retain housing
- Costs of certain legal services
- Costs of teaching critical life management skills
- Financial assistance costs, including:
  - Rental application fees
  - Security deposits
  - Utility deposits
  - Payment of rental arrears

\*\*Please consult the Notice for a full list and description of eligible costs.

- The costs of homelessness prevention services are only eligible to the extent that the assistance is necessary to help program participants regain stability in their current permanent housing or move into other permanent housing to achieve stability in that housing.
- PJs must establish requirements documenting an eligible cost as McKinney-Vento supportive services to an individual or family in a qualifying population, homelessness prevention services, or Housing Counseling.

Eligible Costs Associated with Housing Counseling: Costs associated with housing counseling services as defined at [24 CFR 5.100](#) and [5.111](#) are eligible. Costs may only be paid under HOME-ARP if housing counseling services are provided by HUD-certified housing counselors and organizations.

- Eligible costs include:
  - Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME- program participants
  - Development of a housing counseling workplan
  - Marketing and outreach
  - Intake
  - Financial and housing affordability analysis
  - Action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s)
  - Follow-up communication with program participants
- Costs for the provision of services to existing homeowners related to homeownership and mortgages to existing homeowners are not eligible under HOME-ARP.
- If a program participant is a candidate for homeownership, costs associated with pre-purchase homebuying counseling, education and outreach are eligible under HOME-ARP.

**Oversight and Management:** A PJ is responsible for the day-to-day management and oversight of its HOME-ARP program including but not limited to the following:

- *Oversight of Eligible Costs*: All supportive service costs paid for by HOME-ARP must comply with the requirements of the Notice and Uniform Administrative Requirements at [2 CFR part 200](#), subpart E, Cost Principles that require costs be necessary and reasonable.
- *No Duplication of Services*: PJs are responsible for establishing requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services.
- *Termination of Assistance*: The PJ may terminate assistance to a program participant who violates program requirements or conditions of occupancy.

## D. Supportive Services

HOME-ARP funds may be used to provide a broad range of supportive services to qualifying individuals or families as a separate activity or in combination with other HOME-ARP activities. Supportive services include: a) services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act (“**McKinney-Vento Supportive Services**”)<sup>1</sup> (42 U.S.C. 11360(29)); b) homelessness prevention services, as described in [Section VI.D.3.](#) and [D.4](#) below; and c) housing counseling services.

1. **Eligible Program Participants**: Supportive services may be provided to individuals and families who meet the definition of a qualifying population under [Section IV.A](#) of this Notice and who are not already receiving these services through another program. Program participants in other HOME-ARP activities are eligible for supportive services under this Notice in accordance with policies and procedures developed by the PJ. These policies and procedures should identify the length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before they will no longer be eligible as a qualifying population for purposes of this section.
2. **Client Selection**: HOME-ARP funds may only be used to provide supportive services to individuals or families that meet the definition of a qualifying population in [Section IV.A](#) of this Notice. PJs must develop policies and procedures for the selection of program participants for services under this section of the Notice that comply with [Section IV.C](#) and this section of this Notice.
3. **Eligible Supportive Services under HOME-ARP**: There are three categories specifically included as supportive services under HOME-ARP:
  - a. *McKinney-Vento Supportive Services*: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney-Vento.
  - b. *Homelessness Prevention Services*: HOME-ARP Homelessness Prevention Services are adapted from eligible homelessness prevention services under the regulations at [24 CFR 576.102](#), [24 CFR 576.103](#), [24 CFR 576.105](#), and [24 CFR 576.106](#), and are revised, supplemented, and streamlined in [Section VI.D.4.c.i](#) below.
  - c. *Housing Counseling Services*: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at [24 CFR 5.100](#) and [5.111](#), respectively, except where otherwise noted. The requirements at [24 CFR 5.111](#) state that any housing counseling, as defined in [24 CFR 5.100](#), required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under [24 CFR part 214](#) to provide housing counseling, consistent with [12 U.S.C. 1701x](#).

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<sup>1</sup> The Consolidated Appropriations Act, 2021 (P.L. 116-260) enacted changes that renumbered section 401(27) to (29) of McKinney-Vento.

