City of Lowell
Continuum of Care

CoC Program leverage, Cash and in-Kind Match and LEVERAGE Commitments

Memorandum of Understanding
FY2016-2017

City of Lowell
Department of Planning and Development
50 Arcand Drive
Lowell, MA

February 2, 2016

Memorandum of Understanding

Lowell Continuum of Care
Continuum of Care Program Matching Requirements

I. Overview

The funding for the U.S. Housing and Urban Development (HUD) Continuum of Care Program for homeless assistance is limited; and can provide only a portion of the resources needed to successfully address the needs of homeless families and individuals. HUD requires recipients or subrecipients to use supplemental resources as match and leverage to address homeless needs.

The HEARTH Act allows for a new, simplified match requirement which includes both cash and in-kind contributions. All eligible funding costs except leasing (which requires no match) must be matched with no less than a 25 percent cash or in-kind match. The applicable match requirements for nonprofits are found at 24 CFR 84.23. All MATCH must be used for eligible activities as required in the CoC Program Interim Rule, 24 CFR 578, subpart D. (See Appendix A)

The City of Lowell, Department of Planning and Development (DPD), as the Collaborative Applicant for the city's Continuum of Care program, is responsible for keeping records of the source and use of cash and in-kind contributions used to satisfy the 25 percent match requirement as described at 24 CFR part 578.73.

II. Match

a. Cash Match: Cash match can be provided the recipient or subrecipient, federal, state or local government agencies and/or private contributions. It is important to note that some federal sources of funding outside of HUD do not allow their funds to be used as match; applicants need to confirm with each source of funding whether the use of such funding for match purposes is permitted. CoC Program funds cannot be used to match other CoC funded projects.
b. In-kind Contributions: The grantee may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the grantee had to pay for them with grant funds, the costs would have been eligible under 24 CFR 578 Subpart D. The requirements of 24 CFR 84.23 applies.

III. Leverage (See Appendix B):

a. All funds, resources, and/or services beyond the 25% required match that the applicant can secure on behalf of the client being served by the proposed project. HUD scores the CoC on project leverage to see what other resources are supporting the projects.
b. Recipients and sub-recipients are required to document ***at least 150% leveraged resources*** for their CoC-funded project. Leveraged funds may be used for any program-related costs that make the project fully operational, even if the costs are not budgeted or eligible in the CoC Program.

IV. Memorandum of Understanding Requirement 24 CFR part 578.73 (3)

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

a. The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services, the specific service to be provided, the profession of the persons providing the service, and the hourly cost of the service to be provided.
b. During the term of the grant, the recipient or subrecipient must keep and make available, for inspection, records documenting the service hours provided.

V. Submitting Written Commitments

Prior to the execution of HUD CoC Program awards and reimbursement of funds by the City of Lowell, each program, per the regulations identified above, must sign this MOU and provide letters of commitment of LEVERAGE, CASH and IN-KIND MATCH to the project.

The commitments must be on the letterhead of the organization providing the commitment, signed by the representative authorized to provide the resource, and include the following elements: (See Appendix C Template):

1. The leverage, cash- and for Lowell in-kind match commitments be separate and clearly identified,
2. Commitments provided, must be submitted on the stationary of the organization(s), using the table provided in the new model that includes:
3. The dates/term that the commitment will be available,
4. Type of contribution,
5. Total value of contribution,
6. Number of persons serves (new); and
7. Signed by the person authorized to commit the resource(s) .

Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the grantee's organization. If the grantee does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

IV. TERM OF THIS MOU

The term of this MOU is the term of the HUD CoC Program grant for FY2015-2016.

V. EFFECTIVE DATE AND SIGNATURE

This MOU shall be effective upon the executed signatures of all authorized officials.

