

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5403-N-01]**

**Notice of Fiscal Year (FY) 2009 Implementation of the  
Veterans Homelessness Prevention Demonstration Program**

**AGENCY:** Office of Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice.

**SUMMARY:** This Notice sets forth the funding criteria, policies, and procedures for the administration of the statutorily authorized Preventing Homelessness Among the Nation’s Veterans Demonstration Program — referred to in this Notice as the Veterans Homelessness Prevention Demonstration Program (VHPD) — in a limited number of U.S. communities.

**A. Purpose of the Demonstration.** The purpose of the VHPD is to explore ways for the Federal Government to offer early intervention homelessness prevention, primarily to veterans returning from wars in Iraq and Afghanistan. The authorizing statutory language for the VHPD acknowledges the increasing number of female veterans, veterans with families especially with a single head of household, as well as those from the National Guard and Reserve who are being discharged from the military and whose unique needs should be more closely examined. It is anticipated that this demonstration program will provide an opportunity to understand the unique needs of this new cohort of veterans, and will support efforts to identify, reach, and assist them to regain and maintain housing stability.

The authorizing statutory language requires and therefore anticipates that the collaborative efforts of HUD and the U.S. Departments of Veterans Affairs (VA) and Labor (DOL), with their expertise and resources in the three critical areas of housing, veterans’ benefits, and employment training/search, will provide models for successful intervention strategies. The specifics of the process for utilizing actual resources will be detailed in individual program plans developed by the local Continuums of Care (CoC) in response to this Notice. The guiding intention of the authorizing statute for the demonstration is to provide short- or medium-term housing assistance, including security deposits, rent, rental and utility arrearages, and case management to coordinate these and other community-based supportive services, that are appropriate for veterans and their families including, but not limited to, child care and family services.

**B. Sites and Awards.** The Secretary invites applications from the following specific communities:

<b>Selected Sites</b>	<b>Selected CoC</b>	<b>Award amount</b>
Camp Pendleton (San Diego, California)	City of San Diego CoC	\$2,000,000
Fort Hood ( Killeen, Texas)	Austin/Travis CoC	\$2,000,000
Fort Drum (Watertown, New York)	Utica /Rome/Oneida County CoC	\$2,000,000
Joint Base Lewis-McChord	Tacoma, Lakewood, Pierce	\$2,000,000

(Tacoma, Washington)	County CoC	
MacDill Air Force Base (Tampa, Florida)	Tampa, Hillsborough County CoC	\$2,000,000

**C. HUD portion.** Although VA and DOL are partners for the VHPD, this Notice primarily describes the key features, eligible activities, and program participants related to the HUD portion of the funding for this demonstration. HUD expects to award up to the full \$10 million to five CoC grantees located within the geographical boundaries of the selected military sites. HUD anticipates that it will take approximately 90 days from the date that the grant agreement is signed for selected grantees to be able to identify and serve veteran individuals and/or families who qualify for assistance under the VHPD. Please see details under Section IV.B. of this Notice.

## OVERVIEW INFORMATION

**A. Federal Agency Name:** Department of Housing and Urban Development, Office of Community Planning and Development.

**B. Funding Opportunity Title:** Funding Availability for the Veterans Homelessness Prevention Demonstration Program (VHPD) is authorized by the Omnibus Appropriations Act of 2009 (Public Law 111-8, approved March 11, 2009).

**C. Announcement Type:** Initial Announcement.

**D. Funding Opportunity Number:** The Federal Register number is FR-5403-N-01.

**E. Catalog of Federal Domestic Assistance (CFDA) Number:** 14.259 Veterans Homelessness Prevention Demonstration

## F. DATES:

Action	Key Dates
Notice Effective	July 22, 2010
CoC Acceptance/Declination (30 days)	August 23, 2010
Grantee Plan Submission (45 days)	October 7, 2010
HUD Acceptance and Grant Agreement Offer (30 days)	November 8, 2010
Grant Agreement Signed (15 days from date of offer)	November 23, 2010

**FOR FURTHER INFORMATION CONTACT:** Questions regarding the VHPD notice should be submitted to the HUD *e-snaps* Virtual Help Desk at [www.hudhre.info/helpdesk](http://www.hudhre.info/helpdesk).

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## **I. Funding Opportunity Description**

### **A. Background**

According to VA, current population estimates suggest that approximately 107,000 veterans (male and female) are homeless on any given night and that perhaps twice as many

experience homelessness at some point during the course of a year. Many other veterans are considered near homeless or at risk because of their poverty, lack of support from family and friends, and poor living conditions, such as cheap motels or overcrowded/substandard housing. In addition, HUD's 2009 Annual Homeless Assessment Report to Congress (AHAR), published in June 2010, indicates that veterans represented about 13 percent of the total sheltered adult population point-in-time data.

Although VA has determined that most veterans who are currently homeless served during the Vietnam War, it has identified as homeless approximately 8,200 veterans returning from serving in Iraq and Afghanistan who have sought VA services.<sup>1</sup> In some instances, these veterans (known as OEF/OIF veterans for Operation Enduring Freedom/Operation Iraqi Freedom) are seeking assistance with housing sooner than past cohorts of veterans) have. In addition to needing affordable housing, some homeless veterans may present unique health-care and supportive services needs covering an array of conditions such as physical injuries or disabilities; mental health conditions, including post traumatic stress disorders and traumatic brain injury; family discord; and job loss. A recent report estimated that between approximately 90,000 and 470,000 veterans are at risk of homelessness.<sup>2</sup> The report defined at-risk as being below the poverty level and paying more than 50 percent of household income for rent. It also included households with a member who has a disability, and those who are not in the labor force.

