HOME Investment Partnerships

Policies and Procedures

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I. HOME-ARP GENERAL REQUIREMENTS

Congress appropriated $5 billion in American Rescue Plan (ARP) funds to be administered through the U.S. Department of Housing and Urban Development (HUD)'s HOME Investment Partnerships Program to benefit qualifying individuals and families who are homeless, at risk of homelessness, fleeing or attempting to flee domestic violence, sexual assault, stalking, or human trafficking, or otherwise experiencing housing instability.

Hidalgo County Urban County Program (County) received $7,472,660 in HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funds to be administered through the County. Hidalgo County assessed community needs and consulted with community stakeholders and service providers to develop a HOME-ARP Allocation Plan for the expenditure of these funds.

As a result of this process, the County has identified the following HOME-ARP eligible activities:

Supportive Services	$1,842,269.90
Development of Affordable Rental Housing	$4,511,166.00

Of the Supportive Services allocation, $1,042,269.90 was issued through a competitive application process exclusively for supportive services. An additional $800,000 has been designated for supportive services to be provided in conjunction with HOME-ARP Affordable Rental Housing developments, as applicable.

These Policies and Procedures establish the administrative framework and program requirements governing Hidalgo County's HOME-ARP Program. The policies and procedures contained herein are intended to ensure compliance with applicable federal requirements and establish consistent standards for the administration of HOME-ARP-funded activities within Hidalgo County.

Section I establishes the general administrative and compliance requirements applicable to all HOME-ARP activities administered by Hidalgo County. Subsequent sections establish activity-specific requirements for HOME-ARP Supportive Services and Affordable Rental Housing activities.

Agencies, subrecipients, developers, contractors, and other entities administering HOME-ARP-funded activities shall comply with the requirements contained within these policies and procedures, as well as all applicable federal, state, and local requirements.

1. Applicable Regulations and Guidance

The County's HOME-ARP Program shall be administered in accordance with all applicable federal statutes, regulations, notices, and guidance, including but not limited to the following:

- HUD Notice CPD-21-10: Requirements for the Use of Funds in the HOME-American Rescue Plan Program;
- Applicable provisions of the HOME Investment Partnerships Program regulations at 24 CFR Part 92;
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200;
- Fair Housing and Civil Rights requirements, including but not limited to:
    - Fair Housing Act;
    - Title VI of the Civil Rights Act of 1964;
    - Section 504 of the Rehabilitation Act of 1973;
    - Americans with Disabilities Act (ADA);

    - Violence Against Women Act (VAWA);
    - Equal Access Rule requirements
- HUD environmental review requirements at 24 CFR Part 58;
- Applicable lead-based paint requirements;
- Applicable federal labor standards and relocation requirements, as applicable to the activity being undertaken;
- Hidalgo County Urban County Program's HUD-approved HOME-ARP Allocation Plan and any approved amendments; and
- Any other applicable federal, state, or local laws, regulations, notices, or guidance governing HOME-ARP activities.

Where conflicts exist between these policies and procedures and applicable federal requirements, federal requirements shall govern.

2. <u>Confidentiality</u>

Program providers will not divulge personal identifying information of a program participant of the HOME-ARP program without the consent of the client. In addition, providers will not divulge information pertaining to any individual or family domestic violence shelter or treatment facilities. Each Subrecipient must incorporate into their policies and procedures a process that will ensure the confidentiality of program participants' identifying information; records pertaining to any individual or family provided family violence prevention; and treatment services offered under any project assisted with these funds.

3. <u>Coordination</u>

Program providers must coordinate and integrate, to the extent possible, their HOME-ARP-funded assistance with other programs serving homeless and people at risk of homelessness within the County.

4. <u>Roles and Responsibilities</u>

Hidalgo County is responsible for the overall administration and oversight of HOME-ARP in accordance with applicable federal requirements, HUD guidance, and County policies and procedures.

The County shall be responsible for activities including, but not limited to:

- Program administration and oversight;
- Development and implementation of HOME-ARP policies and procedures;
- Environmental review compliance, as applicable;
- Underwriting and subsidy layering review, as applicable;
- Execution and administration of written agreements;
- Monitoring of HOME-ARP-funded activities;
- Reporting to HUD;
- Maintenance of required program records; and
- Ensuring compliance with applicable federal requirements.

Subrecipients, developers, property managers, contractors, service providers, and any other entities administering HOME-ARP-funded activities shall be responsible for complying with all applicable HOME-ARP requirements, written agreements, and County policies and procedures.

Entities receiving HOME-ARP funds shall be responsible for:

- Maintaining complete and accurate program records;

- Ensuring eligibility of program participants, tenants, and activities, as applicable;
- Complying with applicable financial management and procurement requirements;
- Cooperating with County monitoring and oversight activities;
- Submitting reports and documentation as required by the County;
- Maintaining confidentiality of protected information;
- Ensuring nondiscrimination and equal access to services and housing; and
- Correcting any identified deficiencies or findings within required timeframes.

Nothing contained within these policies and procedures shall relieve any HOME-ARP-funded entity from responsibility for complying with applicable federal, state, and local requirements.

5. Nondiscrimination / Equal Access / LEP / Reasonable Accommodations

All HOME-ARP-funded activities shall be administered in accordance with applicable federal civil rights, fair housing, accessibility, and equal access requirements. No individual or family shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any HOME-ARP-funded program or activity on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, familial status, disability, age, or any other protected class under applicable federal, state, or local law.

HOME-ARP-funded entities shall comply with all applicable fair housing and civil rights requirements, including but not limited to:

- The Fair Housing Act;
- Title VI of the Civil Rights Act of 1964;
- Section 504 of the Rehabilitation Act of 1973;
- The Americans with Disabilities Act (ADA);
- HUD's Equal Access Rule;
- Violence Against Women Act (VAWA) protections; and
- Applicable Limited English Proficiency (LEP) requirements.

HOME-ARP-funded entities shall take reasonable steps to ensure meaningful access to programs and services by persons with limited English proficiency (LEP), including providing language assistance services or translated materials, as appropriate.

Reasonable accommodations and reasonable modifications shall be provided when necessary to afford persons with disabilities equal opportunity to participate in and benefit from HOME-ARP-funded programs, services, housing, and activities.

Participation in HOME-ARP-funded programs or occupancy in HOME-ARP-assisted housing shall not be denied based upon an individual's actual or perceived sexual orientation, gender identity, or marital status.

HOME-ARP-funded entities shall ensure that all participant eligibility determinations, tenant selection procedures, waitlist administration, program terminations, and housing or service delivery practices are administered in a nondiscriminatory manner and in compliance with applicable fair housing and civil rights requirements.

6. Duplication of Services

Subrecipients must enter service information in HMIS or comparable database, as applicable, and ensure that program participants receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services.

7. Homeless Status

Subrecipients must maintain and follow written intake procedures to ensure compliance with qualifying population requirements. The procedures must require documentation at intake of the evidence relied upon to establish and verify housing status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being admitted to a program, receiving street outreach services, or receiving services provided by HOME-ARP.

Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

8. Housing First

Providers should utilize Housing First Principles to help ensure a systematic approach to ending homelessness. Housing First is an approach to connect individuals and families experiencing homelessness quickly and successfully to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements.

The outcomes that the County hopes to achieve with these funds, include, but are not limited to the following:

- Increased program exits to permanent housing;
- Increased client participation in mainstream resources;
- Decreased length of shelter stays;
- Elimination or reduction of repeated episodes of homelessness; and
- Increased income (employment and/or benefits) for program participants.

9. Program Evaluation and Reporting

Hidalgo County will regularly evaluate the effectiveness of HOME-ARP Supportive Services contracts to assess impact on housing stability outcomes and participant well-being. Subrecipients and other HOME-ARP-funded entities, as applicable, will be required to submit quarterly reports on program activities, demographics, participant outcomes, and other information as requested by the County. HOME-ARP outcomes will be reported to HUD and to the community as part of the Consolidated Annual Performance Evaluation Report (CAPER) process each September.

Reports shall be due on the following dates:

- October 15th (for the period of July 1st – September 30th)
- January 15th (for the period of October 1st – December 31st)
- April 15th (for the period of January 1st – March 31st)
- July 15th (for the period of April 1st – June 30th)

10. Referrals

Agencies may accept referrals from outside organizations as well as conduct outreach for service provision. Agencies may also use a waitlist to receive referrals from organizations. All referrals received that are placed on a waitlist must be accepted in chronological order, insofar as practicable. Qualifying populations must have access to apply for placement on the waitlist.

11. Participant Eligibility

To be eligible for HOME-ARP assistance administered by the County, an individual or family must both:

- Meet the eligibility requirements of at least one HOME-ARP Qualifying Population as defined in these Policies and Procedures and HUD Notice CPD-20-10; and
- Reside within the Hidalgo County Urban County Program service area, including the unincorporated areas of Hidalgo County or within an incorporated city or town that has entered into a cooperation agreement with Hidalgo County as part of its HUD-designated entitlement program.

Residents of incorporated municipalities that are not participating jurisdictions under the County's entitlement program are not eligible for assistance under this program.

HOME-ARP-funded entities shall not establish additional eligibility requirements that have the effect of excluding otherwise eligible members of a Qualifying Population, except as expressly permitted by HUD requirements or these Policies and Procedures.

12. Qualifying Populations (QPs)

ARP requires that funds be used to primarily benefit individuals and families in the following specified "qualifying populations." Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria). All income calculations to meet income criteria of a qualifying population or required for income determinations in HOME-ARP eligible activities must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203(a)(1).

1. **Homeless**, as defined in 24 CFR 91.5 *Homeless* (1), (2), or (3):

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

(ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;

2. At risk of Homelessness, as defined in 24 CFR 91.5 *At risk of homelessness*:

(1) An individual or family who:

(i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;

(ii) Does not have sufficient resources or support networks, *e.g.,* family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and

(iii) Meets one of the following conditions:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as “homeless” under this section but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

3. **Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking**, as defined by HUD.

   For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

   Domestic violence, which is defined in 24 CFR 5.2003 includes felony or misdemeanor crimes of violence committed by:

   1) A current or former spouse or intimate partner of the victim (the term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
   2) A person with whom the victim shares a child in common;
   3) A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;

4) A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or
5) Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating violence which is defined in 24 CFR 5.2003 means violence committed by a person:

1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:
   a. The length of the relationship;
   b. The type of relationship; and
   c. The frequency of interaction between the persons involved in the relationship.

Sexual assault which is defined in 24 CFR 5.2003 means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

Stalking which is defined in 24 CFR 5.2003 means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

1) Fear for the person's individual safety or the safety of others; or
2) Suffer substantial emotional distress.

Human Trafficking includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:

1) *Sex trafficking* means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

2) *Labor trafficking means* the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

4. **Other Populations** where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:
   (1) **Other Families Requiring Services or Housing Assistance to Prevent Homelessness** is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.

(2) **At Greatest Risk of Housing Instability** is defined as household who meets either paragraph (i) or (ii) below:

(i) has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);

(ii) has annual income that is less than or equal to 50% of the area median income, as determined by HUD, **AND** meets one of the following conditions from paragraph (iii) of the "At risk of homelessness" definition established at [24 CFR 91.5](24 CFR 91.5):

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.

Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.

13. Eligibility Documentation

The eligibility process includes an initial phone or in person screening to determine whether the applicant meets one of HUD's Qualifying Population definitions. Eligibility determinations must be documented in participant files and should be supported by third-party documentation whenever available and required by applicable HUD HOME-ARP requirements. Acceptable third-party documentation may include, but is not limited to, records from service providers, government agencies, landlords, employers, benefit providers, or other sources capable of verifying eligibility.

When third-party documentation is unavailable, cannot reasonably be obtained, or when HUD HOME-ARP guidance permits self-certification, eligibility may be documented through participant self-certification and other documentation as permitted by applicable HUD requirements County policies and procedures.