In signing this MOU _____(YOUR AGENCY), as a Lowell CoC Program Subrecipients understands that:

- The organization will be required by HUD to report on matching funds expended in their Annual Progress Report at the end of each operating year;
- Matching funds are subject to monitoring by HUD;
- They should be well documented throughout the operating year and be able to be tied to specific clients; and
- That records documenting match contribution must be kept and made available, for inspection. (Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. §§ 1001, 1010, 1012, 31 U.S.C. §§ 3729, 3802).

_____

Typed Name Date

_____

City of Lowell Authorized Signatory

_____

(Signature)

_____

Typed Name Date

_____

Subrecipient Authorized Signatory

_____

(Signature)

Appendix A: Match Commitment Letter Template

MUST BE ON LETTERHEAD OF SOURCE COMMITTING THE LEVERAGE AND/OR MATCH

DATE TO BE DETERMINED--BUT In order for leveraging to be counted towards the CoC's leveraging score in the FY 2015 CoC Program Competition, the leveraging commitment letter must be dated within 60 days of the application submission deadline. This date is different from the commitment dates below.

Name
Title
ABC Shelter
100 XYZ Boulevard
Lowell, MA 01852

SUBJECT: FY2015 CoC Program Application for FY2016-2017 Match/Leverage

Information regarding the LEVERAGED RESOURCE, CASH OR IN-KIND MATCH to be provided by this agency is identified in the chart below.

Name of organization providing contribution	Job Training Inc.
Is this leverage or match?	Match
Type of contribution	In-kind
Numbers of clients to be served with the contribution	5
Value of the contribution per client	$50 Stipend/week for 12 week
Total value of the contribution	$3,000
Name of project	New Start Training
Date the contribution will be available	Term of the grant (your grant term)

Sincerely,

Signature of person authorized to commit the resources

Appendix B:

CoC Program: 24CFR Part 578, *Subpart D/Program Components and Eligible Costs*

Subpart D – Program Components and Eligible Costs

§ 578.37 Program components and uses of assistance.
(a) Continuum of Care funds may be used to pay for the eligible costs listed in§ 578.39 through § 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homelessness prevention. Although grant funds may be used by recipients and subrecipients in all components for the eligible costs of contributing data to the HMIS designated by the Continuum of Care, only HMIS Leads may use grant funds for an HMIS component. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in§ 578.87(c). The eligible program components are:

(1) Permanent housing (PH). Permanent housing is community-based housing, the purpose of which is to provide housing without a designated length of stay. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services. PH includes:

(i) Permanent supportive housing for persons with disabilities (PSH). PSH can only provide assistance to individuals with disabilities and families in which one adult or child has a disability. Supportive services designed to meet the needs of the program participants must be made available to the program participants.

(ii) Rapid rehousing. Continuum of Care funds may provide supportive services, as set forth in§ 578.53, and/or short-term (up to 3 months) and/or medium- term (for 3 to 24 months) tenant-based rental assistance, as set forth in§

(iii) 578.51(c), as necessary to help a homeless individual or family, with or without disabilities, move as quickly as possible into permanent housing and achieve stability in that housing. When providing short-term and/or medium- term rental assistance to program participants, the rental assistance is subject to§ 578.51(a)(1), but not§ 578.51(a)(1)(i) and (ii); (a)(2); (c) and (f) through (i); and (1)(1). These projects:

(A) Must follow the written policies and procedures established by the Continuum of Care for determining and prioritizing which eligible families and individuals will receive rapid rehousing assistance, as well as the amount or percentage of rent that each program participant must pay.

(B) May set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, and/or a maximum number of times that a program participant may receive rental assistance. The recipient or subrecipient may also require program participants to share in the costs of rent. For the purposes of calculating rent for rapid rehousing, the rent shall equal the sum of the total monthly rent for the unit and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located. (C) Limit rental assistance to no more than 24 months to a household.

(D) May provide supportive services for no longer than 6 months after rental assistance stops.