**B. Authority.** The Omnibus Appropriations Act for 2009 (Public Law 111-8, Approved March 11, 2009), hereafter known as "the Act," provides the statutory authority for this demonstration.

### **C. Program Description**

#### 1. General Requirements

- a. The Act allocates \$10 million to HUD for the purpose of conducting a demonstration program that addresses and researches homelessness prevention among veterans and their families, and specifies the actions that HUD should take in implementing and administering this demonstration program. HUD is directed to coordinate with VA and DOL to test the effectiveness of strategies to prevent veterans from becoming homeless.
- b. In accordance with the Act, the Secretary invites five sites that have been pre-selected to participate in this demonstration. These sites include both urban and rural geographic areas.
- c. The VHPD is similar in design to HUD's Homelessness Prevention and Rapid Re-Housing Program (HPRP), but has critical differences in the eligibility criteria and the subpopulation to be served.

#### 2. Specific Requirements

- a. Criteria for selection of sites. The Act directs the inclusion of sites for the demonstration that: (1) have high rates of veterans experiencing homelessness; (2) have grantees experienced in coordinating with VA and DOL to help veterans access mainstream services, including education and job training programs; (3) are located close to military installations where service members are transitioning from military service to civilian life for up to three sites; and (4) are located in rural areas (up to four sites) in an effort to examine the needs of veterans who do not live in close

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<sup>1</sup> Data was obtained from information provided through the VA patient electronic medical record (VA VSSC Stop Code data).

<sup>2</sup> Cunningham, M., Henry, M., & Lyons, W. 2007, *Vital Mission: Ending Homelessness among Veterans*, Homelessness Research Institute, National Alliance to End Homelessness.

proximity to a VA Medical Center. Fort Drum was specifically selected because it most closely met the definition of a rural community as listed in the Definitions section of this Notice and because of its limited access to VA facilities, in addition to having a high rate of OEF/OIF military members with families and limited supports. For additional information about this rural delineation, please go to the following web address:

<http://www.ers.usda.gov/briefing/rurality/RuralUrbCon>.

b. The grantees selected must be part of a CoC that registered in the FY2009 Homeless Grants Competition. Five CoC communities have been selected for the demonstration. Once this Notice is published, the selected communities must both agree to accept the award and to identify the specific organization that will carry out the grant. **Grantees must also agree to participate in the independent evaluation of the program that HUD will fund.**

c. HUD, in consultation with VA and DOL, identified sites for the VHPD based on the following additional criteria:

(1) The number of homeless veterans reported for that geographic area through HUD's CoC;

(2) The number of unique returning Operation Enduring Freedom/Operation Iraqi Freedom veterans who accessed health care through VA between FY2002 and the second quarter of FY2009;

(3) The number of homeless veterans reported through VA's Community Homelessness Assessment, Local Education and Networking Group (CHALENG) and the Northeast Program Evaluation Center (NEPEC);

(4) The range and diversity of military represented by the selected sites (e.g., all branches of the U.S. military, the National Guard and Reserves);

(5) Access and availability to VA health care;

(6) Overall geographic distribution; and

(7) Capacity of the community to carry out the demonstration project.

### 3. Evaluation Requirement

In addition to the \$10 million for HUD to carry out this demonstration, a minimum of \$750,000 has been designated for evaluation of the project. The evaluation phase will focus on an exploration of ways to identify, reach, and assist veterans who are at risk of homelessness or are experiencing short-term homelessness; the extent to which services and activities provided through this demonstration program meet the needs of veterans experiencing a housing crisis and contribute to their longer-term economic stability; and the identification of any barriers that limit prevention services. The evaluation will include an in-depth exploration of the programs developed in each of the five sites, including a particular focus on the structure and effectiveness of the partnership established at the local level between the local CoC grantee, and VA and DOL representatives. To the extent possible, the evaluation will also measure the effectiveness of the prevention assistance delivered through this demonstration program, including outcomes related to housing stability, earnings employment, and access to needed health services. Further, the evaluation will seek to capture the unique needs presented by new cohorts of veterans, such as female veterans, members of the National Guard and Reserve, military families and veterans presenting with combat-related risk factors.

Key questions of interest include:

- How do communities identify eligible program participants? Which community organization assumes primary responsibility for outreach and enrollment?
- Who is served through the program? What are the person's needs? Are the

identified needs of VHPD participants different from the needs of HPRP program participants?

- What is offered to program participants by way of assistance? How is assistance tailored to the needs of the individual program participant?
- What happens to program participants after receiving VHPD benefits? Are there improvements in housing stability after program participation?
- Do program participants report any increases in non-housing-related benefits after program participation, particularly in the areas of health employment and earnings?
- Are there measurable impacts of the HUD-VA-DOL local level partnership on the delivery of assistance and the comprehensive nature of assistance?