14. Participant File Checklist

To be eligible for HOME-ARP funding, participant files must include:

- Screening/Intake Form (copy of HMIS Form, if applicable)
- Release of Information (copy of HMIS Form, if applicable)
- Verification of qualifying population (QP) status and appropriate source documentation
- Staff Certification of Eligibility for Program
- Housing Stability Plan
- Case Notes (HMIS record of case management services, if applicable)
- Evidence of referral to Mainstream Resources and/or Other Housing Programs
- Denial Notice, if applicable
- Written notice of program termination, if applicable

Rental Assistance files must include:

- Government Identification required for all household members (e.g., copy of birth certificate, Social Security card, driver's license, or passport)
- Re-evaluations of Eligibility, if required by the applicable HOME-ARP activity, written agreement, or HUD requirements
- Income Documentation Form, if applicable (with appropriate source documentation)
- Documentation of unit inspection demonstrating compliance with applicable HOME-ARP inspection requirements (NSPIRE)
- Rental Assistance Agreement
- Rent Reasonableness Checklist and Certification
- Lease Agreement
- Evidence of financial assistance, if applicable (copy of checks, payment requests forms, financial documentation form etc.)

If Lead Based Paint Requirements are applicable:

- Verification household received pamphlet, "Protect Your Family from Lead in Your Home"
- Lead-Based Paint Property Owner Certification Form

15. Program Termination and Grievance Policy

A subrecipient may terminate assistance to a program participant who violates program requirements or conditions of occupancy or no longer needs the services as determined by the subrecipient. Termination under this section does not bar the subrecipient from providing further assistance at a later date to the same individual or family if they continue to be qualified.

The subrecipient must establish policies and procedures for termination of assistance to program participants. In terminating assistance to a program participant, the subrecipient must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- Providing program participants with written program rules and the termination process before the participant begins to receive assistance;

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

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

II. SUPPORTIVE SERVICES – ELIGIBLE ACTIVITIES

HOME-ARP funds may be used to provide a broad range of supportive services to qualifying individuals or families as a separate activity or in combination with other HOME-ARP activities. Supportive services include: a) services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act ("**McKinney-Vento Supportive Services**") (42 U.S.C. 11360(29)); b) homelessness prevention services, as described in Section VI.D.3. and D.4 of Notice CPD-21-10; and c) housing counseling services.

1. **Eligible Program Participants**: Supportive services may be provided to individuals and families who meet the definition of a qualifying population under Section IV.A of Notice CPD-21-10 and who are not already receiving these services through another program. Program participants in other HOME-ARP activities are eligible for supportive services under CPD-21-10 in accordance with policies and procedures developed by the Participating Jurisdiction (PJ). These policies and procedures should identify the length of time that program participants may be served by HOME ARP rental housing before they will no longer be eligible as a qualifying population for purposes of this section.

2. **Client Selection**: HOME-ARP funds may only be used to provide supportive services to individuals or families that meet the definition of a qualifying population in Section IV.A of Notice CPD-21-10. PJs must develop policies and procedures for the selection of program participants for services under this section of the Notice that comply with Section IV.C and this section of the Notice.

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

   a. *McKinney-Vento Supportive Services*: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney-Vento.

   b. *Homelessness Prevention Services*: HOME-ARP Homelessness Prevention Services are adapted from eligible homelessness prevention services under the regulations at 24 CFR 576.102, 24 CFR 576.103, 24 CFR 576.105, and 24 CFR 576.106, and are revised, supplemented, and streamlined in Section VI.D.4.c.i of Notice CPD-21-10.

   c. *Housing Counseling Services*: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at 24 CFR 5.100 and 5.111, respectively, except where otherwise noted. The requirements at 24 CFR 5.111 state that any housing counseling, as defined in 24 CFR 5.100, required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling, consistent with 12 U.S.C. 1701x. HUD-approved Housing Counseling Agencies can be found on HUD's website at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc.

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

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

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

- Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit;
- Home maintenance and financial management for homeowners, including, but not limited to: Escrow funds, budgeting, refinancing, home equity, home improvement, utility

costs, energy efficiency, rights and responsibilities of homeowners, and reverse mortgages.

In accordance with 24 CFR 214.300(a)(2), housing counselors must establish an action plan for each participating qualifying individual or family. Additionally, as per 24 CFR 214.300(c), housing counselors must also make reasonable efforts to have follow-up communications with participating qualifying individuals, when possible, to assure that the individual or family is progressing toward the housing goal established in the plan, to modify or terminate housing counseling, and to learn and report outcomes.

More specifically these eligible services include:

- **Case management** to assess and coordinate services to meet the needs of program participants. Subrecipients must have written standards for providing case management assistance.
- **Childcare** for children under 13, or those with a disability under 18.
- **Credit repair** and credit counseling to assist with critical skills related to budgeting, managing money, and resolving credit problems.
- **Education services** including health education, substance abuse prevention, literacy, English as a Second Language (ESL), and General Education Development (GED).
- **Employment assistance and job training** including on-the-job training to secure or retain a job.
- **Financial assistance for housing and utilities**, including application fees, security deposits, utility deposits, moving costs, first and last month's rent, up to 6 months' rental arrears.
- **Food** assistance to provide meals or groceries to program participants.
- **Housing search and counseling services** to locate, obtain, and retain housing such as development of an action plan, moving arrangements, outreach and negotiation with owners.
- **Landlord/Tenant Liaison** services such as landlord outreach, inspections, rental application fees, and security deposits.
- **Legal services** for advice and representation in matters that interfere with a household's ability to obtain and retain housing.
- **Life skills training** necessary to assist program participants to live independently such as budgeting, money management, household management, conflict management, nutrition, and parent training.
- **Mediation** between program participants and owners or roommates, if necessary to prevent losing permanent housing.
- **Mental health** outpatient services provided by licensed professionals.
- **Outpatient health services** provided by licensed medical professionals, including dental care.
- **Outreach services** to engage qualified populations and provide immediate support and intervention, as well as identify potential program participants.
- **Rental assistance** for up to 24 months, for units within FMR and rent reasonable.

- **Services for special populations** such as victim services.
- **Substance abuse treatment** outpatient services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors provided by licensed or certified professionals.
- **Transportation** costs for program participants or service workers.

4. Eligible Costs

All supportive service costs paid for by HOME-ARP must comply with the requirements of the Notice and Uniform Administrative Requirements at 2 CFR part 200, subpart E, Cost Principles that require costs be necessary and reasonable.

Only certain activities include specific standards based on Hidalgo County's and/or HOME-ARP policy. Other services which may not be detailed below would still be allowable under HOME-ARP as detailed in the HUD Notice. A subrecipient must establish written policies for delivery of other HOME-ARP Supportive Services. The policies shall be reviewed and approved by the County prior to contract execution.

Eligible costs that may be paid using HOME-ARP funds are limited to only those identified herein. Any ineligible costs paid using HOME-ARP funds must be repaid to the County. All costs must be necessary and reasonable.

Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources. The Service Provider is responsible for establishing requirements that allow a program participant to receive only the HOME-ARP services needed, so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services. This may include the use of systems such as Homeless Management Information Systems in coordination with local supportive Service Providers, Continuum of Care programs (CoCs), and other nonprofit organizations.

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. Service providers (subrecipients) providing these supportive services must have written standards for providing the assistance. Eligible costs are those associated with the following services and activities:

- Conducting the initial evaluation, including verifying and documenting eligibility, for individuals and families applying for supportive services;
- Counseling;
- Developing, securing, and coordinating services;
- Using a centralized or coordinated assessment system that complies with the requirements of Section IV.C of Notice CPD-21-10;
- Obtaining federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking;
- Developing an individualized housing and service plan, including planning a path to permanent housing stability; and

- Conducting re-evaluations of the program participant's eligibility and the types and amounts of assistance the program participant needs.

Childcare: The costs of childcare for program participants, including providing meals and snacks, and comprehensive and coordinated developmental activities, are eligible. The childcare center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible. Children must be under the age of 13 unless the children have a disability. Children with a disability must be under the age of 18.

Credit repair: HOME-ARP funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

Education Services: The costs of improving knowledge and basic educational skills are eligible costs including: instruction or training in consumer education, health education, substance abuse prevention, literacy, and General Educational Development (GED). Screening, assessment, and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.

Employment assistance and job training: The costs of establishing and/or operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.

Services that assist individuals in securing employment consist of:

- Employment screening, assessment, or testing;
- Structured job skills and job-seeking skills;
- Special training and tutoring, including literacy training and pre-vocational training;
- Books and instructional material;
- Counseling or job coaching; and
- Referral to community resources.

Food: The cost of providing meals or groceries to program participants is eligible.

Legal Services: Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with a qualifying individual or family's ability to obtain and retain housing.

Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other legal remedies for victims of domestic violence, dating violence, sexual assault, human trafficking, and stalking; appeal of veterans and public benefit claim denials; landlord-tenant disputes; and the resolution of outstanding criminal warrants; landlord/tenant matters, provided that the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

Services may include client intake, receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling.

Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost is 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.

Legal services for immigration and citizenship matters and for issues related to mortgages and homeownership are **ineligible**. Retainer fee arrangements and contingency fee arrangements are prohibited.

Life skills training: The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, dating violence, sexual assault, stalking, human trafficking, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community.

Life skills training includes: the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.

Mental Health Services: Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals.

Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.

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.

Outpatient health services: Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:

- Providing an analysis or assessment of a program participant’s health problems and the development of a treatment plan;
- Assisting program participants to understand their health needs;
- Providing directly or assisting program participants to obtain and utilize appropriate medical treatment;
- Preventive medical care and health maintenance services, including in-home health services and emergency medical services;
- Provision of appropriate medication;
- Providing follow-up services; and
- Preventive and non-cosmetic dental care.

Outreach services: The costs of activities to engage qualified populations for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.

Eligible costs include the outreach worker's transportation costs and a cell phone to be used by the individual performing the outreach.

Costs associated with the following services are eligible: initial assessment; crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; actively connecting and providing people with information and referrals to homeless and mainstream programs; and publicizing the availability of the housing and/or services provided within the Participating Jurisdiction's geographic area.

Services for special populations: HOME-ARP funds may be used to provide services for special populations, such as victim services, so long as the costs of providing these services are eligible under this application. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Substance abuse treatment services: Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. The costs include:

- Program participant intake and assessment;
- Outpatient treatment;
- Group and individual counseling;
- Drug testing.

Ineligible: Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.

Transportation: Costs of program participant’s travel on public transportation or in a vehicle provided by the Subrecipient to and from medical care, employment, childcare, or other services eligible under HOME-ARP are eligible:

- Mileage allowance for service workers to visit program participants and to carry out housing inspections;
- The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants;
- The cost of gas, insurance, taxes, and maintenance for the vehicle;
- The costs of subrecipient staff to accompany or assist program participants to utilize public transportation.

5. Transportation Assistance Standards

- If public transportation options are not sufficient within the area, the subrecipient 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:
  - o 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;

- Payments for car repairs or maintenance must be paid by the subrecipient directly to a mechanic; and
- The subrecipient must establish policies and procedures surrounding payments for gas, insurance, taxes, the one-time payment for car repairs or maintenance described above, and maintenance for vehicles of program participants. Such costs must be limited to program participants with the inability to pay for such costs and who, without such assistance, would not be able to participate in HOME-ARP Supportive Services.

6. Case Management Standards

Subrecipients that provide case management services to clients, or ensure that clients have access to these services through another subrecipient, shall ensure the following:

- Subrecipients will develop and implement a set of written policies and procedures that clearly delineate the provision of case management services to include what specific services are to be provided, how they are to be provided, and by whom.
- As a part of case management services, subrecipients will ensure that a housing and services plan is completed for all program participants. The plan is intended to be a guide for both the program participant and the subrecipient staff. It should focus on obtaining or maintaining housing with defined goals, outcomes and timelines. The plan should also identify needed community resources, referrals to partnering agencies especially for mainstream benefits, budget education and tenant education.
  - Subrecipients shall post information designed to help residents access job training and employment opportunities, health, mental health and substance abuse treatment, and food/soup kitchen resources.
  - Subrecipients shall maintain confidential records to document household eligibility, services provided and referrals made for each program participant.

7. Street Outreach Standards

Based on need and assessment, qualifying individuals and/or families will be offered essential services beyond emergency health and other crisis intervention assistance that may include case management, transportation and housing stabilization. Whenever feasible, rapid re-housing will be a priority over the provision or referral to emergency shelter or transitional housing.

The subrecipient must provide services to homeless individuals and families for at least the period during which HOME-ARP funds are provided.

8. Financial Assistance

HOME-ARP funds may be used to pay housing owners, utility companies, and other third parties for the following costs, as applicable:

- Rental application fees: Rental housing application fee that is charged by the owner to all applicants.