(E) Must re-evaluate, not less than once annually, that the program participant lacks sufficient resources and support networks necessary to retain housing without Continuum of Care assistance and the types and amounts of assistance that the program participant needs to retain housing. The recipient or subrecipient may require each program participant receiving assistance to notify the recipient or subrecipient of changes in the program participant's income or other circumstances

(e.g., changes in household composition) that affect the program participant's need for assistance. When notified of a relevant change, the recipient or subrecipient must reevaluate the program participant's eligibility and the amount and types of assistance that the program participant needs.

(F) Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long- term housing stability. The project is exempt from this requirement if the Violence Against Women Act of 1994 (42 U.S.C. 13925 *et* seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et* seq.) prohibits the recipient carrying out the project from making its housing conditional on the participant's acceptance of services.

(2) Transitional Housing (TH). Transitional housing facilitates the movement of homeless individuals and families to PH within 24 months of entering TH. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services.

(3) Supportive Service Only (SSO). Funds may be used for acquisition, rehabilitation, relocation costs, or leasing of a facility from which supportive services will be provided, and supportive services in order to provide supportive services to unsheltered and sheltered homeless persons for whom the recipient or subrecipient is not providing housing or housing assistance. SSO includes street outreach.

(4) HMIS. Funds may be used by HMIS Leads to lease a structure in which the HMIS is operated or as operating funds to operate a structure in which the HMIS is operated, and for other costs eligible in § 578.57.

(5) Homelessness prevention. Funds may be used by recipients in Continuums of Care-designated high-performing communities for housing relocation and stabilization services, and short- and/or medium-term rental assistance, as described in 24 CFR 576.105 and 24 CFR 576.106, that are necessary to prevent an individual or family from becoming homeless.

(b) Uses of assistance. Funds are available to pay for the eligible costs listed in § 578.39 through § 578.63 when used to:

(1) Establish new housing or new facilities to provide supportive services;
(2) Expand existing housing and facilities in order to increase the number of homeless persons served;
(3) Bring existing housing and facilities into compliance with State and local government health and safety standards, as described in § 578.87;
(4) Preserve existing permanent housing and facilities that provide supportive services;
(6) Provide supportive services for residents of supportive housing or for homeless persons not residing in supportive housing;
(7) Continue funding permanent housing when the recipient has received funding under this part for leasing, supportive services, operating costs, or rental assistance;
(8) Establish and operate an HMIS or comparable database; and
(9) Establish and carry out a Continuum of Care planning process and operate a Continuum of Care.

(c) Multiple purposes. Structures used to provide housing, supportive housing, supportive services, or as a facility for HMIS activities may also be used for other purposes. However, assistance under this part will be available only in proportion to the use of the structure for supportive housing or supportive services. If eligible and ineligible activities are carried out in separate portions of the same structure or in separate structures, grant funds may not be used to pay for more than the actual cost of acquisition, construction, or rehabilitation of the portion of the structure or structures used for eligible activities. If eligible and ineligible activities are carried out in the same structure, the costs will be prorated based on the amount of time that the space is used for eligible versus ineligible activities.

§ 578.39 Continuum of Care planning activities.

(a) In general. Collaborative applicants may use up to 3 percent of their FPRN, or a maximum amount to be established by the NOFA, for cost of:

(1) Designing and carrying out a collaborative process for the development of an application to HUD;

(2) Evaluating the outcomes of projects for which funds are awarded in the geographic area under the Continuum of Care and the Emergency Solutions Grants programs; and

(3) Participating in the consolidated plan(s) for the geographic area(s).