#### **D. Unique/Key Features of the Demonstration**

##### **1. Funding**

- a. Noncompetitive Process – HUD, VA and DOL collaborated to identify the selected sites and plan to request each selected Continuum of Care to identify a grantee to carry out the demonstration in their area.
- b. Three-year grant term – Each grant must have a grant term of 3 years.
- c. Grant Award Amount – Each of the selected sites will be awarded an equal amount of funds – \$2 million and must request funding to meet only the eligible activities allowed under the demonstration.
- d. Match – Grantees are not required to match VHPD funds with any other funding source.
- e. Nonrenewal funding – Although grantees selected must be part of the CoC, no renewal funding for this initiative will be available through the CoC at the conclusion of the demonstration.

2. Agency Roles and Responsibilities. Collaboration at the federal level to address issues of concern to all three agencies will continue throughout the demonstration.

##### **a. Department of Housing and Urban Development**

- (1) HUD will provide grants for the provision of housing assistance and appropriate services to prevent veterans and their families from becoming homeless or reduce the length of time veterans and their families are homeless;
- (2) HUD will coordinate with VA and DOL for site selection;
- (3) The selected CoC grantee will reach out to providers and landlords who are already experienced providing housing and/or services to veterans;
- (4) Upon award of the grant, the selected CoC grantee will encourage and promote continued collaboration between the local partner agencies through outreach efforts and provision of services (e.g., identification of a centralized location from which staff from the partner agencies can work);
- (5) HUD is responsible for conducting an evaluation of the demonstration program, and grantees must agree to participate in the evaluation.

##### **b. Department of Veterans Affairs**

VA has received an appropriation of \$5 million for the demonstration, which is generally limited to health-care-related services. VA staff will:

- (1) Act as VA liaisons to the CoC grantee;
- (2) Provide veteran participants with information and assistance for:

- (i) VA health-care and benefits-related referrals and services, and
- (ii) Applicable financial assistance (VA pension or compensation) for which the veteran is eligible.

(3) Conduct outreach within VA Medical Centers to OEF/OIF and Homeless Case Managers and to other appropriate groups and organizations such as Vet Centers, Community Based Outpatient Clinics (CBOCs), National Guard and Reserve units, and Transition Assistance Program (TAP) Employment seminars.

(4) Conduct or arrange for clinical assessments of the veterans' overall physical and mental health, (e.g., for substance use, post traumatic stress disorder (PTSD), traumatic brain injury (TBI), other trauma);

(5) Assess for other military-related stressors such as combat exposure, length of deployment(s), multiple deployments, and other illness or injury not covered above;

(6) Assess for income/loss of income;

(7) To the extent possible, provide client-level (nonidentified) data to help target veterans transitioning from the military who may meet the participant eligibility criteria for this initiative.

**c. Department of Labor** – Without any specific targeted funding, DOL has committed to:

(1) Assist grantees to help veterans access mainstream education and job training programs;

(2) Assist veterans with a variety of employment-related issues through DOL programs such as the following – Homeless Veterans' Reintegration Program (HVRP), Jobs for Veterans State Grant Program (Disabled Veterans Outreach Specialists (DVOP) and Local Veterans Employment Representative (LVER) assistance, One Stop Career Centers and Transition Assistance Program (TAP) Employment Workshops, and assistance under the Uniformed Services Employment and Reemployment Rights Act.

3. Interagency Memorandums. Local CoC grantees, and VA and DOL representatives are encouraged to develop memorandums of understanding or agreement (MOUs/MOAs) to further clarify agency roles after the awards are made.

## **E. Definitions**

***At-risk Homeless*** means an individual or family that has an income at or below 50 percent of Area Median Income *and* has or is experiencing unstable employment or housing situations. Please refer to Sections II(C), (D), (E), and (F) for more detailed criteria for meeting the at-risk homeless definition.

***Continuum of Care (CoC)*** means a collaborative funding and planning approach that helps communities plan for and provide, as necessary, a full range of outreach, emergency, transitional, and permanent housing and service resources to address the various needs of homeless persons. HUD also refers to the group of community stakeholders involved in the decision-making processes as the CoC.

***CoC Geographic Area*** means the boundary of the jurisdictions that are fully involved in the development and implementation of the CoC strategy.

***Grantee*** means the legal entity to which HUD awards a VHPD grant and which is accountable for the use of the funds provided. Grantees may be private nonprofit organizations or units of

state or local government.

**Homeless** means the term as defined by section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).

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

**HUD/VASH** means a joint initiative known as the Housing and Urban Development and Veterans Affairs Supportive Housing Program. This program combines HUD Section 8 Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA at its medical centers and in the community.

**OEF/OIF** means **Operation Enduring Freedom/Operation Iraqi Freedom**.

**One Stop Career Center** means a center designed to provide a full range of assistance to job seekers in one centralized location. These centers are coordinated through DOL and offer training referral, career counseling, job listing, and similar employment-related services.

**Outreach** means services or assistance designed to publicize the availability of the program to make persons who are homeless or at risk of homelessness aware of this and other available services and programs.

**Prevention assistance** means assistance provided to veterans and veteran families who are currently in housing, but are at risk of becoming homeless and need temporary (financial) assistance to prevent them from becoming homeless, such as assistance to move to another unit.

**Private nonprofit organization** means an organization described in 26 U.S.C. 501(c) that is exempt from taxation under subtitle A of the Internal Revenue Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance.