- Security deposits: A security deposit that is equal to no more than 2 months' rent. This assistance is separate and distinct from the provision of financial assistance for First and Last Month's rent provided under this section and cannot be used to duplicate those costs.
- Utility deposits: HOME-ARP funds may pay for a standard utility deposit or initiation fee required by the utility company or owner (if owner-paid utilities are provided) for all program participants for the following utilities:
    - Gas
    - Electric
    - Water
    - Sewer
- Utility payments: HOME-ARP funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
- Moving costs: HOME-ARP funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under this section of the Notice and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
- First and Last month's rent: If necessary to obtain housing for a program participant, HOME-ARP funds may be used to make a pre-payment of the first and last month's rent under a new lease to the owner at the time the owner is paid the security deposit for the program participant's tenancy in the housing. This assistance must not exceed two month's rent and must be tracked for purposes of determining the total short- and medium-term financial assistance for rent that the program participant may receive. This assistance is separate and distinct from financial assistance for Security Deposits provided under this section and cannot be used to duplicate those costs.
- Payment of rental arrears: HOME-ARP funds may be used for a one-time payment for up to 6 months of rent in arrears, including any late fees or charges on those arrears, if necessary for the household to maintain their existing housing or, for those without housing, if necessary to remove a demonstrated barrier to obtaining housing.

9. Short-term and Medium-term Financial Assistance for Rent

Subject to the following conditions, the County or subrecipient may provide a program participant with short-term or medium-term financial assistance for rent, provided that the total financial assistance provided, including any pre-payment of first and last month's rent as described above, does not exceed 24 months of rental payments over any 3-year period.

- Short-term means up to 3 months.

- Medium-term means more than 3 months but not more than 24 months.
- The County or subrecipient may make rental payments only to an owner with whom the County or subrecipient has entered into a financial assistance agreement for rental payment. The financial assistance agreement must set forth the terms under which rental payments will be provided, including the requirements that apply under Notice CPD-21-10. The financial assistance agreement must provide that, during the term of the agreement, the owner must give the County or subrecipient a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant. The owner must serve written notice upon the program participant at least 30 days before termination of tenancy specifying the grounds for the action. Each financial assistance agreement that is executed or renewed must comply with the requirements in 24 CFR 92.359.
- The County or subrecipient must make timely payments to each owner in accordance with the financial assistance agreement. The financial assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The County or subrecipient is solely responsible for paying late payment penalties that it incurs with non-HOME-ARP funds.
    - Rental payments cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
    - Each program participant receiving financial assistance for rental payments must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the financial assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. New leases must have an initial term of 1 year unless a shorter period is agreed upon by the program participant and owner. The lease requirements in 24 CFR 92.359 apply to this financial assistance.
    - If a program participant receiving financial assistance for short- or medium-term rental payments under this section meets the conditions for an emergency transfer under 24 CFR 5.2005(e), HOME-ARP funds may be used to pay amounts owed for breaking a lease to effectuate an emergency transfer. These costs are not subject to the 24-month limit on rental payments.

10. Rental Assistance Guidelines

Per the HOME-ARP Notice CPD-21-10, eligible households may be assisted with up to 24 months of rental assistance, provided that the total financial assistance provided, including any pre-payment of first and last month’s rent, does not exceed 24 months of rental payments over any 3-year period.

A. Agreement Required

Subrecipients must make rental payments only to an owner with whom the subrecipient has entered into a financial assistance agreement for rental payment. The financial assistance agreement must set forth the terms under which rental payments will be provided, including the requirements that apply under Notice CPD-21-10. The financial assistance agreement must provide that, during the term of the agreement, the owner must give the subrecipient a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant. The owner must serve written notice upon the program participant at least 30 days before termination of tenancy specifying the grounds for the action. Each financial assistance agreement that is executed or renewed must comply with the requirements in 24 CFR 92.359.

The Subrecipient must make timely payments to each owner in accordance with the financial assistance agreement. The financial assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. Late fees are non-reimbursable with HOME-ARP funds so a subrecipient is solely responsible for paying late payment penalties that it incurs with non-HOME-ARP funds.

B. Rent Reasonableness

Rent for each unit must be determined to be reasonable based on comparable units and the Fair Market Rent limit. Subrecipient will certify this using the Rent Reasonableness Form. The FMR limits can be found at Fair Market Rents (40th PERCENTILE RENTS) | HUD USER

C. Unit inspections

Prior to completing the lease or making any payments, a unit must be inspected to meet the National Standards for the Physical Inspection of Real Estate standards (NSPIRE) Complete records of certification, inspections, and follow-up actions must be kept in the client's files.

The NSPIRE Inspection checklist found at https://www.hud.gov/sites/dfiles/PIH/documents/NSPIRE-HCV-Checklist.pdfhttps://www.hud.gov/sites/dfiles/OCHCO/documents/52580.PDF.

Units that are built before 1978 must pass the lead-based paint inspection.

11. Lease

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. The lease must be between the owner and the program participant. A program participant who receives rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive assistance, as long as the program participant continues to meet program requirements. New leases must have an initial term of 1 year unless a shorter period is agreed upon by the program participant and owner. The lease requirements in 24 CFR 92.359 apply to this financial assistance.

Subrecipients must establish requirements to prevent the provision of financial assistance for rent for the same period for which a program participant is receiving rental assistance or living in housing provided with ongoing assistance (such as project-based rental assistance or operating subsidies).

12. Lease Addendum

The lease must be accompanied by a lease addendum signed by the tenant and landlord which outlines the prohibited lease terms and other basic program info.

13. Recordkeeping

Subrecipients administering HOME-ARP Supportive Services activities must establish and maintain records sufficient to demonstrate compliance with HOME-ARP requirements and to enable the County and HUD to determine whether HOME-ARP funds have been used in accordance with applicable regulations and guidance.

At a minimum, records must include:

- Documentation supporting participant eligibility and qualifying population determinations;
- Documentation supporting the provision of eligible supportive services and financial assistance activities;
- Documentation supporting compliance with duplication of benefits requirements;
- Documentation supporting expenditures, including invoices, receipts, payment records, and other financial records;
- Documentation supporting compliance with procurement requirements, if applicable;
- Records of monitoring activities, corrective actions, and resolutions of findings;
- Records demonstrating compliance with nondiscrimination, Equal Access, confidentiality, and VAWA requirements, as applicable; and
- Any additional records required by HUD, the County, or other applicable federal requirements.

All records pertaining to HOME-ARP Supportive Services must be retained for five (5) years after contract close-out. If any litigation, claim, negotiation, audit, monitoring review, inspection, or other action involving the records has been initiated before the expiration of the retention period, the records must be retained until completion of the action and resolution of all issues arising from it, or until the end of the required retention period, whichever occurs later.

14. Reporting Requirements

Subrecipients shall submit reports to the County in the format and frequency prescribed in the executed HOME-ARP Written Agreement.

At a minimum, reports shall include:

- Unduplicated counts of households and individuals served;
- Participant demographic information, including race, ethnicity, gender, age, disability status, and household composition, as applicable;
- The qualifying population category (QP1-QP4) under which each household was determined to be eligible;
- The types and quantity of supportive services provided;
- Expenditures incurred and reimbursement requests submitted during the reporting period; and
- Any additional information required by HUD, the County, or applicable federal requirements.

Subrecipients shall maintain supporting documentation sufficient to substantiate all reported data and shall make such documentation available to the County, HUD, and other authorized entities upon request.

15. Reimbursement Procedures

HOME-ARP Supportive Services funds awarded by the County shall be provided on a cost reimbursement basis. Subrecipients shall incur eligible costs prior to requesting reimbursement and shall submit reimbursement requests in the format, frequency, and deadlines prescribed by the County and the executed HOME-ARP Written Agreement.

Only eligible costs associated with the direct provision of approved HOME-ARP Supportive Services identified in the subrecipient's approved budget and executed HOME-ARP Written Agreement shall be eligible for reimbursement. Costs must comply with the Hidalgo County Urban County Allocation Plan, applicable HUD HOME-ARP requirements, these Policies and Procedures, and the executed HOME-ARP Written Agreement.

Administrative costs associated with the general management, oversight, coordination, monitoring, financial management, reporting, or overall administration of the HOME-ARP grant are not eligible for reimbursement under the County's HOME-ARP Supportive Services Program unless expressly authorized by the County in the executed HOME-ARP Written Agreement.

Reimbursement requests shall include sufficient supporting documentation demonstrating that all requested costs were incurred, are reasonable and necessary, are adequately documented, and are eligible for reimbursement. Supporting documentation may include, as applicable, payroll records, timesheets or other activity documentation, participant eligibility documentation, invoices, receipts, proof of payment, and any other documentation required by the County to substantiate the requested reimbursement.

Personnel costs charged to HOME-ARP shall be supported by appropriate payroll documentation, timesheets, or other documentation acceptable to the County demonstrating the activities performed and, where applicable, the allocation of time to eligible HOME-ARP activities.

The County may request additional documentation or clarification prior to approving reimbursement. The County reserves the right to deny reimbursement for unsupported, inadequately documented, unreasonable, unnecessary, or otherwise ineligible costs and may require repayment of any disallowed costs in accordance with the executed HOME-ARP Written Agreement and applicable federal requirements.

16. Ineligible Costs

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

Other ineligible activities that cannot be funded with HOME-ARP include, but are not exclusive to:

- Replacement of existing mainstream resources;
- Payments made directly to program participants;
- Mortgage assistance for program participants;

- Payment of rent for eligible individuals or families for the same period and for the same cost types being assisted through any other federal, state, or local housing subsidy program;
- Payments on credit card bills or other consumer debt, including child support or garnishments;
- Provision of cash assistance;
- Bad debt/late fees (except for allowable late fees associated with eligible rental arrears assistance);
- Depreciation costs are subject to the requirements and limitations of 2 CFR Part 200 and are not allowable as direct HOME-ARP Supportive Services costs;
- Rental assistance exceeding 24 months during any 3-year period;
- Payment of credit arrears (e.g., credit cards, loans, or other consumer debt);
- Payment of costs associated with discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons; and
- Payment for religious activities. While organizations that are religious or faith-based are eligible to receive funds, religious activities must be conducted separately, in time and location, from HOME-ARP funded activities and participation must be voluntary for program participants.

III. RENTAL HOUSING DEVELOPMENT

HOME-ARP Rental Housing funds may be used to acquire, rehabilitate, or construct affordable rental housing primarily for occupancy by households of individuals and families that meet the definition of one or more of the “Qualifying Populations” (QPs) defined in the HOME-ARP Notice CPD-21-10. Any individual or family who meets the criteria for these populations is eligible to receive housing assistance funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria).

A minimum of 70 percent of all HOME-ARP units assisted with the County’s HOME-ARP allocation must serve households that are members of at least one of the four categories of Qualifying Populations, as defined above. Up to 30 percent of HOME-ARP units may be restricted to households that are low-income as defined at 24 CFR 92.2, earning up to 80 percent of the Area Median Income for the household size. The County shall monitor compliance with these occupancy requirements throughout the applicable HOME-ARP compliance period.

1. Eligible Applicants

An eligible applicant for affordable rental housing development funds is an organization, agency (including a public housing agency), for profit entity, or nonprofit entity that applies to receive HOME-ARP funding from the County as an owner or developer on its own or with another entity (such as a for-profit or nonprofit corporation). To be eligible for funding, an Applicant must demonstrate experience and capacity relevant to owning and developing affordable rental housing. All Applicants must be in good standing with the laws, regulations, guidelines, and programs of the County, HUD and the State of Texas agencies and departments. For purposes of this section, good standing may include, but is not limited to, the absence of unresolved monitoring findings, audit findings, repayment obligations, suspension, debarment, or other compliance issues identified by the County, HUD, or applicable governmental agencies.

An Owner is a nonprofit or for-profit entity that will be required to execute a legally binding written HOME-ARP agreement with the County under which HOME-ARP financial assistance will be provided for the rehabilitation or construction and operations of an identified HOME-ARP Affordable Rental Housing project. The Project Owner is responsible for ensuring compliance with HOME-ARP requirements during the construction period and 15-year rental housing minimum compliance period; and, if the Project is permanent supportive housing, ensuring that direct supportive services are funded and are available to eligible Qualifying Populations either directly or through a Lead Service Provider or contractor.

