



**Virginia COVID Homelessness Emergency Response  
Program  
Funding Guidelines  
2020 – 2022**

## Table of Contents

Virginia Department of Housing and Community Development .....	3
Homeless and Special Needs Housing Grant Programs .....	3
COVID Homelessness Emergency Response Program (CHERP) .....	3
CHERP Funding .....	3
Match Requirement.....	3
Grantee Requirements.....	3
Eligible Service Areas .....	6
Participant Initial Eligibility .....	6
Eligible Activities .....	6
Emergency Shelter Operations.....	6
FEMA Emergency Shelter Operations.....	9
Targeted Prevention .....	9
Targeted Prevention COVID-19 Waivers.....	14
Rapid Re-housing .....	15
Rapid Re-housing COVID-19 Waivers .....	21
HMIS .....	22
Administrative Costs .....	22

## **Virginia Department of Housing and Community Development**

The Virginia Department of Housing and Community Development (DHCD) is committed to creating safe, affordable, and prosperous communities to live, work, and do business in Virginia. DHCD partners with Virginia's communities to develop their economic potential, regulates Virginia's building and fire codes, provides training and certification for building officials, and invests more than \$100 million each year into housing and community development projects throughout the commonwealth.

By partnering with local governments, nonprofit groups, state and federal agencies, and others, DHCD is working to improve the quality of life for Virginians.

## **Homeless and Special Needs Housing Grant Programs**

The mission of the Homeless and Special Needs Housing unit (HSNH) within DHCD is to ensure homelessness is rare, brief, and non-recurring. To that end, HSNH administers a continuum of state- and federally-funded homeless service programs to address housing and stabilization services for individuals and families at-risk of or experiencing homelessness in the commonwealth. HSNH works closely with communities and an array of service providers including nonprofits, units of local government, and housing authorities, to ensure comprehensive homeless services are provided effectively and efficiently in accordance with best-practice models to maximize limited resources.

## **COVID Homelessness Emergency Response Program (CHERP)**

The Homeless and Special Needs Housing unit administers the COVID Homelessness Emergency Response Program (CHERP) to first, ensure all individuals and households experiencing homelessness have access to safe, 24-7, emergency shelter during this health pandemic. The second goal of the COVID Homelessness Emergency Response Program is to help households maintain or obtain permanent housing and receive the housing-focused supportive services necessary to retain permanent housing.

## **CHERP Funding**

DHCD will support CoC/LPG strategies and homeless service programs that align with state and federal goals to ensure communities and individual service providers are able to meet the needs of those experiencing homelessness during the COVID-19 pandemic.

Funding sources supporting CHERP include State COVID-Relief funding and the Emergency Solutions Grant stimulus funding (ESG-CV), authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This federal funding is to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are experiencing homelessness or receiving homeless assistance. The funds also support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

## **Match Requirement**

There is no match requirement for COVID Homelessness Emergency Response Program funding.

## **Grantee Requirements**

All COVID Homelessness Emergency Response Program grantees must adhere to the full list of Homeless and Special Needs Housing Grantee Requirements set forth in the Homeless and Special Needs Housing Guidelines 2020-2022.

In addition to requirements set forth in the [Homeless and Special Needs Housing guidelines](#), each grantee must adhere to the following requirements including:

- Full participation in coordinated/centralized assessment system
- 100 percent of project participants assessed with community-based common assessment tool
- Coordination with other homeless services and homeless prevention providers
- Use of HMIS that meets HUD HMIS data standards (domestic violence programs may use another data system, but must meet all HUD HMIS data standards and reporting requirements)
- Timely referral of eligible households for homeless prevention assistance through coordinated assessment/entry or coordination with providers
- Timely referral of eligible households for rapid re-housing through coordinated assessment/entry or coordination with providers
- Documentation of project participant homeless status and services received
- Completion of a [housing barrier assessment](#) and subsequent [individualized housing plan](#) that includes how permanent housing will be maintained when assistance is terminated
- Adherence to a primary focus on quick placement into permanent housing
- Adherence to a secondary focus on housing stability

#### *Housing First*

All programs must use a housing first approach focused on moving project participants into permanent housing as quickly as possible. Grantees must use housing stabilization support services and mainstream resources as needed to ensure housing stability.