**Program participant** means a veteran or veteran family with or without children that is provided financial assistance and/or supportive services through the Veterans Homeless Prevention Demonstration Program. In this Notice, the term “household” means all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Rural area** is defined as such by meeting one of the following three criteria:

- 1) any area or community, no part of which is within an area designated as a standard metropolitan statistical area by the Office of Management and Budget; or
- 2) any area or community that is: a) within an area designated as a metropolitan statistical area or considered as part of a metropolitan statistical area; and b) is located in a county where at least 75 percent of the population is rural; or
- 3) any area or community located in a state that has population density of less than 30 persons per square mile (as reported in the most recent decennial census), and of which at least 1.25 percent of the total acreage of such state is under federal jurisdiction, provided that no metropolitan city (as such term is defined in section 102 of the Housing and Community Development Act of 1974) in such state is the sole beneficiary of the grant amounts awarded under this section.

**Selected Continuum of Care (CoC)** means a Continuum of Care that could serve one of the following locations: Ft. Hood (Killeen, Texas); Ft. Drum (Watertown, New York); Joint Base Lewis-McChord (Tacoma, Washington); MacDill Air Force Base (Tampa, Florida); and Camp Pendleton (San Diego, California).

**Short-term homelessness** means temporary homelessness, and includes persons who are currently living on the streets or in shelters (for less than 90 days) with no identified place to go.

**State** means any of the 50 states and the Commonwealth of Puerto Rico.

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

**VA Community Based Outpatient Clinic (CBOC)** means a clinic that is associated administratively with a VA Medical Center, but is located in an off-site community setting.

**VA Medical Center** means a local VA medical facility or VA health-care system comprising part of VA's national health-care system.

**Vet Center** means a center that provides readjustment counseling and outreach services to all veterans who served in any combat zone. Services are also available for family members dealing with military-related issues.

## I

### I. Requirements for Funding

Funding may be used for short-term housing assistance, including security deposits, up to 18 months of rent assistance, rental and/or utility arrearages, or related housing assistance.

Grantees may also use funding for appropriate services for veterans and their families, including, but not limited to, child care, family services and case management. Eligible activities follow.

#### A. Eligible Activities

Grant funds must be used for eligible activities as described in this Notice. There are four categories of eligible activities for the VHPD: (1) financial housing assistance, (2) supportive services, (3) data collection and evaluation, and (4) administrative costs. These eligible activities are primarily focused on housing — either financial assistance to help pay for housing, or services designed to keep people in housing or to find housing, as well as services to assist families to maximize their self-sufficiency.

Overall, the intent of VHPD assistance is to assist program participants to sustain stability, either through their own means or through public assistance, as appropriate. VHPD 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 job search assistance and employment opportunities, mainstream benefits, and helping them develop a plan for preventing future housing instability. Grantee programs should therefore ensure that there is a clear process for determining the type, level, and duration of assistance for each program participant.

1. **Financial Assistance for Housing.** Financial assistance is limited to the following activities: short-term rental assistance, medium-term rental assistance, rental application fees, payment of rental arrearages, security and utility deposits, utility payments, and moving cost assistance. 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 grantee, or the parent, subsidiary, or affiliated organization of the subgrantee. **At least (65 percent) of the funds must be used for financial housing assistance.**

##### a. Rental Assistance

(1) Short- and medium-term rental assistance are tenant-based rental assistance that can be used to allow veteran individuals and veteran families to remain in their existing rental units or to help them obtain and remain in rental units they select. Short-term rental assistance may not exceed actual rent costs for a period beyond 3 months. Medium-term rental assistance may not exceed actual rent costs for a period beyond 4 to 18 months. No program participant may receive more than 18 months of assistance under the VHPD. After 3 months, if program participants receiving short-term

rental assistance need additional financial assistance to remain housed, they must be evaluated for eligibility to receive up to 15 additional months of medium-term rental assistance, for a total of 18 months. HUD is requiring grantees to certify eligibility at least once every 3 months for all program participants receiving medium-term rental assistance. HUD additionally encourages 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, and may pay 100 percent of the rent charged, or a portion of the rent based on graduated/declining subsidies. A grantee may also set a maximum amount of assistance that a single veteran or veteran family may receive from VHPD funds, or may set a maximum number of times that an individual veteran or veteran 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 in duration. Grantees may require program participants to share in the costs of rent, utilities, security and utility deposits, rental application fees, moving expenses, hotel or motel expenses, and other expenses as a condition of receiving VHPD financial assistance. For example, a grantee may require a program participant to pay a portion of the rent for a unit. VHPD assistance should be “needs-based,” meaning that 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.

(3) Rental assistance may also be used to pay up to 6 months of rental arrears for eligible program participants. Rental arrearages 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 VHPD 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 rent 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 nonluxury unassisted units. To make this determination, the 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 by obtaining a note from the property owner verifying the comparability of charged rents to other units owned (for example, the landlord would document the rents paid in other units). For more information, see HUD’s worksheet on rent reasonableness at:

[www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc](http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc).