2. Eligible Use of Funds

HOME-ARP funds will be awarded in the form of a deferred payment loan used to acquire, rehabilitate, or construct affordable rental housing as "housing" is defined in 24 CFR 92.2. HOME-ARP funds can only be invested in units restricted for Qualifying Population households or Low-Income Households as defined by Section VI.B.1.b. of CPD-21-10.

In conjunction with funds awarded for acquisition, rehabilitation or construction of HOME-ARP eligible units, HOME-ARP funds may also be awarded to capitalize an operating reserve needed to ensure financial viability through the life of the project.

Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide HOME-ARP Affordable Rental Housing within the timeframes provided in Section VI.B of the HOME-ARP Notice.

Eligible HOME-ARP Affordable Rental Housing includes "housing" as defined at 24 CFR 92.2, including but not limited to manufactured housing, single room occupancy (SRO) units, and permanent supportive housing. Emergency shelters, hotels and motels, facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories are not eligible for HOME-ARP funds. However, HOME-ARP funds may be used to acquire and rehabilitate such structures into eligible HOME-ARP Affordable Rental Housing.

Only the eligible development costs of the HOME-ARP Assisted Units may be charged to the HOME-ARP Program. Cost allocation in accordance with 24 CFR 92.205(d)(1) is required if the Assisted and non-Assisted Units are not comparable. After Project completion, the number of HOME-ARP Assisted Units in a Project cannot be reduced.

3. Eligible Costs

HOME-ARP Affordable Rental Housing funds may be used for the following project hard and soft costs, and project-specific costs associated with and allocable to the acquisition, construction, and rehabilitation of HOME-ARP units.

a. Development hard costs – defined in 24 CFR 92.206(a).
b. Acquisition – the costs of acquiring improved or unimproved real property.
c. Related soft costs – defined in 24 CFR 92.206(d).

d. Relocation costs – as defined in 24 CFR 92.206(f), 24 CFR 92.353, and described in Notice CPD 21-10.
e. Operating Deficit Reserve addresses operating deficits of the HOME-ARP units restricted for qualifying households during the compliance period, as described in Notice CPD-21-10.

4. Property Standards

HOME-ARP-assisted rental housing units must comply with the applicable property standards set forth in 24 CFR 92.251 and all applicable state and local codes, ordinances, and requirements. Projects involving rehabilitation must meet all applicable rehabilitation standards established by the County and HUD. New construction projects must meet all applicable local building codes and ordinances.

All HOME-ARP-assisted rental housing must comply with applicable lead-based paint requirements under 24 CFR part 35, as applicable, and all accessibility requirements, including Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act (ADA), and the Fair Housing Act design and construction requirements, as applicable.

5. HOME-ARP Loan Terms

HOME-ARP funding will be awarded as a deferred payment loan. Interest rate, term and payment requirements will be negotiated on a case-by-case basis.

6. Minimum Number of HOME-ARP Units

The minimum HOME-ARP investment is $1,000.00 per HOME-ARP unit. There is no maximum per-unit HOME-ARP subsidy. HOME-ARP funds may pay the entire reasonable and necessary cost to acquire, rehabilitate and/or construct HOME-ARP rental units subject to any restrictions specified in the application, the HUD Notice CPD-21-10, and the cost principles under 2 CFR Part 200.

7. Capitalized Operating Reserve

The County may fund an operating reserve for units that are restricted for occupancy by Qualifying Populations (HOME-ARP QP units) without project based rental assistance. A development may be eligible for an operating reserve provided an operating reserve is not already established for the project from another funding source.

Capitalization of a HOME-ARP operating reserve is subject to the following:

- The capitalized operating reserve must be held by the Project Owner in a separate interest-bearing account;
- The Project Owner must request written approval from the County prior to disbursing funds from the reserve;
- Funds in the capitalized operating reserve can only be drawn to address operating deficits associated with HOME-ARP QP units;
- Unexpended capitalized operating reserve amounts remaining at the end of the minimum compliance period must be returned to the County.

A. Calculating the Capitalized Operating Reserve

When calculating a capitalized operating reserve, the County will apply the following criteria to determine projected deficits remaining after expected payments toward rent by qualifying households. The reserve will not exceed the amount determined necessary to provide operating cost assistance during the 15-year HOME-ARP compliance period.

i. Operating costs must be reasonable and appropriate for the geographic area, project size, population(s) served, and type of project;
ii. HOME-ARP QP units with project-based rental assistance will not be included in the capitalized reserve calculation; and
iii. Unit operating costs will be equal to the HOME-ARP QP units' share of project operating costs based on unit size and will include the following:
    - Project administrative expenses, limited to:
        - Gross salaries and wages paid to employees assigned to the property, including payroll taxes, employee compensation, and employee benefits;
        - Employee education, training, and travel;
        - Project advertising;
        - Costs for goods and services required for administration of the housing, including rental or purchase of equipment, supplies, legal charges, bank charges, utilities, telephone services, internet service, insurance; and
        - Other administrative costs that may be approved by the County on a project-by-project basis.
    - Property management fees paid to a third-party management agent for day-to-day management;
    - Insurance;
    - Utilities;
    - Property taxes;
    - Maintenance and repairs; and
    - Replacement reserves for HOME-ARP QP Units

8. Ineligible Costs

Ineligible costs are outlined under 24 CFR 92.214 and in the CPD Notice 21-10. They include but are not limited to:

- Any activity not explicitly deemed eligible by the Notice and;
- Costs relating to homeownership and owner-occupied activities, including assistance to homebuyers, development of affordable housing for homeownership, and homeowner rehabilitation.
- Public housing modernization, maintenance, and operation.

9. General Restrictions

A. Minimum Compliance Period

HOME-ARP Affordable Rental Housing units must meet HOME-ARP requirements, including affordability for not less than 15 years. When a project is also receiving project-based rental assistance, the HOME-ARP units must meet HOME-ARP requirements for the term of the Housing Assistance Payments contract. Project Owners may propose a longer compliance period; however, no HOME-ARP funds will be available for operating cost assistance to cover deficits during the extended period or beyond the HOME-ARP 15-year minimum compliance period.

B. Affordability Restrictive Covenant

The affordability period requirements shall be enforced through a recorded Restrictive Covenant on the assisted property. The minimum 15-year affordability period is required regardless of prepayment of HOME-ARP assistance, if applicable, prior to the end of the 15-year affordability period.

Repayment of HOME-ARP funds is required if the housing does not meet the affordability requirements as defined in the Restrictive Covenant. Repayment of HOME-ARP funds is not subject to proration. All HOME-ARP funds provided must be returned if the project does not comply with the 15-year affordability period.

C. HOME-ARP Units

Only the eligible development costs of the HOME-ARP units (assisted units) may be charged to the HOME-ARP Program. Newly constructed HOME-ARP assisted units must be substantially comparable in size and amenities to units not assisted with HOME-ARP funds. After project completion, the number of HOME-ARP units in a project cannot be reduced, nor can the County provide additional HOME-ARP funds for capital costs.

D. Eligible Tenants

Eligible HOME-ARP Affordable Rental Housing tenants are based on the number of HOME-ARP units in a property as follows:

- Not less than 70% of households, regardless of household income, must be a QP upon the household's initial occupancy, and
- If necessary to ensure project feasibility and viability, up to 30% of households may have household income less than 80% of the AMI, adjusted for household size upon the household's initial occupancy.
- When calculating the minimum number of HOME-ARP units set-aside for QP, any fraction or decimal must be rounded up to the next whole number.

E. Tenant Selection Policies

An Owner must adopt and follow written tenant selection policies and criteria for HOME-ARP units. At a minimum, the tenant selection policies must:

- Limit eligibility to households that meet the HOME-ARP Qualifying Populations definitions or Low-Income Households in accordance with HOME-ARP requirements;
- Not violate nondiscrimination requirements in 24 CFR 92.350;
- Not exclude an applicant with a voucher under the Section 8 Housing Choice Voucher Program (starting with 24 CFR 982.1); or an applicant participating in a HOME; HOME-ARP; or other federal, state, or local tenant-based rental assistance program because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable tenant-based assistance document;

- Must include language on how the selection of households must be from a written waiting list in the chronological order of their application, insofar as is practicable;
- Give prompt written notification (within 15 business days) to any rejected applicant of the grounds for any rejection; and
- Comply with the VAWA requirements as described in 24 CFR 92.359.

F. Fixed or Floating Units

HOME-ARP units must be designated as either fixed or floating at the time of project underwriting and approval. It is the County's intent that all units will be designated as floating units, unless the use of fixed units is required based on project design, financing structure, or comparability requirements determined during underwriting and subsidy layering review.

i. **Fixed Units** are specified units that are designated as either QP or low-income household units for the entire compliance period. This designation cannot change during the compliance period. If other units within the project are not comparable, the HOME-ARP unit designations must be fixed.

ii. **Floating Units** are initially designated for either QP or low-income households and may lose their designation and be replaced by comparable units in the project during the compliance period when the income of the household occupying the unit changes.

G. Application Process

The County will issue a Request for Proposals (RFP) for HOME-ARP Affordable Rental Housing Development Funds. The County will review and rank completed applications submitted by the RFP submittal due date, pursuant to the RFP Scoring Criteria.

10. Underwriting and Subsidy Layering Review

An underwriting report and subsidy layering review must be completed for each HOME-ARP application selected for funding.

The underwriting report will include but is not limited to the items listed below.

- Applicant's capacity and experience with similar projects
- Verification the applicant is in good standing with the state of Texas
- Confirmation that the applicant has an active SAM registration and is not debarred
- Market Study showing demand for the proposed development
- Appraisal as-is and as-completed; appraisal of the land if HOME-ARP will be used for acquisition
- Proof of site control
- Proof of zoning and land use compliance
- Proof of utilities to the site
- Phase 1 Environmental
- Development team members' resumes
- Current rent roll (rehabilitation only)
- Capital Needs Assessment (rehabilitation only)
- Total development cost

- Detailed sources and uses
- First year and 15-year operating proforma and gap analysis
- Management company contract
- Property Management Plan
- Tenant Selection Plan (if separate from property management plan)
- Sample Lease

A. Underwriting Evaluation Standards

In addition to the required underwriting documentation listed above, the County shall evaluate each proposed HOME-ARP Affordable Rental Housing development to determine financial feasibility, cost reasonableness, and long-term sustainability in accordance with HUD HOME-ARP requirements. These standards shall be used by the County to determine project selection, funding awards, and underwriting approval decisions for HOME-ARP Affordable Rental Housing projects.

The County's underwriting review shall include, at minimum, an assessment of the following factors:

- **Financial feasibility**, including whether total project financing is sufficient to complete development and support long-term operations for the required HOME-ARP compliance period;
- **Cost reasonableness**, including comparison to similar developments, construction costs, and applicable market benchmarks;
- **Subsidy Layering and gap analysis**, ensuring HOME-ARP funds are used to fill documented financing gaps and do not result in over-subsidization;
- **Developer capacity and experience**, including prior experience with comparable affordable housing developments and demonstrated ability to successfully complete and operate such projects;
- **Operating feasibility**, including review of projected operating income, expenses, and long-term sustainability of the project;
- **Reserve adequacy**, including operating reserve and replacement reserve assumptions and sufficiency;
- **Construction contingency and soft costs**, evaluated for reasonableness relative to project scope and complexity; and
- **Project readiness**, including confirmation of site control, zoning compliance, environmental clearance status, and overall readiness to proceed with required program timeliness.

The County reserves the right to:

- Request additional information or clarification;
- Require changes to project structure or financing; or
- Reject applications that are not financially feasible, are not cost reasonable, or do not meet program requirements or HUD HOME-ARP guidelines.

B. HOME-ARP Affordable Rental Housing Funding Agreements

All Project Ownership entities will be required to execute the following:

- HOME-ARP Affordable Rental Housing Written Agreement
- HOME-ARP Mortgage

- HOME-ARP Promissory Note
- HOME-ARP Affordability Restrictive Covenant

C. HOME-ARP Rental Housing Funding Closing Conditions

- Securing all funding sources identified in the project budget.
- Receipt of final terms & conditions of all funding sources.
- Receipt of all fully executed final funding agreements.
- Receipt of all permits and land use approvals.
- Validation of construction/rehabilitation costs.
- Receipt of executed Construction Contract, A&E Contract(s), and Contract(s) for off-site improvements.
- Receipt of a current appraisal.
- Receipt of Closing Schedule.
- Receipt of updated project budget no later than 3 weeks before closing.
- Part 58 Historical/Environmental review and clearance by Hidalgo County.
- Receipt of a Supportive Services Plan, Service Provider Agreement, and Budget
- Receipt of final commitments and/or agreements for funding sources identified in the Supportive Services Plan.
  - Receipt of MBE/WBE and Section 3 Plan.
  - Receipt of Davis-Bacon Compliance plan, if applicable.