HUD-approved Housing Counseling Agencies can be found on HUD’s website at:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/hcc](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc).

Program requirements and administration under [24 CFR part 214](#) apply to the provision of HOME-ARP Housing Counseling supportive services except those provisions related to current homeowners do not apply. Eligible HOME-ARP topics under Housing Counseling include but are not limited to the following examples:

<b>Rental Housing Counseling Topics</b> ( <a href="#">24 CFR 214.300(e)(4)</a> )	<b>Pre-Purchase Homebuying Topics</b> ( <a href="#">24 CFR 214.300(e)(1)</a> )	<b>Homeless Services Topics</b> ( <a href="#">24 CFR 214.300(e)(5)</a> )
HUD rental and rent subsidy programs	Advice regarding readiness and preparation	Homeless assistance information regarding emergency shelter
Other federal, state, or local assistance	Federal Housing Administration insured financing	Other emergency services
Fair housing	Housing selection and mobility	Transitional housing
Rental search assistance	Housing search assistance	Referral to local, state, and federal resources ( <a href="#">24 CFR 214.300(b)(2)</a> )
Landlord tenant laws	Fair housing and predatory lending	
Lease terms	Budgeting and credit	
Rent delinquency	Loan product comparison	
Referrals to local, state, and federal resources	Purchase procedures and closing costs	
	Referrals to local, state, and federal resources	

Housing Counseling surrounding the following topics are **ineligible** under HOME-ARP:

- Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit;
- Home maintenance and financial management for homeowners, including, but not limited to: Escrow funds, budgeting, refinancing, home equity, home improvement, utility costs, energy efficiency, rights and responsibilities of homeowners, and reverse mortgages.

In accordance with [24 CFR 214.300\(a\)\(2\)](#), housing counselors must establish an action plan for each participating qualifying individual or family. Additionally, as per [24 CFR](#)

[214.300\(c\)](#), housing counselors must also make reasonable efforts to have follow-up communications with participating qualifying individuals, when possible, to assure that the individual or family is progressing toward the housing goal established in the plan, to modify or terminate housing counseling, and to learn and report outcomes.

- 4. Eligible Costs of Supportive Services for Qualifying Individuals and Families:** HOME-ARP funds may be used to pay eligible costs associated with the HOME-ARP supportive services activity in accordance with the requirements in this Notice. Eligible costs that may be paid using HOME-ARP funds are limited to only those identified in [Section VI.D.4.c](#) below. Any ineligible costs paid using HOME-ARP funds must be repaid in accordance with the requirements of this Notice.

HUD has used its discretion in ARP to include eligible costs for supportive services that are necessary to assist the qualifying populations, prevent homelessness, or to enable qualifying households to obtain and maintain housing. The list of eligible costs associated with McKinney-Vento Supportive Services and Homelessness Prevention Services is in [Section VI.D.4.c.i](#) of this Notice.

While all qualifying households are eligible to receive supportive services under this activity, the PJ must establish requirements for documenting eligible costs for an individual or family in a qualifying population (as defined in [Section IV.A](#) of this Notice) as McKinney-Vento supportive services, homelessness prevention services, or Housing Counseling.

If a person is homeless, then the person is eligible to be provided the supportive services as McKinney-Vento supportive services for the costs allowable in [Section VI.D.4.c](#) below. If a person is housed and the supportive services are intended to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing to achieve stability in that housing then the person is eligible for homelessness prevention services for the costs allowable in [Section VI.D.4.c.i](#) below. Housing Counseling services may be provided regardless of whether a person is homeless or currently housed.

PJs must document in their files which types of supportive services they wish to offer program participants. If PJs are using a supportive services provider, PJs must document in their written agreements with supportive service providers whether they are authorizing McKinney-Vento supportive services, homelessness prevention services, Housing Counseling services or some combination of the three. Only the supportive services that are authorized in the written agreement with the supportive service provider may be provided to program participants by that supportive service provider and only program participants that are eligible for those supportive services may be served. As such, supportive services providers must demonstrate through their documentation that the individuals served were eligible to receive the supportive services that were authorized under the written agreement in order for those costs to be eligible.