(5) Rental assistance payments. Rental assistance payments cannot be made on behalf of eligible individual veterans or veteran 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 VHPD financial assistance include: 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. VHPD funds may be used to pay for security deposits, including utility deposits, for eligible program participants. In contrast to the requirements regarding rental assistance payments, security and utility deposits covering the same period of time in which assistance is being provided through another housing subsidy program are eligible, so 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. Under the VHPD program, grantees are strongly encouraged to use grant funds for the provision of security and utility deposits for HUD-VASH participants who have located a housing unit, but who do not have the financial resources to move into the unit. A program description of HUD-VASH can be found at <http://www.hud.gov/offices/pih/programs/hcv/vash/index.cfm>.

c. Utility payments. VHPD 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. VHPD 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.

2. Supportive Services. VHPD funds may be used for services that assist program participants with housing stability and placement for up to 18 months. These services are limited to the following eligible activities:

a. Case management. VHPD case management funds may be used for activities for the arrangement, coordination (including coordination with VA and DOL), 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 VHPD financial assistance.

b. Outreach and engagement. VHPD 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. VHPD 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, including the costs of conducting housing inspections. Component services or activities may include: tenant counseling; assisting individuals and families to understand leases; securing utilities making moving arrangements; offering representative payee services concerning rent and utilities; and providing mediation and outreach to property owners relating to locating or retaining housing.

d. Credit repair. VHPD 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 (does not include paying debts).

e. Child care. VHPD funds may be used for child-care services for children (including infants, preschoolers, and school-age children), so long as these services or activities are provided in a setting that meets applicable standards of state and local law, in a center or in a home, for a portion of a 24-hour day. These child-care services are provided to enable their parents to participate in appropriate and eligible activities allowed under the VHPD (e.g., health-care services, housing search assistance, and linkages with mainstream and employment services).

f. Transportation. VHPD funds may be used for vehicle lease and operation (gas, insurance, and maintenance) when used for transporting clients who are engaged in VHPD activities. VHPD funds may also be used to provide assistance to program participants needing one-time car repair not to exceed \$1,000.

3. Data Collection and Evaluation.

a. Data Collection. Data collection and reporting for the VHPD must 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 the VHPD and analyzing patterns of use of VHPD 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 must participate in the previously mentioned HUD-sponsored research and evaluation of the VHPD. While the cost to grantees of participating in the evaluation is expected to be minimal, HMIS data collection funds may be used to support the grantee's participation in the evaluation of the program, including the costs of preparing the quarterly reports, as required in the Performance Reporting section of this NOFA.

#### 4. Administrative Costs.

a. 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 staff salaries associated with these administrative costs. Administrative costs also include training staff who will administer the program or case managers who will serve program participants, so long as this training is directly related to learning about the VHPD.

b. Limitations on administrative costs. No more than 8 percent of the total VHPD award may be spent on administrative costs. In addition, all administrative costs must be incurred prior to the 3-year expenditure deadline (described in section IV.D.). Administrative costs *do not* include the costs of carrying out eligible data collection and evaluation activities, as specified under the eligible activity category – Data Collection and Evaluation – described above.

c. Sharing of administrative funds. Grantees shall share a reasonable and appropriate amount of their administrative funds with subgrantee(s).

### **B. Ineligible and Prohibited Activities**

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

2. Other Ineligible and Prohibited Activities. VHPD funds may *not* be used to pay for any of the following items:

- a. Credit card bills or other consumer debt.
- b. Extensive car repairs for program participants.
- c. Car payments for program participants.
- d. Food.
- e. Medical or dental care and medications.
- f. Clothing and grooming.
- g. Home furnishing.
- h. Pet care.
- i. Entertainment activities.
- j. Work- or education- related materials.
- k. Cash assistance for program participants.
- l. Petty cash for program staff.
- m. Certifications, licenses, and general training classes for program participants and staff.
- n. Program fees charged to program participants.

- o. Payments made directly to program participants. All funds are to be issued to a third party such as a landlord or utility company; in no cases should funds be released directly to the program participant.
- p. Household repairs.

### C. Eligible Program Participants

#### 1. General

- a. HUD allows grantees significant discretion in program design and operation while targeting those who are most in need of homelessness prevention housing assistance. When establishing local programs, grantees should consider how their programs will identify eligible program participants and meet their needs as intended by the Omnibus Appropriations Act of 2009.
- b. There is a distinction between persons who may be at risk of homelessness and those determined to be eligible for assistance based on criteria established for the VHPD. For example, if a veteran household is at or below 50 percent of area median income (AMI), but is still able to maintain housing stability (i.e., is able to consistently pay rent and utilities), the veteran may be determined to meet the minimum income requirements, but not be at risk of homelessness.

#### 2. Target Groups

- a. Veterans and veterans with families at risk of homelessness or experiencing short-term (less than 90 days) homelessness;
- b. While veterans from all wars (Vietnam, Persian Gulf, etc.) are eligible, specific outreach should be focused on veterans returning from the wars in Iraq and Afghanistan (OEF/OIF);
- c. National Guard/Reservists who are not part of traditional military communities.