D. Disbursement of HOME-ARP Funding

Under no circumstance will HOME-ARP funding be disbursed prior to meeting all closing conditions and executing HOME-ARP required agreements. At the request of the Project Owner, HOME-ARP funding will be disbursed pursuant to a negotiated draw schedule outlined in the executed HOME-ARP written agreement, with a disbursement deadline of September 30, 2028, for all HOME-ARP Affordable Rental Housing funding commitments.

All requests for disbursement shall be accompanied by itemized invoices and limited to the amount shown by invoice with supporting documentation as detailed within the HOME-ARP funding agreement. The County will retain 10% of HOME-ARP funding pending Project completion, approval of the Project Completion Report and satisfactory completion that all funding agreement requirements have been met, including Section 3 compliance.

E. HOME-ARP Assisted Rental Housing Preferences and Limitations

In order to serve the greatest number of people in the Qualifying Populations through the HOME-ARP Program and to ensure program flexibilities that allow subrecipient and contractors to respond to their specific community needs, the County's HOME-ARP Allocation Plan does not incorporate a preference to one or more Qualifying Populations or a subpopulation within one or more qualifying population nor does the HOME-ARP Allocation Plan incorporate eligibility limitations to a particular qualifying population or specific subpopulation of a qualifying population.

F. Tenant Referral Methods

To select Qualified or Low-Income Households for Assisted Units, the HOME-ARP project Applicant must use a project-specific waitlist that reviews tenant applicants in chronological order of when they joined the waitlist. Families and individuals must be able to join the waitlist directly with the HOME-ARP project Applicant. A HOME-ARP Applicant may also take referrals from multiple sources, including a Continuum of Care's (CoC) Coordinated Entry System (CE) to place families and individuals on the project-specific waitlist. A HOME-ARP project Applicant must use a project-specific waitlist to select households to occupy units restricted for occupancy by Low-Income Households in accordance with the tenant selection requirements of 24 CFR 92.253(d).

The HOME-ARP project Applicant must demonstrate to the County's satisfaction the ability of its referral sources and project-specific waitlist to serve all persons of the Qualified Population. For example, a HOME-ARP project Applicant may not exclusively take referrals from a CoC's CE to add to the waitlist if that would result in only having referrals for families or individuals currently experiencing homelessness, while excluding members of the Qualified Population from the other three definitions in CPD-21-10. HOME-ARP project owners are encouraged to use a variety of referral sources to the waitlist to ensure all members of the Qualified Population have access.

G. Occupancy and Compliance Requirements

The mix of HOME-ARP QP and low-income household units must be maintained throughout the entire compliance period. The method of maintaining this mix and remaining in compliance will depend on the unit designation and whether the unit is fixed or floating.

H. Household Income Determination

Household income of HOME-ARP rental unit tenants must be determined following the requirements at 24 CFR 5.609 unless the household is assisted by a state or federal project-based rental subsidy or receiving federal tenant-based rental assistance. When a unit is assisted by a state or federal project-based rental subsidy or a household is receiving a federal tenant-based subsidy (e.g., Housing Choice Voucher), then the income determination of the public housing agency, Section 8 Project Owner, or CoC subrecipient's determination of income must be accepted.

Qualifying Populations Income Certification: For QPs, household income:

i. Is not a factor in initial occupancy of a unit (but may impact classification as a QP household);
ii. If applicable, must be calculated at initial occupancy to determine the tenant's total contribution to rent, including utilities, or to determine eligibility for dual-subsidy (e.g., LIHTC) units; and
iii. Must be calculated annually starting 1 year after initial occupancy to determine the tenant's total contribution to rent, including utilities.

Low-Income Household Income Certification: For low-income households, household income:

i. Must be determined prior to occupancy to ensure the household meets the definition of low-income; and
ii. Must be calculated annually starting 1 year after initial occupancy to determine the tenant's ongoing income eligibility and applicable rental contribution.

I. Maximum HOME-ARP Rents

For units restricted to occupancy by Qualifying Households, the HOME ARP rents cannot exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. HUD publishes the HOME rent limits on an annual basis.

HOME-ARP rental units occupied by low income households must comply with the rent limitations in 24 CFR 92.252(a) (i.e., the lesser of the Fair Market Rent for existing housing for comparable units in the area, as established by HUD, or a rent equal to 30 percent of the income of a family at 65 percent of median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit).

When a HOME-ARP unit is receiving federal or state project-based assistance and the qualifying household is paying no more than 30% of adjusted income for rent including utilities, the maximum rent (including the tenant contribution) is the rent permissible under the project-based assistance program.

Rent Limits are published on the HUD Exchange as follows:
https://www.hudexchange.info/programs//home/home-rent-limits/
Income Limits are published on the HUD Exchange as follows:
https://www.hudexchange.info/programs/home/home-income-limits/

As stated above, no less than 70% of HOME-ARP assisted units in any project may be designated for those who meet the income designations below and the definition of QP. No more than 30% of HOME-ARP assisted units may be reserved for low-income individuals and families who meet the income designations below but do not meet the definition of QP.

J. Utility Allowance

If utilities are paid individually by the tenant, the project must determine a utility allowance for each unit size. The maximum rent that a tenant can pay is the HOME maximum minus the utility allowance. The written lease should indicate the utilities that the tenant and owner are each individually responsible for.

K. Changes in Qualifying Household Income

A household that was a QP household at initial occupancy and whose annual income at the time of income re-certification is above 50% AMI and below 80% AMI must pay the FMR or High-HOMERent limit as published annually by HUD under the regular HOME Program, whichever is less.

A household that was a qualifying population household at initial occupancy and whose annual income at the time of income re-certification is above 80% AMI must pay 30% of adjusted household income for rent or the prevailing market rent, whichever is less.

L. Changes in Low-Income Household Income

A household that was a low-income household at initial occupancy and whose annual income at the time of income re-certification is above 80% AMI must pay 30% of adjusted household income for rent or the prevailing market rent, whichever is less.

11. HOME-ARP Lease Requirements and Tenant Protections

A. Lease Term

The County requires that one-year leases be utilized unless a request for a shorter term is submitted and approved in advance.

B. Prohibited Lease Items

Tenant leases may not include federally prohibited lease clauses that are outlined at 24 CFR 92.253(b).

C. Application Fees

Nominal application fees may be charged to prospective tenants to cover costs associated with background checks and other processes necessary to determine a household's eligibility.

D. Termination of Tenancy

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME- ARP unit except for:

1. Serious or repeated violation of the terms and conditions of the lease;
2. Violation of applicable Federal, State, or local laws; or
3. Other good cause. (An increase in the tenant's income does not constitute good cause.)

12. Project Completion and Operation

A. Completion Deadline

HOME-ARP rental projects must be completed within four (4) years of the effective date of the executed HOME-ARP Written Agreement, and in all cases, sufficiently in advance to ensure compliance with HUD HOME-ARP expenditure requirements. To facilitate timely project closeout and expenditure of funds, all HOME-ARP rental projects funded by the County must be completed no later than August 1, 2030. Project completion means the HOME-ARP units are occupied by eligible qualifying or low- income households within six (6) months of receiving a certificate of occupancy.

B. Management and Oversight of the Capitalized Operating Reserve

Not less than annually, the County will review any operating reserve accounts to determine that the Project Owner is complying with the following requirements:

- The HOME-ARP Capitalized Operating Reserve is held in a separate interest-bearing account.
- The owner submits annual audited financial statements.
- Prior to disbursing funds from the reserve and not more than quarterly, the Project Owner requests and receives written approval from the County.

The County will review each requested distribution, including supporting documentation, to determine if the distribution is reasonable and necessary to cover the operating deficit associated with HOME-ARP units occupied by qualifying households. Required supporting documentation includes:

- Financial statements for the period covered by the draw, including balance sheet, and income statement.

- Rent roll and bank account statement.
- An explanation of the funding shortfall, including HOME-ARP QP income, calculated rent payment, and the maximum HOME-ARP rent for the unit.

C. Monitoring

Throughout the period of affordability, the County will monitor projects to ensure compliance with HOME-ARP regulations and other relevant federal regulations as required by 24 CFR 92.504(d).

On-site inspections include completion inspection and ongoing periodic inspections at a minimum frequency of every three (3) years during the 15-year Affordability Period. Reviews will also include onsite inspection of rental housing units following the Housing Quality Standards set by 24 CFR § 92.251(f) in addition to data collection procedures.

The initial on-site inspections must occur within 12 months after project completion and at least once every three (3) years thereafter during the period of affordability. Projects that receive onsite monitoring conducted by the County may be eligible to substitute a desk monitoring in lieu of the ongoing, periodic on-site monitoring visit. Inspections and file monitoring may occur more frequently depending upon project performance.

As per 24 CFR 92.252(d), the period of affordability and income requirements apply without regard to the term of any loan or mortgage, repayment of the HOME investment, or the transfer of ownership.

D. Management Plan Requirements

Each project must have an adopted management plan that includes the following:

- Financial Plan: How rents will be collected and how the project's financial operations will be managed.
- Physical Management: How the project will be managed, including planned and preventative maintenance activities, work order systems, ongoing unit inspections and maintenance of property standards.
- Occupancy Management: How the units will be advertised/marketed, how the intake and application process including certification and documentation of eligibility will be maintained, how the waitlist will be maintained, how occupancy standards (i.e., house rules or standards of conduct) will be enforced, and how re-certification and turnover will be managed.

E. Project Sale or Transfer

During the 15-year HOME-ARP affordability period, a Project Owner must not directly or indirectly sell, assign, transfer, or convey a Project receiving HOME-ARP funds, or any interest therein or portion thereof, without the express prior written approval of the County. The County may approve a sale, transfer, or conveyance only if:

- The existing Project Owner is in compliance with the HOME-ARP Written Agreement and other loan documents, or the sale, transfer, or conveyance will result in the cure of any existing violations;
- The successor-in-interest to the Project Owner agrees to assume all obligations of the existing Project Owner under the HOME-ARP Written Agreement and other loan documents;

- The successor-in-interest is an eligible Project Owner and demonstrates to the County’s satisfaction that it can successfully own and operate the Project and comply with the HOME-ARP regulations and applicable state and federal law; and
- No terms of the sale, transfer, or conveyance jeopardize either the County's security or the successor's ability to comply with the HOME-ARP regulations and any applicable state and federal law.

If the County approves a sale, assignment, transfer, or conveyance under the provisions above, the County will grant its approval subject to such terms and conditions as may be necessary to preserve or establish the financial sustainability of the Project.

Such conditions may include, but are not limited to:

- The deposit of sales proceeds, or a portion thereof, to maintain required reserves, or to offset negative cash flow;
- The recapture of syndication proceeds or other funds in accordance with special conditions included in any agreement executed by the Project Owner; and/or
- Such conditions as may be necessary to ensure compliance with the HOME-ARP regulations and applicable state and federal law.

F. Partnerships and Limited Partnerships

If the Project Owner or its successor-in-interest is a partnership, the Project Owner must not discharge or replace any general partner or amend, modify, or add to its partnership agreement, or cause or permit the general partner to amend, modify, or add to the organizational documents of the general partner, without the prior written approval of the County.

The Project Owner may not transfer Limited Partnership interests without the prior written approval of the County.

13. Default

In the event of a breach or violation by the Project Owner of any of the provisions of the HOME-ARP Written Agreement, Affordability Restrictive Covenants, the Promissory Note or HOME-ARP Mortgage or any other agreement between the County and the Project Owner pertaining to the Project, the County may give written notice to the Project Owner to cure the breach or violation within a period of not less than 30 days. If the Project Owner does not cure the breach or violation to the satisfaction of the County within the specified time, the County, at its option, may declare a default under the relevant document(s) and may seek legal remedies for the default including the following:

- The County may accelerate all amounts due under the loan and demand immediate repayment thereof. Upon the Project Owner’s failure to repay such accelerated amounts in full, the County may proceed with a foreclosure in accordance with the provisions of the Deed of Trust and state law regarding foreclosures;
- The County may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to operate the Project;
- The County may terminate the document(s) the Project Owner breached or violated; or
- Any other remedy available under law.