#### *Homeless Participation*

Grantees must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance. If the grantee is unable to meet the requirement, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding. To the maximum extent practicable, the grantee must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities. This involvement may include employment or volunteer services.

#### *Prohibition Against Involuntary Family Separation*

The family unit must be accepted and sheltered as they present. Further, the age of a child under age 18 must not be used as a basis for denying a family admission to an emergency shelter that uses funding or services and provides shelter to families with children under age 18. All funded service providers that provide shelter to families must do so regardless of the age of the child.

#### *Initial Screening*

All households seeking homeless assistance must be initially screened through coordinated or centralized assessment/entry. This screening must be completed in a manner that allows for the identification of households for prevention services and immediate referral to the appropriate provider. Initial screenings take place when the household is seeking assistance. All households seeking services, regardless of eligibility or ineligibility for any specific program, must receive appropriate referrals. Records must be maintained for all households denied services. See [Recordkeeping](#) requirements.

#### *Proof of Diversion*

All providers must engage households seeking homeless assistance in a problem-solving conversation to address the household's current housing crisis. This should include a discussion

of alternative resources available to the household, linkages to mainstream and natural supports, and light-touch assistance.

#### *Strength-Based Housing Barriers Assessment and Housing Plan*

Once the initial housing crisis is addressed, the project participant household must receive a housing barriers assessment. A housing plan must be developed based on the initial assessment for each project participant household. In all cases, housing barrier assessments and plans must be individualized to identify and address the unique household situation. All plans must be focused first on quickly obtaining permanent housing and second on obtaining and maintaining housing stability. Project participants must receive at least monthly housing focused case management.

#### *Environmental Reviews*

Environmental reviews (ER) are required for rapid re-housing when rental assistance is provided. Based on guidance provided by HUD Headquarters, DHCD will complete one ER that will cover the majority of the RRH projects. A grantee will need to complete an ER only if the unit is part of a complex with more than five units and falls in the 100 Year Flood Plain or on a Coastal Barrier. To determine if the unit is located in either of these two locations use the following resources:

John H. Chafee Coastal Barrier Resources System Virginia: <http://www.fws.gov/ecological-services/habitat-conservation/cbra/maps/Locator/VA.pdf>

Coastal Barrier Resources System Mapper: <http://www.fws.gov/cbra/Maps/Mapper.html>

FEMA's National Flood Hazard Layer (mapping tool): <https://www.fema.gov/national-flood-hazard-layer-nfhl>

In addition, units in the following areas (*regardless of flood plain status but not coastal barrier status*) are not required to complete an additional ER:

Accomack	Melfa
Cheriton	Montross
Clintwood	Newsoms
Dendron	Painter
Galax	Scottsburg
Gretna	South Hill
Hillsboro	The Plains
Keller	Troutdale
La Crosse	

The environmental review is based on the building and surrounding geography, and not just the actual unit. Therefore, if a unit is located within a building or a complex the ER need only be conducted on the building or complex and not each unit. Environmental reviews are valid for five years, so if a unit, building, or complex has had a review within the last five years, an additional ER will not need to be conducted.

The environmental review form, *Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5 (Pursuant to 24 CFR 58.34(a) and 58.35(b))*, must be completed for each unit/complex that falls in the flood plain or coastal barrier where rental assistance is provided. DHCD will provide a partially completed form to be used for rapid re-housing projects.

## Eligible Service Areas

The funds are allocated to grantees within CoCs/LPGs within Virginia. Eligible service area requirements are intended to maximize the amount of available funds serving Virginia localities and are not intended to exclude services to any individuals or family based upon their last known address.