Consistent with the requirements in this section, the PJ may set a maximum dollar amount that a program participant may receive for each type of service described in [Section VLD.4.c.](#) below and may also set a maximum period for which a program participant may receive any of the types of assistance or services.

- a. Oversight of Eligible Costs: All supportive service costs paid for by HOME-ARP must comply with the requirements of this Notice, including requirements in [2 CFR part 200](#), subpart E, Cost Principles that require costs be necessary and reasonable. If a qualifying household is already receiving the same eligible supportive service or has been approved to receive the same service through another program or provider, the program participant does not have a need for the HOME-ARP service and the costs related to the service do not comply with the Cost Principles. The PJ is responsible for establishing requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services. This may include the use of systems such as Homeless Management Information Systems in coordination with local supportive service providers, CoCs, and other nonprofit organizations.
- b. Direct provision of services: PJs contracting with service providers engaged directly in the provision of services under the HOME-ARP eligible supportive services categories, shall have written agreements or contracts that comply with the requirements of this Notice and, to the extent practicable, enter into agreements or contracts in amounts that cover the actual total program costs and administrative overhead to provide the services contracted.

If the services outlined in paragraph c. below are being directly delivered by the PJ or a subrecipient, the following costs are eligible project delivery costs for those services:

- the costs of labor or supplies and materials incurred by the PJ or subrecipient in directly providing supportive services to program participants.
- the salary and benefit packages of the PJ and subrecipient staff who directly deliver the services.

These project delivery costs must be attributable to the identifiable objective of the service delivered, otherwise they are administrative costs of the PJ or subrecipient.

- c. Eligible Costs:
  - i. Eligible Costs for McKinney Vento Supportive Services and Homelessness Prevention Services: Eligible costs for supportive services under either of these two categories include costs associated with the following services:
    - (A) Child care: The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated developmental activities, are eligible. The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible. The following conditions also apply:

- Children must be under the age of 13 unless the children have a disability.
  - Children with a disability must be under the age of 18.
- (B) Education services: The costs of improving knowledge and basic educational skills are eligible costs including:
- Instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
  - Screening, assessment, and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.
- (C) Employment assistance and job training: The costs of establishing and/or operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.
- Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
  - Services that assist individuals in securing employment consist of:
    - Employment screening, assessment, or testing;
    - Structured job skills and job-seeking skills;
    - Special training and tutoring, including literacy training and pre-vocational training;
    - Books and instructional material;
    - Counseling or job coaching; and
    - Referral to community resources.
- (D) Food: The cost of providing meals or groceries to program participants is eligible.
- (E) Housing search and counseling services: Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible. Services are:
- Development of an action plan for locating housing;
  - Housing search;
  - Tenant counseling;
  - Securing utilities;
  - Making moving arrangements;
  - Outreach to and negotiation with owners;
  - Assistance submitting rental applications and understanding leases;
  - Assessment of housing for compliance with HOME-ARP requirements for TBRA assistance in [Section VI.C](#) of this Notice and financial



assistance for short-term and medium-term rental payments provided under [Section VI.D.4.c.i.\(R\)](#) below;

- Assistance obtaining utilities; and
- Tenant counseling;
- Mediation with property owners and landlords on behalf of eligible program participants;
- Credit counseling, accessing a free personal credit report, and resolving personal credit issues; and
- Payment of rental application fees;
- Other Housing counseling costs, as defined in [24 CFR 5.100](#), funded with or provided in connection with grant funds must be carried out in accordance with [24 CFR 5.111](#).

Please Note: When PJs or subrecipients provide housing services to eligible persons that are incidental to a larger set of holistic case management services, these services do not meet the definition of Housing counseling, as defined in [24 CFR 5.100](#), and therefore are not required to be carried out in accordance with the certification requirements of [24 CFR 5.111](#).