14. General Project Records

Each Project Owner must establish and maintain sufficient records to enable HUD to determine whether the County has met the HOME-ARP requirements. The following records must be maintained by the developer and the County for five years past the end of the affordability period.

A. Tenant Records

- Documentation supporting the eligibility of each tenant.
- Records that show the use of the written procedures in selecting tenants for the project.
- Documentation indicating information on or access to Supportive Services was provided at move-in and annual recertification.
- Documentation of annual household income to determine eligibility for occupancy and/or the tenant contribution to rent, including:
    - Source documents for the assets held by the household and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement);
    - To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the household received over the most recent period for which representative data is available; or
    - To the extent that source documents and third-party verification are unobtainable, the written certification by the household of the amount of income the household received for the most recent period representative of the income that the household is reasonably expected to receive over the 3-month period following the evaluation.
- Records demonstrating continued compliance with HOME-ARP rental requirements.
- Leases and other documents demonstrating compliance with tenant selection and tenant protection requirements.
- Records that document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.

B. Project Records

- Purchase contract.
- Closing documents.
- Settlement statement and title work for acquisitions.
- Appraisal or other estimation of value.
- Architectural and engineering contracts and completed designs, plans, and specifications for rehabilitation and new construction activities.
- Evidence of the expenditure of HOME-ARP funds only for eligible costs.
- Evidence of the commitment and expenditure of all funds necessary to complete the project.
- Records (e.g., inspection reports) demonstrating that each HOME-ARP rental unit and project meets the property standards at project completion and through the applicable minimum compliance period.

- Invoices, pay requests, and proof of payment for all project expenditures.
- Records demonstrating compliance with Davis-Bacon and related Acts including contract provisions and payroll records, if applicable.
- Records demonstrating compliance with the lead-based paint requirements, if applicable.
- Records demonstrating compliance with conflict-of-interest requirements.
- Records demonstrating compliance with debarment and suspension requirements.
- Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.
- Records demonstrating compliance with the requirements regarding displacement, relocation, and real property acquisition, if applicable.
- Documentation of actions undertaken to meet Section 3 requirements.

C. <u>On-going Operations</u>

- Records demonstrating compliance with operating cost assistance reserve management and oversight.
- Records demonstrating that each HOME-ARP Affordable Rental Housing unit and project meets the rent limitations for the 15-year minimum compliance period. Records must be kept for each household assisted.
- Proof of insurance.
- Project and program audits.
- Records demonstrating adequate budget control and other records required by the uniform administrative requirements, including evidence of periodic account reconciliations.
- Records demonstrating compliance with the applicable uniform administrative requirements.
- Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.
- Records demonstrating compliance with nondiscrimination, equal opportunity, and fair housing requirements.
- Data on the extent to which each racial and ethnic group, and single-headed households by gender of household head, have applied for, participated in, or benefited from HOME-ARP funds.
- Records demonstrating compliance with affirmative marketing procedures and requirements.
- Documentation and data on the steps taken to outreach to minority-owned (MBE) and female-owned (WBE) businesses including:
  - Data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of $25,000.00 or more paid, or to be paid, with HOME-ARP funds; and
  - The amount of the contract or subcontract.

D. <u>Records Retention Period</u>

All records pertaining to HOME-ARP funds must be retained for five (5) years after contract close-out, except:

For HOME-ARP Affordable Rental Housing projects:

- Records pertaining to the development phase must be retained for five (5) years after the project completion date;
- Records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five-year (5) period, until five (5) years after the minimum compliance period terminates.
- Written agreements must be retained for five (5) years after the agreement terminates
- Records covering displacements and acquisition must be retained for five (5) years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled.
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action is started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

1. Access to Records

Citizens, public agencies, and other interested parties will be provided with reasonable access to records, consistent with applicable state and local laws and any other applicable grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.

2. Confidentiality

All HOME-ARP subrecipients, owners, and contractors must develop, implement, and maintain written procedures to ensure that:

- All records containing personally identifying information of any individual or family who applies for and/or receives HOME-ARP assistance will be kept secure and confidential;
- The address or location of any HOME-ARP Affordable Rental Housing exclusively for individuals fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be made public, except as necessary where making the address or location public does not identify occupancy HOME-ARP Affordable Rental Housing, including recording of use restrictions or restrictive covenants, or with written authorization of the person or entity responsible for the operation of the HOME-ARP Affordable Rental Housing; and
- The address or location of any program participant that is a fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be made public.

The recipient may create a program participant identifier code or number that can be used on a file and maintained internally, in such a way that the number itself does not inadvertently identify the program participant, (i.e., no use of initials, date of birth, or other pieces of information that might suggest the identity of the program participant). The “key” or “cypher” for the program participant identifier code would itself be confidential and would not leave the provider.

In the circumstance of HUD programs, the Unique Personal Identification Number which is generated within the comparable database could be used with auditors to identify records of services to distinct individuals, subject to the following:

HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers, or other records of the participating jurisdiction, state recipients, and subrecipients, in order to make audits, examinations, excerpts, and transcripts.

E. Documenting Fleeing or Attempting to Flee Status

If an individual or family qualifies because the individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking then acceptable evidence includes an oral or written statement by the qualifying individual or head of household seeking assistance that they are fleeing that situation. A statement may be documented by either:

- A written certification by the individual or head of household; or
- A written certification by a victim service provider, intake worker, social worker, legal assistance provider, health-care provider, law enforcement agency, pastoral counselor, or an intake worker in any other organization from whom the individual or family sought assistance.

The written documentation need only include the minimum amount of information indicating that the individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking and need not include any additional details about the conditions that prompted the individual or family to seek assistance.

15. Reporting and Performance Reports

Recipients must submit reports in a format and at such time as prescribed by the County. A HOME-ARP Program Completion Report must be completed and submitted at the time construction is completed and prior to any applicable rental leases being entered into, along with required attachments:

- Identification of HOME-ARP assisted units; and
- Occupancy approval from the relevant jurisdiction, i.e., the occupancy permits or satisfactory code inspection.

Once the HOME Program Completion Report is received, an onsite inspection will be scheduled.

A. Section 3 Report - During Development Period

This report must be submitted semi-annually and is an ongoing obligation during the performance period of the Applicant's HOME-ARP funding agreement and while the Applicant is conducting construction, or development work, for which they are drawing HOME-ARP funds. The semi-annual deadline for the Section 3 report is as follows: report due to be received before the end March (March report period to include only activity during October 1 through March 31), report due to be received before the end of September (September report period to include only activity during April 1 through September 30). Additional reports may be requested by the County.

B. MBE/WBE Report - During Development Period

This report must be submitted semi-annually and is an ongoing obligation during the performance period of the Applicant's HOME-ARP funding agreement and while the Applicant is conducting construction or development work for which they are drawing HOME-ARP funds. This report is to be received before the end of March and before the end of September in conjunction with the Section 3 Reports noted above. Additional reports may be requested by the County.

C. HOME-ARP Rental Compliance Reports (Annually Through Affordability Period)

The compliance report covers the report period of October 1st through September 30th of each year during the Affordability Compliance Period. The objective of this report is to collect all occupancy and lease-up activity from within the report period. Additionally, this form serves to certify compliance with HOME-ARP Program rent and income requirements as well as tenant occupancy eligibility. The report is due to be received on or before December 1 of each year.

IV. APPENDICES

HOME AMERICAN RESCUE PLAN (HOME-ARP)
QUALIFYING POPULATION CERTIFICATION HIDALGO COUNTY URBAN COUNTY PROGRAM

HCUCP 0321 (03/26)

HOME-ARP Household Name	Date

Check only one category and complete only that section.

QUALIFYING POPULATION 1 (QP 1) HOMELESS

A. LITERALLY HOMELESS

☐ Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: Has a primary nighttime residence that is a public or private place not meant for human habitation; or Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals).
To certify homeless status for the above, must provide documentation of 1 of the following: Written ☐ observation by the outreach worker of the conditions where individual or family was living; **or** Written referral ☐ by another housing or service provider; **or** ☐ Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter (HCUCP 0312).
☐ Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: An individual who is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
Documentation must include one of the above forms of evidence AND 1 of the following. ☐ Discharge paperwork or written/oral referral from appropriate official of the institution; or ☐ Written record of intake worker's due diligence to obtain above evidence and certification by individual that they exited institution where they resided for ≤ 90 days (HCUCP 0312).

B. IMMINENT RISK OF HOMELESSNESS

☐ Individual or family who will imminently lose their primary nighttime residence, provided that: Residence will be lost within 14 days of the date of application for homeless assistance; No subsequent residence has been identified; **and** The individual or family lacks the resources or support networks needed to obtain other permanent housing.
Documentation must include 1 of the following: ☐ A court order resulting from an eviction action notifying the individual or family that they must leave within 14 days; For ☐ individual and families leaving a hotel or motel not paid for by charitable organizations or federal, state, or local programs—evidence that they lack the resources to reside there for more than 14 days (HCUCP 0312); ☐ A documented and verified oral statement that the owner/renter will not allow them to stay for more than 14 days.
In addition to 1 of the above, documentation must include BOTH of the following: ☐ Certification that no subsequent residence has been identified (HCUCP 0312); **and** ☐ Certification or other written documentation that the individual lacks the resources and support networks necessary to obtain other permanent housing (HCUCP 0312).

C. HOMELESS UNDER OTHER FEDERAL STATUES

☐ Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: Are defined as homeless under the other listed federal statutes; Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; Have experienced persistent instability as measured by 2 moves or more during the preceding 60 days; **and** Can be expected to continue in such status for an extended period due to special needs or barriers.
Documentation must include all the following: ☐ Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; **and** ☐ Referral by housing/service provider or written Certification of no housing in the last 60 days; **and** ☐ Certification by the individual or head of household and any available supporting documentation, that (s)he has moved 2 or more times in the past 60 days; **and** ☐ Documentation of special needs or 2 or more barriers (employment records, diagnosis from licensed professional).

QUALIFYING POPULATION 2 (QP 2) AT-RISK OF HOMELESSNESS

A. AN INDIVIDUAL OR FAMILY

Must have income 30% below AMI, lack sufficient resources and meet one of the following risk factors: Has an ☐ annual income below 30% of AMI (must have documentation of income eligibility) **AND** ☐ Lacks sufficient financial resources or support networks immediately available to prevent homelessness (must complete Self-Certification HCUCP 0312) supported by other source documentation when practical (e.g., termination notice, unemployment compensation statement, healthcare/utility bill showing arrears) or 3rd party written statement.
AND meets one of the following risk factors with acceptable documentation. ☐ **Risk 1:** Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for homelessness prevention assistance. **Must document the following 2 criteria:** ☐ Housing history must demonstrate two or more moves within 60 days; documentation may include letter from tenant/owner, HMIS records, referral from housing/service provider, (intake observation not appropriate); and Economic reasons may ☐ include termination from employment, unexpected medical costs, inability to maintain housing including utilities, etc. Documentation may include notice of termination, healthcare bills indicating arrears, utility bills indicating arrears (intake observation not appropriate).
☐ **Risk 2:** Living in the home of another because of economic hardship. **Must document the following 2 criteria:** ☐ Housing must be in the home of another ("doubled-up"); Documentation may include letter from tenant/ homeowner where the participant is residing (intake observation not appropriate); **and** ☐ Economic hardship documentation may include termination letter from employment, healthcare bills indicating arrears, utility bills indicating arrears. Intake worker observations may be used, if applicable. When both 3rd party and intake observation are unavailable: self-certification by the individual or HoH seeking assistance.
☐ **Risk 3:** Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; notification to leave within 21 days must be written and only third-party source/written is appropriate. **Must document the following criteria:** ☐ If tenant/homeowner: eviction notice, court order to leave within 21 days; **or** ☐ If living with another (doubled-up): eviction letter from tenant/homeowner (intake observation not appropriate).
☐ **Risk 4:** Lives in a hotel or motel and the cost is not paid for by charitable organizations or by federal, State, or local government programs for low-income individuals. **Must document the following 2 criteria:** ☐ Housing must be in a hotel/motel; Documentation may include a letter from hotel/motel manager, intake observation, or self-certification; **and** ☐ Costs have not been covered by charitable organization or government program; documentation – canceled check.

☐ **Risk 5:** Lives in a single room occupancy (SRO) or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau.

