

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

Questions and Answers

March 20, 2009

HPRP Grant Allocations and Application Process

- 1. Q: When will HUD complete their review of the substantial amendments?**
A: HUD will complete its review of all correctly completed substantial amendments within 45 days of receipt of each substantial amendment, but no later than July 2, 2009. Jurisdictions with disapproved substantial amendments may revise and resubmit a substantial amendment within 15 days after HUD sends the first notification of its disapproval; and HUD will approve or disapprove the revised substantial amendment within 15 days of receiving it.
- 2. Q: Why was \$500,000 chosen as the minimum amount that will be allocated to grantees?**
A: HPRP funds were allocated according to the Emergency Shelter Grants (ESG) formula. In the ESG program, the minimum grant amount is 0.05 percent; however, the Recovery Act gave the Secretary discretion to set the minimum grant amount. At \$500,000 (approximately 0.033 percent), more metropolitan cities and urban counties can receive funds directly than in ESG. The intent is to expedite the process of getting the funds to the program participants, who need the assistance quickly.
- 3. Q: Do HPRP funds have a match requirement?**
A: No, grantees are not required to match HPRP funds with any other funding.
- 4. Q: What happens if the eligible grantee wants to decline funding?**
A: If an eligible grantee receives an allocation of funds under HPRP and wishes to decline the funding, the legally authorized official must notify the local HUD field office in writing of the grantee's intent to decline the HPRP funding on or before May 18, 2009.
- 5. Q: What happens if the eligible grantee wishes to request less funding than the total allocation amount?**
A: If an eligible grantee wishes to request less than the total allocation amount for which it is eligible, the legally authorized official must notify the local HUD field office in writing of the amount the grantee will request on or before May 18, 2009.
- 6. Q: What happens if the eligible grantee does not submit a completed application within the timeframe allotted?**

A: If an eligible grantee fails to submit a completed application package (substantial amendment, certifications and SF-424) for its grant allocation per the requirements detailed in the Notice, HUD will notify the jurisdiction of the cancellation of all or part of its allocation amount and proceed to reallocate the funds.

7. Q: What happens if the grantee cannot meet the expenditure threshold?

A: If the grantee cannot meet this threshold, HUD may then proceed to recapture the unused HPRP funds and reallocate them.

Eligible Grantees and Sub-Grantees

8. Q: Who can receive HPRP assistance?

A: There are two populations of persons facing housing instability that are eligible to receive funding under the HPRP: 1) individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit (prevention), and 2) individuals and families who are experiencing homelessness (residing in emergency or transitional shelters or on the street) and need temporary assistance in order to obtain housing and retain it (rapid re-housing).

The eligibility criteria are as follows:

Homeless individuals and families, and individuals and families at risk of becoming homeless, must meet the following three criteria in order to receive HPRP financial assistance or services:

- Household must be at or below 50 percent of Area Median Income (AMI)
- Household must meet both of the following circumstances:
 - (1) no appropriate subsequent housing options have been identified; AND
 - (2) the household lacks the financial resources and support networks needed to obtain immediate housing or remain in its existing housing.
- Any individual or family receiving rental assistance must have at least an initial consultation with a case manager to determine need.

9. Q: Who are eligible grantees for HPRP funding?

A: States, U.S. territories, metropolitan cities, or urban counties are eligible grantees for HPRP funding. Grantees may subgrant to local units of government, which may include metropolitan cities and urban counties that receive HPRP funds directly from HUD and/or to private non-profit organizations if the local government in the locality in which the organization will operate the program certifies that it approves of the program.

Eligible Activities and Participants

10. Q: Can funding help me with my mortgage payments?

A: No, HPRP is not a mortgage assistance program. However, homeowners who meet HPRP eligibility criteria may receive utilities assistance and moving cost assistance (i.e. after foreclosure), as well as services needed to help them stay housed. These might include case management, credit counseling, housing search, and legal services not related to a mortgage.

11. Q: How is HPRP different from the Rapid Re-housing (RRH) demonstration program?

A: The following chart highlights differences between HPRP and RRH.

PROGRAM	ELIGIBLE PARTICIPANTS	RENTAL SUBSIDY PERIOD	CENTRALIZED INTAKE PROCESS	COMMUNITY-WIDE SCREENING TOOL
RRH	Households with dependent children (families)	3-6 months OR 12-15 months	Required	Required
HPRP	Individuals or Families (households with dependent children)	Any # of months up to 18 months	Optional (HUD recommends)	Optional (HUD recommends)

12. Q: Does a program participant need to have a child or children in the household to be eligible to receive assistance?

A: No, a program participant can be an individual or a household with or without children.

13. Q: What are the eligible categories for activities under the HPRP?

A: There are four categories of eligible activities for the HPRP: financial assistance, housing relocation and stabilization services, data collection and evaluation, and administrative costs.