- (F) Legal services: Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with a qualifying individual or family's ability to obtain and retain housing.
- Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other legal remedies for victims of domestic violence, dating violence, sexual assault, human trafficking, and stalking; appeal of veterans and public benefit claim denials; landlord-tenant disputes; and the resolution of outstanding criminal warrants; landlord/tenant matters, provided that the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
  - Legal services for immigration and citizenship matters and for issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are prohibited.
  - Services may include client intake, receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling.
  - Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.

- (G) Life skills training: The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, dating violence, sexual assault, stalking, human trafficking, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Life skills training includes:
- the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.
- (H) Mental health services: Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals.
- Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
  - Services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- (I) Outpatient health services: Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:
- Providing an analysis or assessment of a program participant's health problems and the development of a treatment plan;
  - Assisting program participants to understand their health needs;
  - Providing directly or assisting program participants to obtain and utilize appropriate medical treatment;
  - Preventive medical care and health maintenance services, including in-home health services and emergency medical services;
  - Provision of appropriate medication;
  - Providing follow-up services; and
  - Preventive and non-cosmetic dental care.
- (J) Outreach services: The costs of activities to engage qualified populations for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.
- Eligible costs include the outreach worker's transportation costs and a cell phone to be used by the individual performing the outreach.
  - Costs associated with the following services are eligible: initial assessment; crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; actively connecting and providing people with information and referrals to homeless and

mainstream programs; and publicizing the availability of the housing and/or services provided within the PJ's geographic area.

- (K) Substance abuse treatment services: Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. The costs include:
- Program participant intake and assessment;
  - Outpatient treatment;
  - Group and individual counseling
  - Drug testing;
  - Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.
- (L) Transportation: Eligible costs are:
- The costs of program participant's travel on public transportation or in a vehicle provided by the PJ or subrecipient to and from medical care, employment, childcare, or other services eligible under this Notice;
  - Mileage allowance for service workers to visit program participants and to carry out housing inspections;
  - The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants;
  - The cost of gas, insurance, taxes, and maintenance for the vehicle;
  - The costs of PJ or subrecipient staff to accompany or assist program participants to utilize public transportation; and
  - If public transportation options are not sufficient within the area, the PJ may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle, subject to the following:
    - Payments for car repairs or maintenance on behalf of the program participant may not exceed 10 percent of the Blue Book value of the vehicle (Blue Book refers to the guidebook that compiles and quotes prices for new and used automobiles and other vehicles of all makes, models, and types);
    - Payments for car repairs or maintenance must be paid by the PJ or subrecipient directly to the third party that repairs or maintains the car; and
    - PJs or subrecipients may require program participants to share in the cost of car repairs or maintenance as a condition of receiving assistance with car repairs or maintenance.
  - The PJ must establish policies and procedures surrounding payments for the cost of gas, insurance, taxes, the one-time payment for car repairs or maintenance described above, and maintenance for vehicles of program participants. Such costs must be limited to program participants with the inability to pay for such costs and who, without such assistance, would not be able to participate in eligible services under this [Section VI.D.4.c.i.](#)

- (M) Case management: The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs. PJs and subrecipients providing these supportive services must have written standards for providing the assistance. Eligible costs are those associated with the following services and activities:
- Conducting the initial evaluation, including verifying and documenting eligibility, for individuals and families applying for supportive services;
  - Counseling;
  - Developing, securing, and coordinating services;
  - Using a centralized or coordinated assessment system that complies with the requirements of [Section IV.C](#) of the Notice;
  - Obtaining federal, State, and local benefits;
  - Monitoring and evaluating program participant progress;
  - Providing information and referrals to other providers;
  - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking;
  - Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
  - Conducting re-evaluations of the program participant's eligibility and the types and amounts of assistance the program participant needs.
- (N) Mediation: HOME-ARP funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
- (O) Credit repair: HOME-ARP funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.
- (P) Landlord/Tenant Liaison: Costs of liaison services between property managers/owners and program participants are eligible HOME-ARP costs and may include:
- Landlord outreach;
  - Physical inspections and rent reasonable studies as needed to secure units;
  - Rental application fees and security deposits for clients, in accordance with the financial assistance costs requirements in [\(R\)](#);
  - Mediation services in [\(N\)](#) for housing issues that may arise between owner, property manager, or other residents and clients;