(b) Continuum of Care planning activities. Eligible planning costs include the costs of: (1) Developing a communitywide or region wide process involving the coordination of nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve veterans, and homeless and formerly homeless individuals;

(2) Determining the geographic area that the Continuum of Care will serve; (3) Developing a Continuum of Care system;

(4) Evaluating the outcomes of projects for which funds are awarded in the geographic area, including the Emergency Solutions Grants program;

(5) Participating in the consolidated plan(s) of the jurisdiction(s) in the geographic area; and

(6) Preparing and submitting an application to HUD on behalf of the entire

§ 578.39 Continuum of Care planning activities

(a) In general. Collaborative applicants (City) may use up to 3 percent of their FPRN, or a maximum amount to be established by the NOFA, for costs of:

(1) Designing and carrying out a collaborative process for the development of an application to HUD;

(2) Evaluating the outcomes of projects for which funds are awarded in the geographic area under the Continuum of Care and the Emergency Solutions Grants programs; and

(3) Participating in the consolidated plan(s) for the geographic area(s).

(b) Continuum of Care planning activities. Eligible planning costs include the costs of: (1) Developing a communitywide or region wide process involving the coordination of nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve veterans, and homeless and formerly homeless individuals;

(2) Determining the geographic area that the Continuum of Care will serve; (3) Developing a Continuum of Care system;

(4) Evaluating the outcomes of projects for which funds are awarded in the geographic area, including the Emergency Solutions Grants program;

(5) Participating in the consolidated plan(s) of the jurisdiction(s) in the geographic area; and

(6) Preparing and submitting an application to HUD on behalf of the entire Continuum of Care membership, including conducting a sheltered and unsheltered point-in-time count and other data collection as required by HUD

(c) Monitoring costs. The costs of monitoring recipients and subrecipients and enforcing compliance with program requirements are eligible.

§ 578.41 Unified Funding Agency costs.

Not Applicable (Lowell is not a UFA)

(a) In general. UFAs may use up to 3 percent of their FPRN, or a maximum amount to be established by the NOFA, whichever is less, for fiscal control and accounting costs necessary to assure the proper disbursal of, and accounting for, federal funds awarded to subrecipients under the Continuum of Care program.

(b) UFA costs. UFA costs include costs of ensuring that all financial transactions carried out under the Continuum of Care program are conducted and records are maintained in accordance with generally accepted accounting principles, including arranging for an annual survey, audit, or evaluation of the financial records of each project carried out by a subrecipient funded by a grant received through the Continuum of Care program.

(c) Monitoring costs. The costs of monitoring subrecipients and enforcing compliance with program requirements are eligible for costs.

§ 578.43 Acquisition.

New Projects for Acquisition Only

Grant funds may be used to pay up to 100 percent of the cost of acquisition of real property selected by the recipient or subrecipient for use in the provision of housing or supportive services for homeless persons.

§ 578.45 Rehabilitation.

New Projects for Rehabilitation Only

(a) Use. Grant funds may be used to pay up to 100 percent of the cost of rehabilitation of structures to provide housing or supportive services to homeless persons.

(b) Eligible costs. Eligible rehabilitation costs include installing cost-effective energy measures, and bringing an existing structure to State and local government health and safety standards.

(c) Ineligible costs. Grant funds may not be used for rehabilitation of leased property.

§ 578.47 New construction.

New Projects for New Construction Only

(a) Use. Grant funds may be used to:

(1) Pay up to 100 percent of the cost of new construction, including the building of a new structure or building an addition to an existing structure that increases the floor area by 100 percent or more, and the cost of land associated with that construction, for use as housing.
(2) If grant funds are used for new construction, the applicant must demonstrate that the costs of new construction are substantially less than the costs of rehabilitation or that there is a lack of available appropriate units that could be Continuum of Care membership, including conducting a sheltered and unsheltered point-in-time count and other data collection as required by HUD.

(c) Monitoring costs. The costs of monitoring recipients and subrecipients and enforcing compliance with program requirements are eligible.

§ 578.49 Leasing.

New Projects for New Leasing/Rental Assistance Only

(a) Use.

(1) Where the recipient or subrecipient is leasing the structure, or portions thereof, grant funds may be used to pay for 100 percent of the costs of leasing a structure or structures, or portions thereof, to provide housing or supportive services to homeless persons for up to 3 years. Leasing funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause.
(2) Any request for an exception must include the following:

(i) A description of how leasing these structures is in the best interest of the program;
(ii) Supporting documentation showing that the leasing charges paid with grant funds are reasonable for the market; and
(iii) A copy of the written policy for resolving disputes between the landlord and tenant, including a recusal for officers, agents, and staff who work for both the landlord and tenant.