## Participant Initial Eligibility

<b>Project Participant Initial Eligibility by Activity Type</b>	
<i>Eligible Activity</i>	<i>Project Participant Eligibility</i>
Prevention	<ul style="list-style-type: none"><li>• At imminent risk of homelessness; AND</li><li>• Household income below 50 percent AMI; AND</li><li>• No other resources</li></ul>
Shelter	<ul style="list-style-type: none"><li>• Literally homeless</li><li>• At imminent risk of homelessness and diversion has been attempted</li><li>• Individuals exiting institution (where they resided temporarily) with no resources or anywhere to go</li><li>• Individuals fleeing domestic violence</li></ul>
Rapid Re-housing	<ul style="list-style-type: none"><li>• Literally homeless (shelter residents, living in other situations not meant for human habitation); or</li><li>• Individuals who were literally homeless prior to entering an institution (where they resided temporarily – 90 days or fewer) and are exiting the institution with no resources or anywhere to go; AND</li><li>• No other resources</li></ul>

## Eligible Activities

This funding may only be used to support the Grantee's response to COVID-19. Eligible activities for emergency response funds are provided below.

- Emergency Shelter Operations
- FEMA Emergency Shelter Operations
  - Rent (Hotel/Motel Voucher only)
  - Supplies
- Targeted Prevention
- Rapid Re-housing
- Administrative Costs (up to 5%)

## Emergency Shelter Operations

COVID-19 emergency response funds must be utilized to ensure those experiencing literal homelessness have access to 24/7 shelter, either in a congregate or non-congregate setting. Funding may also be used to enable emergency homeless shelter providers to respond to the health and safety needs of individuals and households experiencing homelessness as well as essential services staff and volunteers.

Whenever possible, households experiencing a housing crisis should be diverted from entering the homeless services system through problem-solving conversations, linkages to mainstream and natural supports, and light-touch financial assistance through flexible funding sources.

In cases where the prevention of homelessness is not possible or safe, emergency shelter may be used as a temporary measure. Shelter operations will support low-barrier, housing-focused emergency shelter for households experiencing homelessness in Virginia. Types of shelters

may include scattered site, congregate, seasonal, or hotel/motel vouchers. Transitional housing is not eligible under this program.

The focus of all shelter stays is:

- To quickly obtain permanent housing (primary focus)
- To obtain housing stability (secondary focus)

#### *Project Participant Eligibility*

1. Literally homeless: individuals and families who lack a fixed, regular, and adequate nighttime residence including those residing in a shelter or a place not meant for human habitation and those exiting an institution where they resided temporarily
2. At imminent risk households: individuals and families who will imminently lose their primary nighttime residence within 14 days and diversion has been attempted
3. Households fleeing or attempting to flee domestic violence who are either literally homeless or at imminent risk of homelessness (category one and two above)

#### *Requirements*

Shelter providers must engage in and document problem-solving conversations to address the immediate housing crisis.

Coordination with prevention resources must be established and maintained to ensure timely referrals where appropriate. Grantees must work with local prevention services to help identify and refer all households seeking shelter where prevention of homelessness would be a viable alternative.

Participants are immediately assisted to obtain permanent housing to ensure shelter stays are minimized.

Homeless assistance case management and services are needs based and housing-focused with minimal barriers.

Shelters must meet basic habitability standards, pass annual fire inspections, and comply with the Americans with Disabilities Act (ADA) and Fair Housing Act standards. If the shelter is not ADA compliant, the grantee must have a plan to meet the needs of households with disabilities.

#### *Required Documentation:*

- Homeless Certification Form
- Proof of diversion
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- Strength-based housing barrier assessment and housing plan
- Coordination with mainstream resources

#### *Eligible expenses:*

- Essential Services – Case Management
- Essential Services – Limited Support Services
- Maintenance
- Outreach
- Rent
- Supplies
- Utilities
- Transportation

- Other (Requires DHCD Approval)

Essential Services – Case Management include the increased costs associated with providing housing-focused case management and supportive services to clients in the congregate and non-congregate shelter setting. Costs associated with providing virtual case management are eligible and include the cost of web-based video conferencing platforms and phone and internet expenses.

Essential services – Limited Support Services include staffing cost associated with addressing the needs of guests utilizing hotel/motel vouchers, administering health/symptom screenings at shelter, and connecting guests with significant health needs that cannot be served within the emergency shelter setting to more intensive support systems.

Outreach includes the costs associated with connecting unsheltered persons with shelter and supportive services.

Hazard pay may be included in staffing costs for staff carrying out essential services – case management and limited support services as well as outreach efforts under this grant. See [Homeless and Special Needs Housing guidelines](#) for hazard pay details.