Must document the following:

☐ Number of rooms in unit AND number of individuals living in unit; Documentation may include lease with unit size and number of people in unit, unit details from Tax Assessor's Office, intake observation, or self-certification.

☐ **Risk 6:** Exiting publicly funded institution or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution).

Must document the following:

☐ Discharge from healthcare facility, mental health facility, foster care or other youth facility or correction program; Documentation – discharge paperwork or letters from referring provider (intake observation not appropriate).

☐ **Risk 7:** Lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan. For example: lacking transportation to work or other circumstances or barriers as identified in your community.

Documentation must include:

☐ Self-certification (HCUCP 0312) or other written documentation describing the circumstances or barriers

B. UNACCOMPANIED CHILDREN AND YOUTH

☐ A child or youth who does not qualify as "homeless" under the homeless definition, but qualifies as "homeless" under another Federal statute (e.g., Runaway and Homeless Youth Act, the Head Start Act, VAWA).

Must document the following:

☐ Dated and signed letter that **<u>must</u>** come from staff at an entity responsible for administering the program using the other federal definition of homelessness AND age documentation (school ID, License, birth certificate).

C. FAMILIES WITH CHILDREN AND YOUTH

☐ A child or youth who does not qualify as "homeless" under the homeless definition, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) of that child or youth if living with her or him.

Must document the following:

☐ Dated and signed letter that **<u>must</u>** come from staff at an entity responsible for administering the program using the definition of homelessness under McKinney-Vento **AND** age documentation (school ID, License, birth certificate) **AND** birth certificate or court document showing custody of child (Intake worker observation not acceptable/useful).

QUALIFYING POPULATION 3 (QP 3): FLEEING/ATTEMPTING TO FLEE DOMESTIC VIOLENCE

☐ Any individual or family who:

Is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;

Reasonably believes there is a threat of imminent harm from further violence

Documentation required:

For victim service providers:

☐ An oral statement by the individual or head of household seeking assistance which states they are fleeing or attempting to flee that situation and they reasonably believe there is a threat of imminent harm from further violence. Statement must be documented by a self-certification (HCUCP 0312) or a certification by the intake worker.

For non-victim service provider (must document all of the following):

☐ Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification (HCUCP 0312) or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance from. The written referral or observation need only include the minimum amount of information necessary.

QUALIFYING POPULATION 4 (QP 4): OTHER POPULATIONS

A. OTHER FAMILIES REQUIRING SERVICES OR HOUSING ASSISTANCE TO PREVENT HOMELESSNESS

☐ Households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5; and ☐ Are currently housed due to temporary or emergency assistance; and ☐ Are in need of additional housing assistance or supportive services to avoid a return to homelessness.

B. OTHER POPULATIONS WITH THE GREATEST RISK OF HOUSING INSTABILITY

B1.

☐ Has an annual income below 30% of AMI (must have documentation of income eligibility) AND they are experiencing severe cost burden (paying more than 50% of monthly household income towards housing costs)
☐ Provide income verification worksheet and proof of housing costs

B2.

☐ Has an annual income at or below 50% AMI (must have documentation of income eligibility) **AND** meets ONE of the following **risk factors.**
☐ Risk 1: Persistent housing instability - has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance. **Must document the following 2 criteria:** ☐ Housing history must demonstrate two or more moves within 60 days: documentation may include HMIS records, referral from housing/service provider, letter from tenant/owner (intake observation not appropriate); and ☐ Economic reasons may include termination from employment, unexpected medical costs, inability to maintain housing including utilities, etc.: documentation may include notice of termination, healthcare bills indicating arrears, utility bills indicating arrears (intake observation not appropriate).
☐ Risk 2: Living in the home of another because of economic hardship. **Must document the following 2 criteria:** ☐ Housing must be in the home of another (i.e., doubled up): documentation may include letter from tenant/homeowner (intake observation not appropriate); and ☐ Economic reasons may include termination from employment, unexpected medical costs, inability to maintain housing including utilities, etc.: documentation may include notice of termination, healthcare bills indicating arrears, utility bills indicating arrears (intake observation not appropriate).
☐ Risk 3: Housing loss within 21 days – has been notified their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance: notification to leave within 21 days must be written and only third-party source/written is appropriate. **Must document 1 of the following criteria:** ☐ If tenant/homeowner: eviction notice, court order to leave within 21 days; or If ☐ living with another (doubled up): eviction letter from tenant/homeowner.
☐ Risk 4: Living in a rented hotel or motel and cost is not paid for by charitable organization or by Federal, State, or local government programs for low-income individuals. **Must document the following 2 criteria:** ☐ Housing must be in a hotel/motel: documentation may include either letter from hotel/motel manager or intake observation; and ☐ Costs have not been covered by charitable organization or government program: documentation – cancelled check.
☐ Risk 5: Living in a severely over-crowded unit as defined by US Census Bureau: lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than 1½ persons per room. **Must document the following:** ☐ Number of rooms in unit AND number of individuals living in unit: documentation may include lease, unit details from Tax Assessor's Office, intake observation

☐ Risk 6: Exiting publicly funded institution or system of care **Must document the following:** ☐ Discharge from healthcare facility, mental health facility, foster care or other youth facility or correction program: documentation – discharge paperwork or referral letter.
☐ Risk 7: Living in housing associated with instability and an increased risk of homelessness. For example: being a young household with a young child, lacking transportation to work, or other circumstances or barriers as identified in your community. **Documentation must include:** ☐ Self-certification (HCUCP 0312) or other written documentation describing the circumstances and that the individual or family lacks resources and support networks to obtain other permanent housing.

Intake Staff Signature	Date

Form 1 Sample HOME-ARP Application for Rental Assistance

Applicant Name:

Current Address:

City, State, Zip Code:

Home Phone: Alternate Phone:

HOUSEHOLD COMPOSITION

(List the Head of Household and all other members who will be living in the unit. Give the relationship of each family member to the head.)

Member's Full Name	Relationship	Birthdate	Age	Gender

RACE AND ETHNICITY OF HEAD OF HOUSEHOLD

(This information is being collected to assure compliance with fair housing and equal opportunity rules.)

☐American Indian/Alaskan Native ☐Asian ☐Black/African American

☐Native Hawaiian/Other Pacific Islander ☐White ☐Other Multi-Racial

☐Hispanic ☐Non-Hispanic

INCOME INFORMATION

What is the total annual income of all household members?

(Include wages, salaries and tips; other income such as alimony, child support; and Social Security, AFDC or other benefits)

Member's Full Name	Source of Income	Annual Amount	Payment Basis (weekly, monthly, etc.)

ASSET INFORMATION

List the type and source of any family assets. Provide both the current cash value and the estimated annual income from the asset.

Member's Full Name	Type and Source of Asset (e.g. bank accounts, investments)	Cash Value of Asset	Annual Income from Asset

EXPENSE INFORMATION

Does your household have un-reimbursed medical expenses in excess of 3 percent of annual income?

☐Yes ☐No

Does your household pay child care expenses for children under the age of 13 that enable a family member to work or go to school?

☐Yes ☐No

Does your household pay care expenses for the care of a family member with disabilities that enable a family member to work?

☐Yes ☐No

APPLICATION CERTIFICATION: I/we understand that the above information is being collected to determine if I/we are eligible to receive rental assistance. I/we authorize the [Program Administrator] to verify all information provided on this application.

Head of Household Signature Date	Other Adult Signature Date

Form 2: Rent Reasonableness Checklist and Certification

	Proposed Unit	Unit #1	Unit #2	Unit #3
Address				
Number of Bedrooms				
Square Feet				
Type of Unit/Construction				
Housing Condition				
Location/Accessibility				
Amenities Unit: Site: Neighborhood:				
Age in Years				
Utilities (type)				
Unit Rent Utility Allowance Gross Rent				
Handicap Accessible?				

CERTIFICATION:

A. Compliance with Payment Standard

Proposed Contract Rent + Utility Allowance = Proposed Gross Rent Proposed gross rent cannot exceed 100% Fair Market Rent (FMR) payment standard, available here: [FY 2026 Fair Market Rent Documentation System — Calculation for McAllen-Edinburg-Mission, TX MSA]..

Gross Rent is: Equal to or Less than FMR Exceeds FMR

B. Rent Reasonableness

Based upon a comparison with rents for comparable units, I have determined the proposed rent:
is reasonable is not reasonable

Name:	Signature:	Date:

Form 3: Lead Paint Inspection Report

Owners Name: ____

Property Address:______________________________________Date Built: ______________

Agency:______________________________Renter Name:____________________________

Renter Children (Circle one) Yes No

The above property has been identified as older than 1978 and will be subject to a visual assessment for lead-paint issues.

The following information is to be completed by the NSPIRE Inspector at the time of a home inspection:

1. Are there any signs of deteriorated paint inside or outside the housing structure?

   Yes No

2. Are there any signs of peeling, chipping, chalking, cracking, holes in walls, damaged substrates?

   Yes No

If yes, indicate below where this appears

____

3. Are there any signs of visible dust, debris, and residue as part of a risk assessment or clearance examination?

   Yes No

If yes, indicate below where this appears

____

If the answers to both 1 & 2 are no, no further assessment is required and the property can be considered cleared of any lead-paint hazard. If any of the above questions are answered with a yes, then a full lead-base paint assessment is required. Please indicate below, clearance of the property or whether a full assessment is required:

The above property is cleared of any lead paint hazard ___________ ___________

Yes No

OR

A full lead paint assessment is required: ___________ ___________

Yes No

____ ____________________

Name Company Date

Form 4: Lead Based Paint EPA Disclosure Form

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) ______ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check (i) or (ii) below):

(i) ______ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) ______Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)

(c) ________ Lessee has received copies of all information listed above.

(d) ________ Lessee has received the pamphlet *Protect Your Family from Lead in Your Home.*

Agent's Acknowledgment (initial)

(e) ________ Agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Lessor	Date	Lessor	Date
Lessee	Date	Lessee	Date
Agent	Date	Agent	Date

Form 5: Sample HOME-ARP Rental Assistance Contract

LANDLORD NAME & ADDRESS TELEPHONE NO.	UNIT NO. & ADDRESS	TENANT NAME

This HOME Rental Assistance Contract ("Contract") is entered into between the [program administrator] and the Landlord identified above. This Contract applies only to the Tenant family and the dwelling unit identified above.

1. TERM OF THE CONTRACT

The term of this Contract shall begin on[1]__________________ and end no later than_______________.[2]

The Contract automatically terminates on the last day of the term of the Lease.

2. SECURITY DEPOSIT

A. The [program administrator] will pay a security deposit to the Landlord in the amount of $_______ The Landlord will hold this security deposit during the period the Tenant occupies the dwelling unit under the Lease. The Landlord shall comply with state and local laws regarding interest payments on security deposits.

B. After the Tenant has moved from the dwelling unit, the Landlord may, subject to state and local law, use the security deposit, including any interest on the deposit, as reimbursement for rent or any other amounts payable by the Tenant under the Lease. The Landlord will give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Landlord, the Landlord shall promptly refund the full amount of the balance to the tenant.

C. The Landlord shall immediately notify the [program administrator] when the Tenant has moved from the Contract unit.

3. RENT AND AMOUNTS PAYABLE BY TENANT AND [program administrator]

A. *Initial Rent.* The initial total monthly rent payable to the Landlord for the first twelve months of this Contract is $________.

B. *Rent Adjustments.* With no less than____________[3] days' notice to the Tenant and the [program administrator], the owner may propose a reasonable adjustment to be effective no earlier than the 13th month of this Contract. The proposed rent may be rejected by either the Tenant or the [program administrator]. The Tenant may reject the proposed rent by providing the Landlord with 30 days' written notice of intent to vacate. If the program administrator rejects the proposed rent, the program administrator must give both the Tenant and the Landlord 30 days' notice of intent to terminate the Contract.

C. *Tenant Share of the Rent.* Initially, and until such time as both the Landlord and the Tenant are notified by the [program administrator], the Tenant's share of the rent shall be $__________.

D. *[Program Administrator] Share of the Rent.* Initially, and until such time as both the Landlord and Tenant are notified by the [program administrator], the [program administrator's] share of the rent shall be $________________. Neither the [program administrator] nor HUD assumes any obligation *for* the Tenant's rent, or for payment of any claim by the Owner against the Tenant. The [program administrator's] obligation is limited to making rental payments on behalf of the Tenant in accordance with this Contract.