14. Q: Does HPRP assistance provide long-term assistance?

A: The purpose of HPRP short- and medium-term assistance is to help eligible program participants to quickly obtain and/or sustain stable housing. It 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 that affect housing stability. In fact, many prevention and rapid re-housing program models include short- or medium-term rental assistance and services for households who have barriers to housing, but who are likely to sustain housing after the subsidy ends. Therefore, organizations providing assistance should use a process to assess, for all potential program participants, their level of service need, other resources available to them, and the appropriateness of their participation in the rapid re-housing assistance portion of HPRP. Program participants who require longer-term housing assistance and services should be directed to programs that can provide the requisite services and financial assistance.

15. Q: What are the eligible financial assistance expenses?

A: Financial assistance is limited to the following activities: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel and hotel vouchers.

16. Q: What is considered short-term rental assistance and what is considered medium-term rental assistance?

A: Short-term rental assistance may not exceed rental costs accrued over a period of 3 months. Medium-term rental assistance may not exceed actual rental costs accrued over a period of 4 to 18 months.

17. Q: If a program participant initial received short-term rental assistance for 3 months and need additional assistance, are they eligible to receive more funding through the HPRP?

A: Yes, 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.

18. Q: As a grantee, can I establish more strict requirements than HUD has established?

A: Yes. HUD is providing grantees with discretion to establish requirements that further target community needs. Grantees may elect to implement more stringent targeting and/or eligibility requirements as long as all program participants meet the minimum eligibility criteria and the grantees comply with all local and federal requirements. For example, grantees may set limits on the amount of assistance any household may receive, may pay for only a portion of a program participant's rent, may require participants be at 30% or less of Area Median Income (AMI) or may require participants have additional risk factors.

19. Q: Can the rental assistance be used to pay unpaid rental debt?

A: Yes, rental assistance may also be used to pay up to 6 months of rental arrears for eligible program participants. Rental arrears may be paid if the payment enables the program participant to remain in the housing unit for which the arrears are being paid or move to another unit.

20. Q: If a participant is receiving rental assistance through another federal funded grant program can they also receive funding through HPRP?

A: Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program. Cost types are: rent (client portion or the subsidy), security deposits, utility payments; utility payments; moving cost assistance, and hotel/motel vouchers. However, security and utility deposits covering the same period of time in which assistance is being provided through another housing subsidy program are eligible provided they do not duplicate a cost type already covered. For example, a homeless veteran entering a HUD-VASH project may receive security deposit assistance through HPRP funds.

Post-Award and Timeliness Requirements

21. Q: What is the deadline to submit the substantial amendment?

A: Substantial amendments, certifications, and the SF-424 (the application package) must be postmarked by May 18, 2009.

22. Q: What is the deadline for grantees to obligate funds?

A: Grantees must select all subgrantees and obligate funds to them by September 30, 2009.

23. Q: What is the timeframe to spend HPRP funds?

A: The Recovery Act requires grantees to spend 60 percent of HPRP grant funds within two years of the date that funds become available to the grantees for obligation (the date that HUD signs the grant agreement), and 100 percent of funds within three years of this date. If a grantee receives any reallocated funds, these must all be expended within three years of the grantee's initial grant agreement as well.

24. Q: Is the HPRP part of the Consolidated Plan process?

A: Portions of the Consolidated Plan process related to the application and approval process for receiving HPRP funds do apply, as indicated in the Notice. Grantees must submit an amendment to the Consolidated Plan 2008 Action Plan in order to receive funds, and grantees are required to take public comment on it before finalizing it. However, this public comment period must be at least 12 days instead of 30. Also, grantees are not required to report on HPRP in their Consolidated Annual Performance and Evaluation Report (CAPER), as the reporting requirements from Congress and OMB take the place of this.

25. Q: What happens if the grantee does not spend at least 60 percent of the grant amount within the 2 year timeframe?

A: Any grantee failing to meet the statutory requirement to expend at least 60 percent of its grant amount within 2 years of the date of the obligation, will be notified by August 1, 2011 and given 21 days to submit information to HUD regarding additional eligible expenses for HPRP activities accrued within the 2-year period in order to bring the grantee into compliance with the 60 percent requirement. In cases where the grant agreement is signed after July 30, 2009 so less than two years has elapsed, HUD will notify grantees in the same manner if it appears that the grantee will fail to meet the 60 percent requirement.

26. Can grantees draw down funds as a cash advance, or do they have to get reimbursed as with ESG?

A: Unlike ESG, grantees and subgrantees may be paid in advance, pursuant to procedures outlined in 24 CFR 84.22 for non-profit organizations and 24 CFR 85.21 for units of government. Payments are made to the grantee upon its request after the grant agreement has been fully executed.