### D. Requirements for All Program Participants

In order to receive housing assistance or services funded by the VHPD, veterans and veterans with families — whether homeless or housed — must meet the following minimum criteria:

1. Any veteran or veteran with families must have at least one initial consultation with a case manager or other authorized representative who can determine the appropriate type of assistance to meet their needs. HUD encourages communities to have a process in place to refer persons ineligible for the VHPD to the appropriate resources or service provider.
2. The household must be at or below 50 percent of Area Median Income (AMI), based on current income. Income limits are available on the HUD's website at <http://www.huduser.org/DATASETS/il/html>.
3. The household must be either be experiencing short-term homelessness or be at risk of losing housing. **The household must also lack the financial resources and support networks needed to obtain housing or remain in its existing housing.** It is helpful for grantees to remember that the defining question to ask is: "Would this veteran or his/her family be homeless *but* for this assistance?"
4. The household must also meet one of the following housing **instability criteria**:
  - a. Short -Term Homelessness. Currently living on the streets or in shelters for less than 90 days
  - b. Rental Arrearages. At least one month (30 days) behind in rent
  - c. Eviction. Pending eviction within 2 weeks
  - d. Institution Discharge. Discharged within 2 weeks from an institution in which the person has been a resident for more than 180 days (including prisons, mental health institutions, or

hospitals)

e. **Condemned Housing.** Residency in housing that has been condemned by housing officials and is no longer meant for human habitation

f. **Utility Arrearages.** Be at least one month (30 days) behind in utilities

g. **Housing Cost Burden.** Greater than 50 percent of income for housing costs

h. **Loss of Income.** Sudden and significant (>25 percent) loss of income; some examples include, but are not limited to, the following:

- (1) Recent (within the last 12 months) institutional care (e.g., prison, treatment facility);
- (2) Recent traumatic life event, such as divorce, death of a spouse or primary care provider, or recent health crisis that prevented the household from meeting financial obligations;
- (3) Imminent unemployment (e.g., due to mass layoffs at a worksite, movement of a company, or unstable employment or underemployment);
- (4) Mental health and substance abuse issue<sup>3</sup>

### **E. Additional At-Risk Factors to Consider**

The following are other at-risk factors that grantees should take into consideration when engaging in outreach to the target population:

1. Sudden and significant increase in utility costs
2. Physical disabilities and other chronic health issues, including HIV/AIDS
3. Homeless in the last 12 months
4. Young head of household (under age 25 and with children or pregnant)
5. High overcrowding (the number of persons exceeds health and/or safety standards for the housing unit size)

Note: It should be noted that although the above list are potential causes that could lead to homelessness, in order to be eligible, participants must meet the eligibility criteria described in Section II.D.

### **F. Combat-Related Risk Factors Specific to Veterans**

Research has discovered that combat duty specifically in Iraq and Afghanistan<sup>4</sup> has contributed to mental health problems among veterans. The following are mental health risk factors that should be taken in consideration when grantees are doing outreach to veterans:

1. Post-traumatic stress disorder (PTSD)
2. History of major depression
3. History of anxiety
4. Multiple deployments
5. Illness/injury (either physical or psychological)
6. Substance use
7. Traumatic Brain Injury (TBI)

## **III. Process**

### **A. Requirements, Review, and Approval**

<sup>3</sup> Program participants with identified mental health and/or substance abuse ~~must~~ issues are encouraged to participate in treatment, as needed, during the time they are receiving housing assistance.

<sup>4</sup> Combat Duty in Iraq and Afghanistan, Mental Health Problems, and Barriers to Care. The New England Journal of Medicine. July 1, 2004. Vol. 351, No.1.

1. HUD is requesting that the CoC representative designated in the FY2009 Homeless Grants Competition accept or decline this invitation within thirty 30 calendar days of the issuance of this Notice. (Please see the chart on page 3). Note: To further demonstrate collaboration of this initiative at the federal level, HUD, VA, and DOL will jointly review the CoC's written plan.
2. Within 45 days of the date that the CoC indicates acceptance of the grant, HUD requests that the selected CoC prepare a response to HUD that includes the following information:
  - a. A list of all the grantees that are part of the CoC who have the requisite VA/DOL experience as demonstrated by:
    - (1) For VA experience – Served homeless veterans and had collaborative experience with one or more local veteran service or benefit providers; and
    - (2) For DOL experience – Provided employment services to homeless persons in collaboration with a local DOL agency (e.g., One Stop Career Centers, Transition Assistance Programs).
  - b. The process used by the CoC to select the entity to carry out the demonstration project, in addition to the following:
    - (1) A description of a fair and open process, which was transparent to all eligible organizations;
    - (2) The specific qualifications of the selected grantee;
    - (3) The grantee's initial draft plan (not to exceed three pages) must include:
      - (a) Budget estimates for each of the eligible activities. At least (65 percent) of the funds must be used for financial housing assistance;
      - (b) A description of the economic/housing conditions that the community is currently experiencing;
      - (c) Additional local specifications (if applicable) for targeting program participants' eligibility;
      - (d) An estimate of the number of persons to be served;
      - (e) Local VA and DOL contacts/expected partners for the project;
      - (f) Outreach strategy for coordination with these VA and DOL contacts; and
      - (g) The current local fair market rent (FMR) amounts for the jurisdictions to be served with the grant.
  - c. Selected grantees must have the requisite experience in working with VA-funded programs **and** DOL-funded programs. However, if a CoC cannot identify a grantee with both types of expertise, a grantee will be allowed to identify one or more sub grantees with the appropriate VA or DOL qualifications;
 