E. *Payment Conditions.* The right of the owner to receive payments under this Contract shall be subject to compliance with all of the provisions of the Contract. The Landlord shall be paid under this Contract on or about the first day of the month for which the payment is due. The Landlord agrees that the endorsement on the check shall be conclusive evidence that the Landlord received the full amount due *for* the month, and shall be a certification that:

1. the Contract unit is in decent, safe and sanitary condition, and that the Landlord is providing the services, maintenance and utilities agreed to in the Lease.
2. the Contract unit is leased to and occupied by the Tenant named above in this Contract.
3. the Landlord has not received and will not receive any payments as rent for the Contract unit other than those identified in this Contract.
4. to the best of the Landlord's knowledge, the unit is used solely as the Tenant's principal place of residence.

F. *Overpayments.* If the [program administrator] determines that the Landlord is not entitled to any payments received, in addition to other remedies, the [program administrator] may deduct the amount of the overpayment *from* any amounts due the Landlord, including the amounts due under any other Rental Assistance Coupon Contract.

4. HOUSING QUALITY STANDARDS AND LANDLORD-PROVIDED SERVICES

A. The Landlord agrees to maintain and operate the Contract unit and related facilities to provide decent, safe and sanitary housing in accordance with 24 CFR Section 882.109, including all of the services, maintenance and utilities agreed to in the Lease.

B. The [program administrator] shall have the right to inspect the Contract unit and related facilities at least annually, and at such other times as may be necessary to assure that the unit is in decent, safe, and sanitary condition, and that required maintenance, services and utilities are provided.

C. If the [program administrator] determines that the Landlord is not meeting these obligations, the program administrator shall have the right, even if the Tenant continues in occupancy, to terminate payment of the [program administrator's] share of the rent and/or terminate the Contract.

5. TERMINATION OF TENANCY

The Landlord may evict the Tenant following applicable state and local laws. The Landlord must give the Tenant at least 30 days' written notice of the termination and notify the

[program administrator] in writing when eviction proceedings are begun. This may be done by providing the [program administrator] with a copy of the required notice to the tenant.

6. FAIR HOUSING REQUIREMENTS

A. *Nondiscrimination.* The Landlord shall not, in the provision of services or in any other manner. discriminate against any person on the grounds of age, race, color, creed, religion, sex, handicap, national origin, or familial status.

B. *Cooperation in Equality Opportunity Compliance Reviews.* The Landlord shall comply with the County and with HUD in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders and all related rules and regulations.

7. [Program administrator] AND HUD ACCESS TO LANDLORD RECORDS

A. The Landlord shall provide any information pertinent to this Contract which the [program administrator] or HUD may reasonably require.

B. The Landlord shall permit the [program administrator] or HUD, or any of their authorized representatives, to have access to the premises and, for the purposes of audit and examination, to have access to any books, documents, papers, and records of the Landlord to the extent necessary to determine compliance with this Contract.

8. RIGHTS OF [PROGRAM ADMINISTRATOR] IF LANDLORD BREACHES THE CONTRACT

A. Any of the following shall constitute a breach of the Contract:

(1) If the Landlord has violated any obligation under this Contract; or

(2) If the Landlord has demonstrated any intention to violate any obligation under this Contract; or

(3) If the Landlord has committed any fraud or made any false statement in connection with the Contract or has committed fraud or made any false statement in connection with any Federal housing assistance program.

B. The [program administrator's] right and remedies under the Contract include recovery of overpayments, termination or reduction of payments, and termination of the Contract. If the [program administrator] determines that a breach has occurred, the program administrator may exercise any of its rights or remedies under the Contract. The [program administrator] shall notify the Landlord in writing of such determination, including a brief statement of the reasons for the determination. The notice by the [program to the landlord may require the Landlord to take corrective action by a time prescribed in the notice.

C. Any remedies employed by the [program administrator] in accordance with this Contract shall be effective as provided in a written notice by the [program administrator] to the Landlord. The [program administrator's] exercise or non-exercise of any remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

9. [PROGRAM ADMINISTRATOR] RELATION TO THIRD PARTIES

A. The [program administrator] does not assume any responsibility for, or liability to, any person injured as a result of the Landlord's action or failure to act in connection with the implementation of this Contract, or as a result of any other action or failure to act by the Landlord.

B. The Landlord is not the agent of the [program administrator] and this Contract does not create or affect any relationship between the [program administrator] and any lender to the Landlord, or any suppliers, employees, contractors or subcontractors used by the Landlord in connection with this Contract.

C. Nothing in this Contract shall be construed as creating any right of the Tenant or a third party (other than HUD) to enforce any provision of this Contract or to assess any claim against HUD, the [program administrator] or the Landlord under this Contract.

10. CONFLICT OF INTEREST PROVISIONS

No employee of the [program administrator] who formulates policy or influences decisions with respect to the Rental Assistance Program, and no public official or member of a governing body or state of local legislator who exercise their functions or responsibilities with respect to the program shall have any direct or indirect interest during this person's tenure, or for one year thereafter, in this contract or in any proceeds or benefits arising from the Contract or to any benefits which may arise from it.

11. TRANSFER OF THE CONTRACT

The Landlord shall not transfer in any form this Contract without the prior written consent of the [program administrator]. The [program administrator] shall give its consent to a transfer if the transferee agrees in writing (in a form acceptable to the [program administrator]) to comply with all terms and conditions of this Contract.

12. ENTIRE AGREEMENT: INTERPRETATION

A. This Contract contains the entire agreement between the Landlord and the program administrator. No changes in this Contract shall be made except in writing signed by both the Landlord and the [program administrator].
B. The Contract shall be interpreted and implemented in accordance with HUD requirements.

13. WARRANTY OF LEGAL CAPACITY AND CONDITION OF UNIT

A. The Landlord warrants the unit is in decent, safe, and sanitary condition as defined in 24 CFR Section 882.109, and that the Landlord has the legal right to lease the dwelling unit covered by this Contract during the Contract term.
B. The party, if any, executing this Contract on behalf of the Landlord hereby warrants that authorization has been given by the Landlord to execute it on behalf of the Landlord.

Landlord Name (Type or Print):	[program administrator] Representative (Type or Print):

(Signature/Date)	(Signature/Date)

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statements or entries, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000, or imprisoned for not more than five years, or both.

LANDLORD'S CHECK TO BE MAILED TO:.____

NAME(S)

____

____

ADDRESS

____

____

SIGNATURE OF OWNER DATE

____

SIGNATURE OF OWNER DATE

[1] Insert the first day of the term of the Lease.

[2] The maximum allowable length of a HOME Coupon Contract is two years.

[3] Insert the number of days' notice the owner must provide of a rent increase. At least 60 days is recommended to enable the program administrator 30 days to review the rent and still enable the landlord to give the tenant 30 days' notice.

Form 6: Lease Addendum

TENANT	LANDLORD	UNIT NO. & ADDRESS

This lease addendum adds the following paragraphs to the Lease between the Tenant and Landlord referred to above.

A. Purpose of the Addendum. The lease for the above-referenced unit is being amended to include the provisions of this addendum because the Tenant has been approved to receive rental assistance under the____HOME Rental Assistance Program. Under the Rental Assistance Program, the__________will make monthly payments to the Landlord on behalf of the Tenant.

The Lease has been signed by the parties on the condition that the_____and Landlord will promptly execute a HOME Rental Assistance Contract. This Lease shall not become effective unless the Contract has been executed by both the Landlord and the ______, effective the first day of the term of the Lease.

B. Conflict with Other Provisions of the Lease. In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

C. Terms of the Lease. The term shall begin on____and shall continue until: (1) the Lease is terminated by the Landlord in accordance with applicable state and local Tenant/Landlord laws; (2) the Lease is terminated by the Tenant in accordance with the Lease or by mutual agreement during the term of the Lease; or (3) termination of the HOME Rental Assistance Program Contract by the_____________.

D. Rental Assistance Payment. Each month the____will make a rental assistance payment to the Landlord on behalf of the Tenant. This payment shall be credited by the Landlord toward the monthly rent payable by the Tenant. The balance of the monthly rent shall be paid by the Tenant.

E. Security Deposit

The (Tenant/_________) has deposited $___________________with the Landlord as a Security Deposit. The Landlord will hold this security deposit during the period the Tenant occupies the dwelling unit under the Lease. The Landlord shall comply with state and local laws regarding interest payments on security deposits.

F. After the Tenant has moved from the dwelling unit, the Landlord may, subject to state and local laws, use the security deposit, including any interest on the deposit, as reimbursement for rent or any other amounts payable by the tenant under the Lease. The Landlord will give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Landlord, the Landlord shall promptly refund the full amount of the balance to the (Tenant/___).

G. Utilities and Appliances. The utilities and appliances listed in Column 1 are provided by the Landlord and included in the rent. The utilities and appliances listed in Column 2 below are not included in the rent and are paid separately by the Tenant.

UTILITY/APPLIANCE	Included in Rent	Tenant Paid
Garbage Collection		
Water/Sewer		
Heating Fuel (specify)		
Lights, electric		
Cooking Fuel (specify)		
Other (specify)		
Refrigerator		
Stove/Range		

H. Household Members. Household members authorized to live in this unit are listed below. The Tenant may not permit other persons to join the Household without notifying the__________ and obtaining the Landlord's permission. Household members:________________________.

I. Housing Quality Standards. The Landlord shall maintain the dwelling unit, common areas, equipment, facilities and appliances in decent, safe, and sanitary condition (as determined by Section 8 Housing Quality Standards).

J. Termination of Tenancy. The Landlord may evict the Tenant following applicable state and local laws. The landlord must provide the Tenant with at least 30 days' written notice of the termination. The Landlord must notify [Program Administrator] in writing when eviction proceedings are begun. This may be done by providing the [Program Administrator] with a copy of the required notice to the Tenant.

K. Prohibited Lease Provisions. Any provision of the Lease which falls within the classifications below shall not apply and not be enforced by the Landlord:

(1) Confession of Judgment. Consent by the Tenant to be sued, to admit guilt, or to a judgment in favor of the landlord in a lawsuit brought in connection with the Lease.

(2) Treatment of Property. Agreement by the Tenant that the Landlord may take or hold the Tenant's property, or may sell such property without notice to the Tenant and a court decision on the rights of the parties.

(3) Excusing the Landlord from Responsibility. Agreement by the Tenant not to hold the Landlord or Landlord's agent legally responsible for any action or failure to act, whether intentional or negligent.

(4) Waiver of Legal Notice. Agreement by the Tenant that the Landlord may institute a lawsuit without notice to the Tenant.

(5) Waiver of Court Proceedings for Eviction. Agreement by the Tenant that the Landlord may evict the Tenant (i) without instituting a civil court proceeding in which the Tenant has the opportunity to present a defense, or (ii) before a decision by the court on the rights of the parties.

(6) Waiver of Jury Trial. Authorization to the Landlord to waive the Tenant's right to a trial by jury.

(7) Waiver of Right to Appeal Court Decision. Authorization to the Landlord to waive the Tenant's right to appeal a court decision or waive the Tenant's right to sue to prevent a judgment from being put into effect.

(8) Tenant Chargeable with Cost of Legal Actions Regardless of Outcome of the Lawsuit. Agreement by the Tenant to pay lawyer's fees or other legal costs whenever the Landlord decides to sue, whether or not the Tenant wins.

(9) Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

L. Nondiscrimination. The Landlord shall not discriminate against the Tenant in the provision of services, or in any other manner, on the grounds of age, race, color, creed, religion, sex, handicap, national origin, or familial status.

M. Violence Against Women Act (VAWA): VAWA (34 U.S.C. § 12471 et seq.) regulations must be followed for HOME-ARP assistance. Despite the name of the law, VAWA's protections apply regardless of sex, sexual orientation, or gender identity. VAWA protects certain housing rights for victims of domestic violence, dating violence, sexual assault, and stalking. It also covers the victim's immediate family members and other household members. For additional information on protections, or to file a complaint, please visit: https://www.hud.gov/program_offices/fair_housing_equal_opp/VAWA.

TENANT SIGNATURES	LANDLORD SIGNATURES
By: (Type or Print Name of Tenant Representative)	LANDLORD NAME:
(Signature/Date)	By: (Type or Print Name of Landlord Representative)
By: (Type or Print Name of Tenant Representative)	(Signature/Date)
(Signature/Date)	