Maintenance expenses include the personnel costs to clean and disinfect the temporary shelter location.

Rent expenses include the cost of hotel or motel vouchers to provide temporary shelter as needed. Hotel/motel vouchers should be prioritized for persons who are particularly vulnerable for complications due to COVID-19 including unsheltered persons, older adults, and those with an existing medical condition. If existing shelter space is unavailable or not appropriate, hotel/motel vouchers may be used to provide overflow temporary shelter, separation (for persons with symptoms of COVID-19 while awaiting test results or those who are particularly vulnerable for complications due to COVID-19), or isolation (for persons who are confirmed positive for COVID-19 but who do not need hospitalization).

The cost to provide temporary shelter through hotel/motel vouchers for persons experiencing homelessness who are currently receiving rapid re-housing assistance under the Department of Housing and Urban Development's (HUD) Continuum of Care (CoC) or Homeless Emergency Solutions Grant (ESG) programs, receiving homelessness prevention under the ESG program, or residing in permanent supportive housing are eligible.

Rent expenses also include the cost to secure additional space to serve as emergency shelter as a part of the community's response to COVID-19.

Supplies include cleaning and safety supplies necessary to ensure the health and safety of shelter guests, staff, and volunteers. Supplies include any items necessary to adopt recommendations set forth by the Virginia Department of Health and Centers for Disease Control including [COVID-19 Quick Reference for Homeless Shelters](#). Food costs for emergency shelter guests, particularly those residing in hotel/motel, are also eligible.

Transportation may include expenses such as staffing, mileage, and actual transit expenses necessary to transport unsheltered persons to shelter or to transport shelter guests with symptoms of COVID-19 to a healthcare provider.

Other expenses may include damages above normal wear and tear caused by a project participant to the hotel or motel room paid for by the shelter provider. Additional expenses



necessary to support the community's response to COVID-19 may be considered but require DHCD pre-approval.

### **FEMA Emergency Shelter Operations**

Federal Emergency Management Agency (FEMA) funding that must only be used to cover the costs associated with emergency, non-congregate sheltering and supplies for individuals or households who meet one or more of the following criteria:

- Test positive for COVID-19 that do not require hospitalization, but need isolation or quarantine (including those exiting from hospitals);
- Have been exposed to COVID-19 that do not require hospitalization, but need isolation or quarantine; and
- Persons needing social distancing as a precautionary measure, as determined by public health officials, particularly for high-risk groups such as people over 65 or with certain underlying health conditions (respiratory, compromised immunities, chronic disease).

All project participants assisted using FEMA funding must receive initial eligibility certification using DHCD's FEMA Project Participant Eligibility form.

The only eligible sheltering expense is the cost of hotel or motel vouchers to provide temporary shelter to eligible individuals or households.

Supplies include cleaning and safety supplies necessary to ensure the health and safety of eligible individuals or households. Supplies include any items necessary to adopt recommendations set forth by the Virginia Department of Health and Centers for Disease Control including [COVID-19 Quick Reference for Homeless Shelters](#). Food costs for eligible individuals or households are also eligible.

Any service provider utilizing FEMA funding must submit a weekly report to DHCD detailing how many individuals have been assisted with this funding and the associated costs.

### **Targeted Prevention**

The crisis response system must attempt to prevent episodes of homelessness for individuals and households seeking shelter who are currently housed but at imminent risk of homelessness.

Whenever possible and safe, households experiencing a housing crisis should be diverted from entering the homeless services system through problem-solving conversations, linkages to mainstream and natural supports, and light-touch financial assistance through flexible funding sources.

Communities should ensure that prevention financial assistance is targeted to households most likely to enter shelter but for the financial assistance. Prevention financial assistance is not intended to operate as an eviction prevention program. Non-financial prevention assistance should be leveraged where possible to divert households from homelessness. Financial assistance (e.g., rent assistance) should be provided as a last resort to prevent homelessness.

### *Project Participant Eligibility*

Prevention assistance is limited to those households who will imminently lose their primary nighttime residence within 14 days and have a household income below 50 percent of area median income (AMI).