(Note: Grantees and/or subgrantees, if any, are encouraged to colocate near a VA medical center to facilitate collaboration with VA and DOL partners.)
  - d. A HUD form SF-424 signed by the grantee;
  - e. Each eligible grantee must send two hard copies to HUD Headquarters in Washington, DC. Submit your original and one copy of the completed draft plan to HUD Headquarters, 451 Seventh Street, SW, Room 7270, Washington, DC 20410, Attention: Veterans Homelessness Prevention Demonstration.
    - (1) HUD Headquarters will review and may request additional information from the CoC and/or the identified grantee within the 45-day period after the acceptance/declination deadline. If a CoC is unable to participate or provides information that is unacceptable, and the information cannot be corrected or clarified, HUD reserves the right to select another CoC.
    - (2) At the end of the 45-day period, HUD will inform the CoC and the grantee of its decision. Subsequently, HUD Headquarters will complete the process to execute the grant

agreement.

f. The grant agreement will include language requiring compliance with the terms of the Notice and language as regarding collaboration with VA and DOL.

### **B. Declining the Grant**

1. If a Selected CoC receiving an award wishes to decline its award and participation in the demonstration project, the legally authorized official must notify HUD Headquarters and its local HUD field office in writing of its intent to do so.
2. A Selected CoC may not choose to request less than the full award.
3. If a Selected CoC declines the award, HUD reserves the right to transfer the funding to an adjacent CoC, or to select another military site and adjacent CoC to carry out the demonstration.

## **IV. Post—Award Process Requirements**

**A. Grant Agreement.** The grant will be made by means of a grant agreement executed by HUD Headquarters staff and the selected entity. The selected entity will receive three copies of the grant agreement that must be signed and returned to HUD Headquarters within 15 days of the date postmarked. HUD Headquarters staff will sign all three copies, return one copy to the grantee, retain one copy in HUD Headquarters, and send one copy to Fort Worth, Texas. The 3-year deadline for expenditure of funds begins when the grant agreement is signed by HUD. Grantees should ensure that sufficient planning is in place to begin to expend funds shortly after the grant agreement is fully executed.

### **B. Detailed Description of Plan**

1. Within 90 days of the date that the grant agreement is signed for each selected grantee, HUD Headquarters will conduct a series of conference calls to assist grantees in fully developing their plans for carrying out the demonstration, and to discuss the proposed program evaluation design with grantees. The grantee will also be expected to include in its plan how it will close out housing and service resources for the program participants as the VHPD terminates, such as rental housing assistance, and case management services.
2. These discussions will focus on topics such as: the grantees' relationship with local VA and DOL representatives who will provide services, and outreach strategies.

**C. Line of Credit.** Once the grant agreement is fully executed, HUD will establish the grantee's line of credit in the amount of funds included in the grant agreement. Similar to the Supportive Housing Program, HUD will use the Budget Line Item (BLI) financial system to track projects in the Line of Credit Control System (LOCCS).

### **D. Expenditure**

1. HUD requires that the grantee draw down funds at least quarterly.
2. While most funds should be expended prior to the expiration of the grant, all funds must be drawn down within 90 days of the expiration of the grant term.

**E. Confidentiality.** Each VHPD grantee must develop and implement procedures to ensure:

1. The confidentiality of records pertaining to any individual provided with assistance; and
2. That the address or location of any assisted housing will not be made public, except to the

extent that this prohibition contradicts a preexisting privacy policy of the grantee.

**F. Termination of Program Assistance.** The grantee may stop VHPD assistance to a program participant who violates program requirements. Grantees may resume assistance to a program participant whose assistance was previously suspended. In terminating assistance to a program participant, the grantee must provide a formal process that recognizes the rights of individuals receiving assistance to due process. This process, at a minimum, must consist of:

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

### **G. Recordkeeping**

1. Each grantee must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the time frame required.
2. Grantees are responsible for verifying and documenting the individuals' risk of homelessness that qualifies them for receiving rental assistance.
3. HUD requires grantees to evaluate and certify the eligibility of program participants at least once every 3 months for all persons receiving medium-term rental assistance.
4. Similarly, grantees should carefully assess a household's need and appropriateness for this demonstration.

**H. Monitoring.** Monitoring may be conducted by the local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, or another federal agency to determine whether the grantee complied with the requirements of this program.

**I. Sanctions.** If HUD determines that a grantee is not complying with the requirements of this Notice or of other applicable federal laws, HUD may (in addition to any remedies that may otherwise be available) take any of the following sanctions, as appropriate, which may include, but are not limited to:

1. Issuing a warning letter that further failure to comply with such requirements will result in a more serious sanction; or
2. Directing the grantee to cease incurring costs with grant funds.

## **V. Reporting Requirements**

**A. HMIS.** Grantees are required to report client-level data, such as the number of persons served and their demographic information, in a Homeless Management Information System (HMIS) or a comparable database. HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless, and that is managed and operated locally. VHPD grantees providing financial assistance and services directly will use the HMIS in the applicable CoC to collect data and report on outputs and

outcomes as required by HUD. The required data elements that will be collected in HMIS for VHPD will be included in the revised HMIS Data and Technical Standards. If an HMIS has not been implemented in the VHPD grantee's jurisdiction, the grantee may use an alternate system for collecting and reporting data to HUD so long as the grantee meets the data collection and reporting requirements set forth in this Notice and conforms to HUD's HMIS Data and Technical standards. The standards may be found at:

[http://www.hudhre.info/documents/HMISDataStandards\\_July2009.pdf](http://www.hudhre.info/documents/HMISDataStandards_July2009.pdf).