(b) Leasing Requirements.

(1) Leasing structures. When grants are used to pay rent for all or part of a structure or structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable unassisted space.

(2) Leasing individual units. When grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged for comparable units, and the rent paid may not exceed HUD-determined fair market rents.

(3) Utilities. If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds. If utilities are not provided by the landlord, these utility costs are an operating cost, except for supportive service facilities. If the structure is being used as a supportive service facility, then these utility costs are a supportive service cost.

When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Program participants who are receiving rental assistance in transitional housing may be required to live in a specific structure for their entire period of participation in transitional housing.

(1) Up to 5 years' worth of rental assistance may be awarded to a project in one competition.

(2) Program participants who have complied with all program requirements during their residence retain the rental assistance if they move within the Continuum of Care geographic area.

(3) Program participants who have complied with all program requirements during their residence and who have been a victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believe they are imminently threatened by harm from further domestic violence, dating violence, sexual assault, or stalking (which would include threats from a third party, such as a friend or family member of the perpetrator of the violence), if they remain in the assisted unit, and are able to document the violence and basis for their belief, may retain the rental assistance and move to a different Continuum of Care geographic area if they move out of the assisted unit to protect their health and safety.

§ 578.49 Leasing. Continued

New Projects for New Leasing/Rental Assistance Only

(d) Sponsor-based rental assistance. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor. Up to 5 years' worth of rental assistance may be awarded to a project in one competition.

(e) Project-based rental assistance. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move. Up to 15 years of rental assistance may be awarded in one competition.

(f) Grant amount. The amount of rental assistance in each project will be based on the number and size of units proposed by the applicant to be assisted over the grant period. The amount of rental assistance in each project will be calculated by multiplying the number and size of units proposed by the FMR of each unit on the date the application is submitted to HUD, by the term of the grant.

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

(h) Payment of grant.

(1) The amount of rental assistance in each project will be reserved for rental assistance over the grant period. An applicant's request for rental assistance in each grant is an estimate of the amount needed for rental assistance. Recipients will make draws from the grant funds to pay the actual costs of rental assistance for program participants.

(2) For tenant-based rental assistance, on demonstration of need:

Up to 25 percent of the total rental assistance awarded may be spent in any year of a 5-year grant term; or

(i) A higher percentage if approved in advance by HUD, if the recipient provides evidence satisfactory to HUD that it is financially committed to providing the housing assistance described in the application for the full 5- year period.

(3) A recipient must serve at least as many program participants as shown in its application for assistance.
(4) If the amount in each grant reserved for rental assistance over the grant period exceeds the amount that will be needed to pay the actual costs of rental assistance, due to such factors as contract rents being lower than FMRs and program participants being able to pay a portion of the rent, recipients or subrecipients may use the excess funds for covering the costs of rent increases, or for serving a greater number of program participants.

(i) Vacancies. If a unit assisted under this section is vacated before the expiration of the lease, the assistance for the unit may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless occupied by another eligible person.
No additional assistance will be paid until the unit is occupied by another eligible person. Brief periods of stays in institutions, not to exceed 90 days for each occurrence, are not considered vacancies.

U) Property damage. Recipients and subrecipients may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. This shall be a one-time cost per participant, incurred at the time a participant exits a housing unit.

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

(l) Leases.

(1) Initial lease. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

(2) Initial lease for transitional housing. Program participants in transitional housing must enter into a lease agreement for a term of at least one month. The lease must be automatically renewable upon expiration, except on prior notice by either party, up to a maximum term of 24 months.

§ 578.53 Supportive services.

Applicable to All Current CoC Renewal and New Projects

(a) In general. Grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service.