Prevention financial assistance beyond three months requires recertification of eligibility. This recertification must then be completed every three months based on the household’s project entry date for the duration of financial assistance. Recertification requires grantee documentation of the following:

- Project participant household income below 50 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without prevention assistance
- Housing stabilization services are being appropriately implemented

<b>Recertification Requirement</b>	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

*Requirements*

Prevention providers must coordinate with other service providers to ensure project participants receive services in a timely manner.

Provision of any financial assistance should be “needs-based,” meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

When households are moved into a new unit or stabilized into an existing unit, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the unit location

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the project participant must pay themselves must not exceed the FMR for the area.

If the gross rent for the unit exceeds either the rent reasonableness standard or the FMR, grantees are prohibited from using funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Grantees must not make payments directly to project participants, but only to landlords or property management companies. In addition, an assisted property may not be owned by the grantee or their parent, subsidiary, or affiliated organization (see [Conflict of Interest](#)).

Monthly housing-focused case management is required but participation in all program services must be voluntary. Grantees must provide the appropriate level of case management in order to ensure housing stability.

#### Required Documentation:

- All project participants must receive an initial screening
- Proof of diversion
- Homeless Certification Form
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- All project participants must receive initial eligibility certification using DHCD's [CHERP Prevention Participant Eligibility Requirements](#).
- All households must have strength-based housing barrier assessments and housing plans.
- Grantees must use [HUD Published Income Limits](#) for determining income limits and AMI.
- A copy of the [HUD rent reasonableness worksheet](#) and [Fair Market Rents \(FMR\) for the area](#) must be completed and included in the project participant file.
- A copy of the completed utility allowance worksheet must be included in the project participant file. Grantees must utilize the appropriate utility allowance for any utilities paid by the project participant separate from rent. The local housing authority's or [VHDA's](#) appropriate regional allowances may be used to calculate the rent standard.
- Prevention financial assistance requires that the project participant head of household have the valid lease with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the project participant record.
- Monthly housing-focused case management (e.g., updates on housing plan, noted progress toward housing stability, etc.)

#### *Expenses*

Non-financial prevention assistance should be leveraged where possible. Financial assistance (e.g., rent assistance) should be provided as a last resort to prevent homelessness.

#### Eligible targeted prevention costs include:

- Rent assistance
- Rent arrears
- Housing stabilization financial assistance
- Housing stabilization case management
- Housing search and placement
- Housing stabilization services
- Service location costs

#### *Rent Assistance and Rent Arrears*

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units.

Grantees must determine the amount of rental assistance provided, such as "shallow subsidies" (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies. Grantees may require a project participant to share in the costs of rent.

These funds cannot be used for mortgage assistance.

No project participant may receive more than 24 months of assistance during any three-year period of time.

Assistance with any portion of rent during a month counts as a month toward the 24-month limit.

Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the project participant to obtain or retain a housing unit. Rental arrearage assistance should only be used to prevent homelessness.

If funds are used to pay rental arrears, arrears must be included in determining the total period of the project participant's rental assistance, which may not exceed 24 months. While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistance limit of 24 months.

Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months.

Funds may not be used to pay damage costs incurred by the tenant.

The rental assistance to move into a unit or to stabilize into an existing unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness and at or below [Fair Market Rents \(FMR\) for the area](#).

Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited.

#### *Housing Stabilization Financial Assistance*

Funds may be used to provide financial assistance to help project participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Landlord incentives
- Utility payments
- Utility arrears
- Moving costs
- Application fees
- Project participant travel costs

Funds may be used to pay for security deposits, including utility deposits, for project participants. This is eligible in the case where the project participant is otherwise eligible and they are not receiving security or utility deposit assistance from another source. Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to project participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.

Landlord incentives are an eligible expense under CHERP-Prevention-Housing Stabilization Financial Assistance in an effort to increase the number of housing units available to persons at risk of homelessness. The amount for landlord incentives must not exceed three times the rent charged for the unit. Eligible landlord incentive costs include: (i) Signing bonuses equal to up to 2 months of rent; (ii) Security deposits equal to up to 3 months of rent; (iii) Paying the cost to COVID Homelessness Emergency Response Program 2020 – 2022

repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and, (iv) Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

Funds may be used for up to 24 months of utility payments for each project participant in any three-year period of time, provided that the project participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24-month limit.