- Coordination or assistance with the provision of other HOME-ARP eligible services to assist clients to maintain permanent housing.
- (Q) Services for special populations: HOME-ARP funds may be used to provide services for special populations, such as victim services, so long as the costs of providing these services are eligible under this section. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, stalking, or human trafficking.
- (R) Financial assistance costs: HOME-ARP funds may be used to pay housing owners, utility companies, and other third parties for the following costs, as applicable:
- Rental application fees: Rental housing application fee that is charged by the owner to all applicants.
  - Security deposits: A security deposit that is equal to no more than 2 months' rent. This assistance is separate and distinct from the provision of financial assistance for First and Last Month's rent provided under this section and cannot be used to duplicate those costs.
  - Utility deposits: HOME-ARP funds may pay for a standard utility deposit or initiation fee required by the utility company or owner (if owner-paid utilities are provided) for all program participants for the following utilities:
    - Gas
    - Electric
    - Water
    - Sewer
  - Utility payments: HOME-ARP funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
  - Moving costs: HOME-ARP funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under this section of the Notice and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

- First and Last month's rent: If necessary to obtain housing for a program participant, HOME-ARP funds may be used to make a pre-payment of the first and last month's rent under a new lease to the owner at the time the owner is paid the security deposit for the program participant's tenancy in the housing. This assistance must not exceed two month's rent and must be tracked for purposes of determining the total short- and medium-term financial assistance for rent that the program participant may receive. This assistance is separate and distinct from financial assistance for Security Deposits provided under this section and cannot be used to duplicate those costs.
  - Payment of rental arrears: HOME-ARP funds may be used for a one-time payment for up to 6 months of rent in arrears, including any late fees or charges on those arrears, if necessary for the household to maintain their existing housing or, for those without housing, if necessary to remove a demonstrated barrier to obtaining housing.
- (S) Short-term and medium-term financial assistance for rent: Subject to the following conditions, a PJ may provide a program participant with short-term or medium-term financial assistance for rent, provided that the total financial assistance provided, including any pre-payment of first and last month's rent as described above, does not exceed 24 months of rental payments over any 3-year period.
- Short-term means up to 3 months.
  - Medium-term means more than 3 months but not more than 24 months.
  - The PJ may make rental payments only to an owner with whom the PJ has entered into a financial assistance agreement for rental payment. The financial assistance agreement must set forth the terms under which rental payments will be provided, including the requirements that apply under this Notice. The financial assistance agreement must provide that, during the term of the agreement, the owner must give the PJ a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant. The owner must serve written notice upon the program participant at least 30 days before termination of tenancy specifying the grounds for the action. Each financial assistance agreement that is executed or renewed must comply with the requirements in [24 CFR 92.359](#).
  - The PJ must make timely payments to each owner in accordance with the financial assistance agreement. The financial assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The PJ is solely responsible for paying late payment penalties that it incurs with non-HOME-ARP funds.
    - Rental payments cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under [24 CFR](#)

[part 888](#), and complies with HUD's standard of rent reasonableness, as established under [24 CFR 982.507](#).

- Each program participant receiving financial assistance for rental payments must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the financial assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. New leases must have an initial term of 1 year unless a shorter period is agreed upon by the program participant and owner. The lease requirements in [24 CFR 92.359](#) apply to this financial assistance.
- PJs must establish requirements to prevent the provision of short- or medium-term financial assistance for rent for the same period for which a program participant is receiving rental assistance or living in housing provided with ongoing assistance (such as project-based rental assistance or operating subsidies).
- If a program participant receiving financial assistance for short- or medium-term rental payments under this section meets the conditions for an emergency transfer under [24 CFR 5.2005\(e\)](#), HOME-ARP funds may be used to pay amounts owed for breaking a lease to effectuate an emergency transfer. These costs are not subject to the 24-month limit on rental payments.