(1) Supportive services must be necessary to assist program participants obtain and maintain housing.
(2) Recipients and subrecipients shall conduct an annual assessment of the service needs of the program participants and should adjust services accordingly.

(b) Duration.

(1) For a transitional housing project, supportive services must be made available to residents throughout the duration of their residence in the project.
(2) Permanent supportive housing projects must provide supportive services for the residents to enable them to live as independently as is practicable throughout the duration of their residence in the project.
(3) Services may also be provided to former residents of transitional housing and current residents of permanent housing who were homeless in the prior 6 months, for no more than 6 months after leaving transitional housing or homelessness, respectively, to assist their adjustment to independent living.
(4) Rapid rehousing projects must require the program participant to meet with a case manager not less than once per month as set forth in § 578.37(a)(1)(ii)(F), to assist the program participant in maintaining long-term housing stability.

(c) Special populations. All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with HIV/AIDS; and victims of domestic violence, dating violence, sexual assault, or stalking.

(d) Ineligible costs. Any cost that is not described as an eligible cost under this section is not an eligible cost of providing supportive services using Continuum of Care program funds. Staff training and the costs of obtaining professional licenses or certifications needed to provide supportive services are not eligible costs.

(e) Eligible costs.
(1) Annual Assessment of Service Needs. The costs of the assessment required by § 578.53(a)(2) are eligible costs.
(2) Assistance with moving costs. Reasonable one-time moving costs are eligible and include truck rental and hiring a moving company.

(3) 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. Component services and activities consist of:

(i) Counseling;
(ii) Developing, securing, and coordinating services;
(iii) Using the centralized or coordinated assessment system as required under § 578.23(c)(9).
(iv) Obtaining federal, State, and local benefits;
(v) Monitoring and evaluating program participant progress;
(vi) Providing information and referrals to other providers;
(vii) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
(viii) Developing an individualized housing and service plan, including planning a path to permanent housing stability.

(4) Child care. The costs of establishing and operating child care, and providing child-care vouchers, for children from families experiencing homelessness, including providing meals and snacks, and comprehensive and coordinated developmental activities, are eligible.
(i) The children must be under the age of 13, unless they are disabled children. (ii) Disabled children must be under the age of 18.
(iii) The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

(5) Education services. The costs of improving knowledge and basic educational skills are eligible.
(i) Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
(ii) Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.
(i) The children must be under the age of 13, unless they are disabled children. (ii) Disabled children must be under the age of 18.
(iii) The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

(5) Education services. The costs of improving knowledge and basic educational skills are eligible.
(i) Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
(ii) Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.

(6) Employment assistance and job training. The costs of establishing and 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.
(i) Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
(ii) Services that assist individuals in securing employment consist of:
(A) Employment screening, assessment, or testing;
(B) Structured job skills and job-seeking skills;
(C) Special training and tutoring, including literacy training and pre- vocational training
(D) Books and instructional material;
(E) Counseling or job coaching; and
(F) Referral to community resources.

(7) Food. The cost of providing meals or groceries to program participants is eligible.

(8) Housing search and counseling services. Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible.
(i) Component services or activities are tenant counseling; assisting individuals and families to understand leases; securing utilities; and making moving arrangements.
(ii) Other eligible costs are:
(A) Mediation with property owners and landlords on behalf of eligible program participants;
(B) Credit counseling, accessing a free personal credit report, and resolving personal credit issues; and
(C) The payment of rental application fees.

(9) 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 the homeless individual or family's ability to obtain and retain housing.
(i) Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking; appeal of veterans and public benefit claim denials; landlord tenant disputes; and the resolution of outstanding criminal warrants.
(ii) Component services or activities may include receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling.
(iii) 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.
(iv) Legal services for immigration and citizenship matters and issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are ineligible.

(10) 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, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are 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.

(11) Mental health services. Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals. Component 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.