The grantee must use the Virginia Housing Development Authority (VHDA) or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance with utilities may be structured where the project participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may estimate the total number of months covered. In these cases, the grantee must document the basis for the estimation.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

Funds may be used for reasonable project participant costs directly related to housing stabilization efforts. Project participant travel costs may include the cost for bus, taxi, or ride share services for the project participant during the housing search or unit leasing process. All project participant travel costs must be pre-approved by the DHCD program administrator.

#### *Housing Stabilization Case Management*

Funds may be used for housing stabilization case management. This includes the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing. Project participants must receive housing focused case management at least once a month.

This assistance cannot exceed 24 months during the period the project participant is living in permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Fees for use of auxiliary aids and language services

Prevention funds can be used for housing focused case management alone. That is, although rental assistance cannot be provided independent of case management services, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a project participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded. Recertification for case management is required at 12 months.

“Stand alone” case management or other services can also be provided to support project participants who receive rental assistance through non-CHERP funds, as long as the individual or family is eligible for assistance at the time of the intake.

#### *Housing Search and Placement*

Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include education of tenant rights and responsibilities, lease requirements, securing utilities, moving arrangements, representative payee services concerning rent and utilities, and landlord outreach and mediation. Costs may also include expenditures associated with assessing housing unit compliance with property standards, lead-based paint requirements, and rent reasonableness. Expenses associated with staff salaries in the role of housing locator are eligible costs.

#### *Housing Stabilization Services*

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

Hazard pay may be included in staffing costs for staff carrying out housing stabilization case management, housing search and placement, and housing stabilization services under this grant. See [Homeless and Special Needs Housing guidelines](#) for hazard pay details.

#### *Service Location Costs*

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

### **Targeted Prevention COVID-19 Waivers**

DHCD has elected to provide the following waivers for Targeted Prevention activities funded by the COVID Homelessness Emergency Response Program (note the duration of the waiver begins on April 2, 2020):

- Fair Market Rent Waiver
- Recertification Waiver
- Monthly Case Management Waiver
- 24-Month Limit Waiver

#### *Fair Market Rent Waiver (Duration: 6 months, ending September 30, 2020)*

Assisted units of eligible households may exceed Fair Market Rent (FMR) but not exceed the Rent Reasonableness requirement for any lease executed during the waiver period. Once the waiver period ends, Targeted Prevention financial assistance must not be utilized for units exceeding Fair Market Rent.

Required documentation to utilize waiver (must be included in project participant file):

- Notation in the project participants' file stating Fair Market Rent requirements are impeding the project participant's ability to obtain permanent housing within the community.

*Recertification Waiver* (Duration: up to 2 years, ending March 31, 2022)

In order to better enable project participants to remain stable in housing during the economic hardship of COVID-19, the requirement that recertification of eligibility be completed once every 3 months is waived. Recertification must be completed no less than once every 6 months.

Required documentation (must be included in project participant file):

- Note that 3-month recertification was not completed due to COVID-19.

*Monthly Case Management Waiver* (Duration: 5 months, ending August 22, 2020)

The requirement that case management for project participants in Targeted Prevention occur at least once monthly is waived as needed (see below).

Required documentation (must be included in project participant file):

- Documentation that monthly case management could not occur due to:
  - Limited staff capacity; AND/OR
  - Lack of technology/inability to connect with project participant virtually.

*24-month Limit Waiver* (limited applicability noted below)

The 24-month maximum on rental assistance and supportive services provided to any project participant within any 3-year period is waived for currently enrolled project participants. The 24-month limit is extended by up to 6 months as necessary for the project participant to maintain permanent housing only for project participants who reach their 24-month maximum between January 21, 2020 and ending February 28, 2021.

### **Rapid Re-housing**

Rapid re-housing is an intervention designed to help individuals and families quickly exit homelessness and return to permanent housing. Rapid re-housing assistance is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are tailored to the unique needs of the household.