**B. Performance Reports.** Each grantee must submit the following performance reports to HUD:

1. An Initial Performance Report, which must cover the period between the grant agreement execution date and 3 months following that date, will serve as the first Quarterly Performance Report. Using HMIS data and other appropriate resources, grantees will provide information to HUD, including, but not limited, to the following items: the total amount of funds received from HUD; the estimated number of unduplicated individuals and families served; the types of housing and services provided (including the cumulative amount of funding used for each); and the challenges to effective program operation, (e.g., outreach to program participants).
2. Subsequent performance reports will be submitted to HUD in a format to be prescribed by HUD in 3-month intervals. Grantees will report on outputs, such as the number of persons served and the demographic characteristics of persons served, as well as outcomes related to housing stability, to be specified by HUD. For each 3-month reporting period, grantees must report how many program participants became homeless again (as reported through HMIS at the CoC level) after receiving assistance through the VHPD. Reports should include cumulative data, as well as information for the 3-month period immediately preceding. The data reported by grantees will be used by the evaluation team as a complement to the data collected specifically for the purpose of the evaluation, and will be used, at a minimum, to track the flow of clients through the program and recidivism to the homeless assistance system among the veterans who receive prevention services offered through the program.

## **VI. OTHER FEDERAL REQUIREMENTS**

### **A. Conflicts of Interest/Procurement**

1. General. With respect to conflict-of-interest issues and the use of VHPD funds to procure services, equipment, supplies, or other property, all states, territories, and units of general local government that receive VHPD funds shall comply with 24 CFR 85.36, and nonprofit subgrantees shall comply with 24 CFR 84.40. With respect to all other decisions involving the use of VHPD 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 thereunder, 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 VHPD and promote the efficient use of VHPD 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 VHPD 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 A. Grantees may require more stringent standards.

**D. Nondiscrimination and Equal Opportunity Requirements.** 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 VHPD rental assistance and services are available to all on a nondiscriminatory basis and ensure that all veterans have equal access to information about the VHPD and equal access to the financial assistance and services provided under this program. Among other things, this means that each grantee must engage in affirmative marketing and minority outreach and 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 VHPD assistance. 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 FR 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 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 the VHPD.

**G. Uniform Administrative Requirements.** State and local governments are subject to the administrative requirements of 24 CFR part 85, including the procurement requirements of 24 CFR part 85, and the requirements of OMB Circular A-87 regarding cost principles for state and local governments. For nonprofit organizations, the administrative requirements of 24 CFR Part 84 apply, including the procurement requirements of 24 CFR § 84.40, and OMB Circular A-122 regarding cost principles for non-profit institutions. For Institutions of Higher Education, the applicable OMB Circular regarding cost principles is A-21.

### **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 the VHPD. 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 the VHPD may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under the VHPD. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under the VHPD, and participation must be voluntary for the program participants.
3. A religious organization that participates in the VHPD 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 VHPD 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 VHPD-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a VHPD-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 VHPD 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. Prohibition Against Lobbying Activities.** Applicants are subject to the provisions of section 319 of Public Law 101–121 (approved October 23, 1989) (31 U.S.C. 1352) (the Byrd Amendment), which prohibits recipients of federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the federal government in connection with a specific contract, grant, or loan. In addition, 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. Applicants must submit the SF–LLL if they have used or intend to use federal funds for lobbying activities.

**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 the VHPD.

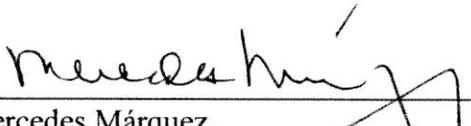
**K. Debarment and Suspension.** In accordance with 2 CFR part 2424, no award of federal funds may be made to applicants that are presently debarred or suspended, or proposed to be debarred or suspended, from doing business with the Federal Government.

**L. Procurement of Recovered Materials**

State agencies and agencies of a political subdivision of a state that are using assistance under the VHPD 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 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.

Date: JUL 14 2010

  
\_\_\_\_\_  
Mercedes Márquez,  
Assistant Secretary for Community Planning  
and Development

[FR-5403-N-01]

## Appendix A

### Habitability Standards for the VHPD

Organizations providing rental assistance with Homeless Prevention and Rapid Re-Housing Program (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 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 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 and approved by HUD, housing occupied by a family or individual receiving HPRP assistance must meet the following minimum requirements:
  - (1) 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.
  - (2) 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.
  - (3) Space and security. Residents must be afforded adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.
  - (4) 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.
  - (5) Water supply. The water supply must be free from contamination.
  - (6) Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, can be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.
  - (7) Thermal environment. The housing must have adequate heating and/or cooling facilities in proper operating condition.
  - (8) 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.
  - (9) 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.
  - (10) Sanitary condition. The housing and any equipment must be maintained in sanitary condition.
  - (11) 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) Each public area in all housing must be equipped with a sufficient number, at least one per 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.
  - (12) Accessibility: Units that are accessible for persons with a variety of disabilities must be made available to such persons if needed.