(12) Outpatient health services. Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:
(i) Providing an analysis or assessment of an individual's health problems and the development of a treatment plan;
(ii) Assisting individuals to understand their health needs;
(iii) Providing directly or assisting individuals to obtain and utilize appropriate medical treatment;
(iv) Preventive medical care and health maintenance services, including in- home health services and emergency medical services;
(v) Provision of appropriate medication;
(vi) Providing follow-up services; and
(vii) Preventive and non-cosmetic dental care.

(13) Outreach services. The costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.
(i) Eligible costs include the outreach worker's transportation costs and a cell phone to be used by the individual performing the outreach.
(ii) Component activities and services consist of: 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 geographic area covered by the Continuum of Care.

(14) Substance abuse treatment services. The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible. Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.

(15) Transportation. Eligible costs are:
(i) The costs of program participant's travel on public transportation or in a vehicle provided by the recipient or subrecipient to and from medical care, employment, child care, or other services eligible under this section.
(ii) Mileage allowance for service workers to visit program participants and to carry out housing quality inspections;
(iii) The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants;
(iv) The cost of gas, insurance, taxes, and maintenance for the vehicle;
(v) The costs of recipient or subrecipient staff to accompany or assist program participants to utilize public transportation; and

(vi) If public transportation options are not sufficient within the area, the recipient 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:
(A) 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);
(B) Payments for car repairs or maintenance must be paid by the recipient or subrecipient directly to the third party that repairs or maintains the car; and
(C) The recipients 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.

(16) Utility deposits. This form of assistance consists of paying for utility deposits. Utility deposits must be a one-time fee, paid to utility companies.
(17) Direct provision of services. If the a service described in paragraphs (e)(1) through (e)(16) of this section is being directly delivered by the recipient or subrecipient, eligible costs for those services also include:
(i) The costs of labor or supplies, and materials incurred by the recipient or subrecipient in directly providing supportive services to program participants; and
(ii) The salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.

§ 578.55 Operating costs.

Applicable to All Current CoC Renewal and New Projects

(a) Use. Grant funds may be used to pay the costs of the day-to-day operation of transitional and permanent housing in a single structure or individual housing units.
(b) Eligible costs.
(1) The maintenance and repair of housing; (2) Property taxes and insurance;
(3) Scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost);
(4) Building security for a structure where more than 50 percent of the units or area is paid for with grant funds;
(5) Electricity, gas, and water;
(6) Furniture; and
(7) Equipment.

(c) Ineligible costs. Program funds may not be used for rental assistance and operating costs in the same project. Program funds may not be used for the operating costs of emergency shelter- and supportive service-only facilities. Program funds may not be used for the maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

§ 578.57 Homeless Management Information System

(a) Eligible costs.

(1) The recipient or subrecipient may use Continuum of Care program funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care, including the costs of:
(i) Purchasing or leasing computer hardware;
(ii) Purchasing software or software licenses;
(iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture;
(iv) Obtaining technical support;
(v) Leasing office space;
(vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
(vii) Paying salaries for operating HMIS, including:
(A) Completing data entry;
(B) Monitoring and reviewing data quality;
(C) Completing data analysis;
(D) Reporting to the HMIS Lead;
(E) Training staff on using the HMIS; and
(F) Implementing and complying with HMIS requirements;
(viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;
(ix) Paying staff travel costs to conduct intake; and
(x) Paying participation fees charged by the HMIS Lead, as authorized by HUD, if the recipient or subrecipient is not the HMIS Lead.

(2) If the recipient or subrecipient is the HMIS Lead, it may also use Continuum of Care funds to pay the costs of:
(i) Hosting and maintaining HMIS software or data;
(ii) Backing up, recovering, or repairing HMIS software or data;
(iii) Upgrading, customizing, and enhancing the HMIS;

(iv) Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems;
(v) Administering the system;
(vi) Reporting to providers, the Continuum of Care, and HUD; and
(vii) Conducting training on using the system, including traveling to the training. (3) If the recipient or subrecipient is a victim services provider, or a legal services provider, it may use Continuum of Care funds to establish and operate a comparable database that complies with HUD'S HMIS requirements.