Core components:

1. Housing identification
2. Rent and move-in assistance
3. Rapid re-housing case management and services

### *Project Participant Eligibility*

Rapid re-housing assistance is limited to literally homeless households. These are households who lack a fixed, regular, and adequate nighttime residence. This includes those currently residing in a shelter and those exiting an institution (where they resided temporarily for 90 days or fewer) with no housing resources.

All rapid re-housing financial assistance beyond three months requires recertification of eligibility. This recertification must then be completed every three months based on the household's project entry date for the duration of financial assistance. Recertification requires grantee documentation of the following:

- Project participant household income below 30 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without financial assistance

- Housing stabilization services are being appropriately implemented
- The household does not exceed the \$500 asset limit

*Requirements*

Provision of any financial assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Rapid re-housing assistance usually begins prior to the project participant entering housing. For rapid re-housing, projects in HMIS should be set up as follows:

1. The project entry date is the date the person eligible for rapid re-housing assistance is admitted to the project, even if only in initial stage of engagement. Rapid re-housing is the only residential program that allows the project entry date to be earlier than the project participant’s move in date.
2. At project entry, record the Universal Data Elements and any other information required at project entry.
3. When the project participant moves into permanent housing, enter the date the household physically moved into the housing unit in the residential move-in date field.

When households are moved into a new unit, the rent must meet two standards:

- Rent Reasonableness – rent is equal to or less than other like units in the area
- Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The actual rent charged for a unit plus the allowance for any utilities that the project participant must pay themselves must not exceed the FMR for the area.

If the gross rent for the unit exceeds either the rent reasonableness standard or the FMR, grantees are prohibited from using funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Recertification of project participant eligibility is required.

<b>Recertification Requirement</b>	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

- Project participant household income below 30 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without prevention assistance
- Housing stabilization services are being appropriately implemented
- The household does not exceed the \$500 asset limit



Grantees must not make payments directly to project participants, but only to landlords or property management companies. In addition, an assisted property may not be owned by the grantee or their parent, subsidiary or affiliated organization (see [Conflict of Interest](#)).

Monthly housing-focused case management is required but participation in all program services must be voluntary. Grantees must provide the appropriate level of case management in order to ensure housing stability.

#### Required Documentation:

- All project participants must receive an initial screening
- Homeless Certification Form
- Certification form signed by the project participant stating that the project participant has received a copy of the grantee's grievance policy
- All project participants must receive initial eligibility certification using DHCD's [CHERP Rapid Re-housing Project Participant Eligibility Requirements](#).
- All households must have strength-based housing barriers assessments and housing plans.
- Grantees must use [HUD Published Income Limits](#) for determining income limits and AMI.
- A copy of the [HUD rent reasonableness worksheet](#) and [Fair Market Rents \(FMR\) for the area](#) must be completed and included in the project participant file.
- A copy of the completed utility allowance worksheet must be included in the project participant file. Grantees must utilize the appropriate utility allowance for any utilities that are paid by the project participant separate from rent. The grantee may use the local housing authority's or [VHDA's](#) appropriate regional allowances in order to calculate the rent standard.
- Rapid re-housing financial assistance requires that the project participant head of household have the valid lease with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the project participant file.
- Monthly housing-focused case management is required. Grantees must provide the appropriate level of case management in order to ensure housing stability.
- Grantees must have written agreements with both the project participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability and must include:
  - A provision requiring the owner to give the grantee a copy of any notice to the project participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the project participant.
  - The same payment due date, grace period, and late payment penalty requirements as the project participant's lease.
  - The term of the rental assistance agreement for the period of time they anticipate providing assistance.

#### *Expenses*

Eligible rapid re-housing costs include:

- Rent assistance
- Rent arrears
- Housing stabilization financial assistance
- Housing stabilization case management
- Housing search and placement
- Housing stabilization services
- Service location costs

### *Rental Assistance and Rent Arrears*

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units. Funds cannot be used for mortgage assistance.

Grantees must determine the amount of rental assistance provided, such as shallow subsidies (payment of a portion of the rent), payment of 100 percent of the rent, or graduated/declining subsidies. Grantees may require a project participant to share in the costs of rent.

