



**Revised 10-7-10**

**Key Convention: If an expense item is not included in the program “Approved Budget” and within the correct Major Budget Category, the expense will be disallowed.**

## **Eligible HPRP Budget Activities**

Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds may only be used to pay costs directly related to the following eligible major budget activity categories included in your “Approved Budget”.

Major Budget Activities within HPRP

1. Financial Assistance
2. Housing Relocation and Stabilization Services
3. Data Collection and Evaluation
4. Administrative Costs (Grant Administration)

The “Approved Budget” by HCD includes the following documents:

- Lead Budget Sheet;
- Homeless Prevention Program budget sheets;
- Rapid Re-Housing Program budget sheets;
- and the Draw Down Schedule.

HPRP Subgrantees should review your respective “Approved Budget” before expending any HPRP funds. If an expense is charged to the HPRP program that is not on the “Approved Budget”, HCD will disallow the expense.

Reference the HUD Notice (federal regulations) and the state HPRP regulations on the HUD website: <http://www.hcd.ca.gov/fa/ahif/recovery.html>.

## **Eligible Expenses**

The following is a list of the eligible expenses for the HPRP eligible activity categories. A list of ineligible expenses is also provided for each activity. A reference to the HUD Revised HPRP Notice (HUD Notice) or HUD FAQs (available at [www.hudhre.info](http://www.hudhre.info)) for each expense item is provided after each expense item.

1. **FINANCIAL ASSISTANCE (FA) :**

**Eligible FA Expenses:**

- a. Short-term rental assistance\* (up to 3 months) (HUD Notice, Page 14 and HUD FAQ dated 3/20/09)
- b. Medium-term rental assistance\* (4 to 18 months). Subgrantees must certify eligibility at least once every 3 months for all program participants receiving medium-term rental assistance (HUD Notice, Page 14 and HUD FAQ dated 3/20/09)
- c. Rental assistance\* (up to 6 months) to pay rental arrears for eligible program participants facing eviction for non-payment of rent if the payment enables the program participant to remain in the housing unit for which the arrears are being paid. If HPRP funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant's rental assistance, which may not exceed 18 months (HUD Notice, Page 15)
- d. Security deposits\* (See HUD Notice Page 16 for limits)
- e. Utility deposits (See HUD Notice Page 16 for limits)
- f. Utility payments (up to 18 months of utility payments, including up to 6 months of utility payments in arrears). Eligible utilities are: heat, electricity, water, sewer and garbage collection (HUD Notice, Page 16 and HUD FAQs dated 4/24/09 and 6/10/09)
- g. Moving cost assistance (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) (HUD Notice, Page 16)
- h. Motel/hotel vouchers (reasonable and appropriate motel and hotel vouchers for up to 30 days, if no appropriate shelter beds are available and subsequent rental housing has been identified but is not immediately available for move-in by the program participants) (HUD Notice, Pages 16-17 and HUD FAQ dated 6/10/09)
- i. Habitability inspection cost (HUD FAQ dated 8/14/09)
- j. Lead-Based Paint "visual assessment" cost (HUD FAQ dated 8/14/09)
- k. Clearance Exam cost, once deteriorated paint has been repaired (HUD FAQ dated 8/14/09)

**\*A Lease must be in place and the program participant's name must be on the Lease in order to use HPRP funds for rents or security deposits (HUD FAQ dated 8/14/09).**

**Ineligible FA Expenses:**

- Construction or rehabilitation (HUD Notice, Page 21 and HUD FAQs dated 3/20/09 and 6/10/09)
- Shelter or transitional housing program operating expenses (HUD FAQ dated 6/10/09).
- Office rent (HUD FAQ dated 6/10/09)
- Telephone or cable services (HUD FAQ dated 6/10/09)

- Mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable (HUD Notice Page 20-21)
- Legal or other fees associated with retaining homeowners' housing (HUD Notice Page 7 and HUD FAQ dated 6/10/09)
- Costs to reimburse landlords for any expenses they may have incurred related to the eviction process (HUD FAQ dated 8/14/09)
- Lead-Based Paint testing, repair and/or cleanup costs (HUD FAQ dated 8/14/09)

## **2. Housing Relocation and Stabilization Services (HR&S):**

### **Eligible HR&S Expenses:**

- a. Case management (activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability, including case manager travel (mileage reimbursement only), if needed, to serve eligible HPRP program participants). (HUD Notice Page 17 and HUD FAQ dated 4/3/09 and 8/14/09)
- b. Outreach and engagement (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). HUD Notice Page 17 and HUD FAQ dated 8/14/09)
- c. Housing search and placement (tenant counseling; assisting individuals and families to understand lease terms; securing utilities; making moving arrangements; representative payee services concerning rent and utilities; and mediation and outreach to property owners related to locating or retaining housing. (HUD Notice Page 17)