(b) General restrictions. Activities funded under this section must comply with the HMIS requirements.

§ 578.59 Project administrative costs.

(a) Eligible costs. The recipient or subrecipient may use up to 10 percent of any grant awarded under this part, excluding the amount for Continuum of Care Planning Activities and UFA costs, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under§ 578.43 through § 578.57, because those costs are eligible as part of those activities. Eligible administrative costs include:
(1) General management, oversight. and coordination. Costs of overall program management, coordination, monitoring, and evaluation These costs include, but are not limited to, necessary expenditures for the following:
(i) Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:
(A) Preparing program budgets and schedules, and amendments to those budgets and schedules;
(B) Developing systems for assuring compliance with program requirements;
(C) Developing agreements with subrecipients and contractors to carry out program activities;
(D) Monitoring program activities for progress and compliance with program requirements;
(E) Preparing reports and other documents directly related to the program for submission to HUD;
(F) Coordinating the resolution of audit and monitoring findings;
(G) Evaluating program results against stated objectives; and
(H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.
(ii) Travel costs incurred for monitoring of subrecipients;
(iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
(iv) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

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

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

(b) Sharing requirement.

(1) UFAs. If the recipient is a UFA that carries out a project, it may use up to 10 percent of the grant amount awarded for the project on project administrative costs. The UFA must share the remaining project administrative funds with its subrecipients.

(2) Recipients that are not UFAs. If the recipient is not a UFA, it must share at least 50 percent of project administrative funds with its subrecipients.

§ 578.61 Relocation costs.

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

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

§ 578.63 Indirect costs.

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

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

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

Appendix C: Examples of Leverage

Advocacy
Assistance to immigration
Benefits advocacy
Housing advocacy
Legal assistance, representation, and referrals
Mental health advocacy
Tenant rights workshops

Children
After-school children's program
Child development consultation
Child care services
Children's books, training, art supplies
Children's art program
Children's holiday party and shopping spree
K-12 homeless education
Parenting classes
Summer camp
Therapeutic day care

Counseling
Bereavement counseling and pastoral services
Counseling services
Crisis intervention
Landlord/tenancy counseling
Recovery groups
Support groups
Therapy

Financial Services
Asset/resource management services
Money management
Representative payee services

Human Resources
Pre-employment process
Consultation staff
New employee orientation
Volunteer staff hours

Transportation
Subsidized/free bus passes
Transportation
Vehicle

Housing
Housing placement
Housing search
Maintenance/beautification projects
Move-in assistance
Property management

Education, Employment, and Training
Computer classes
Benefits and work workshops
Education
Job development
Job research
Job placement
Job retention
Leadership training
Life skills training
Literacy
Nutrition education/cooking classes
School supplies
Training tuition
Tutoring
GED training
Uniform vouchers
Vocational services

Health
Acupuncture
Adult day health care
AIDS-related services
Dental services
Detoxification services
Duel diagnosis services
Emergency room services
Gynecological services
Health care resources and education
Healthcare services
Medical services
Psychiatric services
Prescription medication/pharmaceutical services
Medication Support
Mental health services
Peer support
Pregnancy Testing
Prenatal care
Psychotherapy
Residential and outpatient treatment services
Respite Care
Substance abuse services
Triage

Supportive Services
Artistic services
Assessment services
Case management
Community development
Family support services

Furnishings
Household items

Operations
Administrative support
Clerical services
Consulting and practical services
Facility space
Indirect expenses
Mail service
Office/workshop space
Programming
Voicemail

Grooming
Independent living services
Mentoring services
Outreach
Recreational trips and activities
Referrals
Restraining order assistance
Support services supervision
Team leader
Technical assistance
Translation services
Veterans services
Health club membership fees