Ineligible costs - Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources. Financial assistance also cannot be provided to a program participant who has been provided with replacement housing payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 USC 4601 et seq.) and its implementing regulations at [49 CFR part 24](#), or Section 104(d) of the Housing and Community Development Act of 1974 (42 USC 5304(d) and its implementing regulations at [24 CFR part 42](#), during the period of time covered by the replacement housing payments.

- ii. *Eligible Costs Associated with Housing Counseling under 24 CFR 5.100 and 5.111*: Costs associated with housing counseling services as defined at [24 CFR 5.100](#) and [5.111](#) are eligible under HOME-ARP. As homeowner assistance and related services are not eligible HOME-ARP activities, costs for the provision of services related to mortgages and homeownership to existing homeowners are also not eligible under HOME-ARP. If a program participant is a candidate for homeownership, costs associated with pre-purchase homebuying counseling, education and outreach are eligible under HOME-ARP. Eligible costs are those costs associated with the services listed in [24 CFR part 214](#) and include, but are not limited to:

- (A) Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-ARP program participants;
- (B) Development of a housing counseling workplan;
- (C) Marketing and outreach;
- (D) Intake;
- (E) Financial and housing affordability analysis;
- (F) Action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s);
- (G) Follow-up communication with program participants.

**5. Termination of assistance to program participants:**

- a. *Termination of assistance:* The PJ may terminate assistance to a program participant who violates program requirements or conditions of occupancy or no longer needs the services as determined by the PJ. Termination under this section does not bar the PJ from providing further assistance at a later date to the same individual or family under this Notice.
- b. *Due process:* The PJ must establish policies and procedures for termination of assistance to program participants. In terminating assistance to a program participant, the PJ 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:
  - i. Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
  - ii. Written notice to the program participant containing a clear statement of the reasons for termination;
  - iii. 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
  - iv. Prompt written notice of the final decision to the program participant.

During this process, the PJ must provide effective communication and accessibility for individuals with disabilities, including the provision of reasonable accommodations. Similarly, the PJ must provide meaningful access to persons with LEP.

- 6. Commitment:** For supportive services, commitment means that before disbursing any HOME-ARP funds to any entity, the PJ executed a legally binding written agreement that complies with HOME-ARP requirements with the contractor or subrecipient providing the supportive service (that includes the date of the signature of each person signing the agreement).
- 7. Policies and Procedures:** PJs must establish the following policies and procedures in compliance with this notice:



- a. Tenant selection procedures in accordance with [Section IV.C.2](#) and this section;
  - b. Eligibility of program participants in other HOME-ARP activities for supportive services under [Section VI.D.4.c.i](#) above including the length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before they will no longer be eligible as a qualifying population for purposes of this section;
  - c. If the PJ chooses to set maximum amounts and/or maximum periods for assistance or services, the maximum dollar amount that a program participant may receive for each type of service described in [Section VI.D.4.c.i](#) above and/or maximum periods for which a program participant may receive any of the types of assistance or services under this section;
  - d. Documentation of eligible costs;
  - e. Requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services;
  - f. Payments for the cost of gas, insurance, taxes, the one-time payment for car repairs or maintenance described above, and maintenance for vehicles of program participants;
  - g. Financial assistance for short-term and medium-term rental payments under this Notice, including requirements to prevent a duplication of rental or financial assistance provided to a program participant;
  - h. Housing stability case management; and
  - i. Termination of assistance to program participants.
8. **Project Completion**: Project completion for a HOME-ARP Supportive Services project means the final drawdown has been disbursed for the project.

## **E. Acquisition and Development of Non-Congregate Shelter**

A non-congregate shelter (NCS) is one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement. HOME-ARP funds may be used to acquire and develop HOME-ARP NCS for individuals and families in qualifying populations. This activity may include but is not limited to the acquisition of land and construction of HOME-ARP NCS or acquisition and/or rehabilitation of existing structures such as motels, hotels, or other facilities to be used for HOME-ARP NCS. HOME-ARP funds may not be used to pay the operating costs of HOME-ARP NCS. Consequently, PJs must consider the availability of ongoing operating funds for the HOME-ARP NCS so that the HOME-ARP NCS can remain viable through the restricted use period specified in this Notice.