Subgrantee credit and/or background checks may be part of the client assessment. Subgrantees may not use HPRP funds to reimburse landlords for their costs associated with conducting background checks. If a subgrantee elects to conduct credit and/or background checks they must do so universally so as to not violate Fair Housing Law or otherwise discriminate among HPRP participants. (7-21-10 HUDHREinfo.gov HPRP FAQs)

- d. Legal services (for legal services to help people stay in their homes, such as services or activities provided by a lawyer or other person(s) under the supervision of a lawyer to assist program participants with legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues (HUD Notice Pages 17 and 18 and HUD FAQ dated 6/10/09)
- e. Credit repair (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). (HUD Notice Page 18)

### **Ineligible HR&S Expenses:**

- Legal assistance related to mortgages (HUD Notice, Page 18 and HUD FAQ dated 6/10/09)
- Assisting homeless or at-risk persons in obtaining expungements and/or pardons of their criminal records. (HUD FAQ dated 6/10/09)
- Re-entry advocacy for ex-offenders (HUD FAQ dated 6/10/09)
- Helping persons obtain employment (HUD Notice, Page 20)
- Certifications, licenses, and general training for case managers (HUD FAQ dated 6/10/09)
- Payment of credit card bills or other consumer debt (HUD Notice, Page 21 and HUD FAQ dated 8/14/09)
- Car repair or other transportation costs (HUD Notice, Page 21 and HUD FAQ dated 6/10/09)
- Travel costs (for program participants) (HUD Notice, Page 21 and HUD FAQ dated 6/10/09)
- Food (HUD Notice, Page 21)
- Medical or dental care and medicines (HUD Notice, Page 21)
- Clothing or grooming (HUD Notice, Page 21)
- Home furnishings (HUD Notice, Page 21)
- Pet care (HUD Notice, Page 21)
- Entertainment activities (HUD Notice, Page 21)
- Work or education related materials (HUD Notice, Page 21)
- Cash assistance to program participants (HUD Notice, Page 21)
- HPRP funds may not be used to develop discharge planning programs in mainstream institutions such as hospitals, jails, or prisons. (HUD Notice, Page 21 and HUD FAQ dated 6/10/09)
- Reimbursement to landlords for credit and/or background checks. (HUD FAQ 7-21-10)

### 3. **DATA COLLECTION AND EVALUATION (DC):**

#### **Eligible DC Expenses:**

Reasonable and appropriate costs associated with operating an HMIS for purposes of collecting and reporting data required under HPRP and analyzing patterns of use of HPRP funds are eligible. (HUD Notice, Page 18) Eligible costs include:

- a. Purchase of HMIS software and/or user licenses. (HUD Notice, Page 18)
- b. Leasing or purchasing needed computer equipment for providers and the central server. (HUD Notice, Page 18)
- c. Costs associated with data collection, entry and analysis, and staffing associated with the operation of the HMIS, including training. (HUD Notice, Page 18)
- d. Costs associated with HUD –sponsored research and evaluation of HPRP (HUD Notice, Page 18)

**Ineligible DC Expenses:**

- Planning and development of HMIS systems. (HUD Notice, Page 18)
- Development of new software systems. (HUD Notice, Page 18)
- 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). (HUD Notice, Page 18)

4. **GRANT ADMINISTRATION (GA) (Limited to 1% of total grant amount):**

**Eligible GA Expenses:**

- a. Accounting for the use of grant funds (HUD Notice, Page 19)
- b. Preparing reports for submission to HUD and HCD (HUD Notice, Page 19)
- c. Obtaining program audits (HUD Notice, Page 19)
- d. Similar costs related to administering the grant after the award (HUD Notice, Page 19)
- e. Subgrantee salaries associated with these administrative costs (HUD Notice, Page 19)
- f. Training for staff who will administer the program or case managers who will serve program participants, as long as this training is directly related to learning about HPRP. (HUD Notice, Page 19)

**Ineligible GA Expenses:**

- Costs of issuing financial assistance (HUD Notice, Page 19)
- Providing housing relocation or stabilization services, including case management. (HUD Notice, Page 19 and HUD FAQ dated 6/10/09)
- Purchase or implementation of housing search/housing location functionality (HUD FAQ dated 5/8/09)
- Carrying out eligible data collection and evaluation activities as specified above, such as subgrantee staff salaries. (HUD Notice, Page 19)
- Costs of conducting housing inspections (HUD Notice, Page 19)
- General Continuum of Care (CoC) operations (HUD FAQ dated 6/10/09)
- Other operating costs (HUD Notice, Page 19)