No project participant may receive more than 24 months of assistance during any three-year period of time.

Assistance with any portion of rent during a month counts as a month toward the 24-month limit.

Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the project participant to obtain a housing unit.

If funds are used to pay rental arrears, arrears must be included in determining the total period of the project participant's rental assistance, not to exceed 24 months. While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistance limit of 24 months.

Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months.

Assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the project participant maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Funds may not be used to pay damage costs incurred by the tenant.

The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness and be at or below [Fair Market Rents \(FMR\)](#) for the area.

Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited.

### *Housing Stabilization Financial Assistance*

Funds may be used to provide financial assistance to help project participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Landlord incentives
- Utility payments
- Utility arrears
- Moving costs
- Application fees

Funds may be used to pay for security deposits, including utility deposits, for project participants. This is eligible in the case where the project participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source. Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to project participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.

Landlord incentives are an eligible expense under CHERP-RRH-Housing Stabilization Financial Assistance in an effort to increase the number of housing units available to persons experiencing homelessness. The amount for landlord incentives must not exceed three times the rent charged for the unit. Eligible landlord incentive costs include: (i) Signing bonuses equal to up to 2 months of rent; (ii) Security deposits equal to up to 3 months of rent; (iii) Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and, (iv) Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

Funds may be used for up to 24 months of utility payments for each project participant in any three-year period of time, provided that the project participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24-month limit.

The grantee must use the VHDA or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance with utilities may be structured where the project participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities; however, the past due months must be included in the 24-month limit. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases, the grantee must document the basis for the estimation.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

#### *Housing Stabilization Case Management*

Funds may be used for housing stability case management. These are the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for project participants residing in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing. Project participants must receive housing focused case management at least once a month.

This assistance cannot exceed 30 days during the period the project participant is seeking permanent housing and cannot exceed 24 months during the period the project participant is living in permanent housing. All project participants must be moved as quickly as possible to permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating project participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Fees for use of auxiliary aids and language services

Rapid re-housing funds can be used for housing focused case management alone. Although rental assistance cannot be provided independent of case management, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a project participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded. Recertification is required at 12 months.

“Stand alone” case management or other services can also be provided to support project participants who receive rental assistance through non-CHERP funds, as long as the individual or family is eligible for assistance at the time of the intake evaluation.

#### *Housing Search and Placement*

Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include staff costs related to: tenant counseling, assisting individuals and families to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, and outreach and negotiation with property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead requirements, and rent reasonableness. Costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

#### *Housing Stabilization Services*

Funds may be used for services that are targeted to assist project participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on project participants, they must do so for all project participants so as not to violate Fair Housing Law or otherwise discriminate among project participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may not be used to determine program eligibility. Payment of debt is an ineligible expense.

Hazard pay may be included in staffing costs for staff carrying out housing stabilization case management, housing search and placement, and housing stabilization services under this grant. See [Homeless and Special Needs Housing guidelines](#) for hazard pay details.

#### *Service Location Costs*

Funds may be used for service location costs, such as rent for office space, printer/copier costs, and utilities for an office.

## **Rapid Re-housing COVID-19 Waivers**

DHCD has elected to provide the following waivers for Rapid Re-housing activities funded by the COVID Homelessness Emergency Response Program (note the duration of the waiver begins on April 2, 2020):

- Fair Market Rent Waiver
- Recertification Waiver
- Monthly Case Management Waiver
- 24-month Limit Waiver
- Homeless Definition – Temporary Stays in Institutions of 90 Days or Less

*Fair Market Rent Waiver* (Duration: 6 months, ending September 30, 2020)

Assisted units of eligible households may exceed Fair Market Rent (FMR) but not exceed the Rent Reasonableness requirement for any lease executed during the waiver period. Once the waiver period ends, Rapid Re-housing financial assistance must not be utilized for units exceeding Fair Market Rent.

Required documentation to utilize waiver (must be included in project participant file):

- Notation in the project participants' file stating Fair Market Rent requirements are impeding the project participant's ability to obtain permanent housing within the community.

*Recertification Waiver* (Duration: up to 2 years, ending March 31, 2022)

In order to better enable project participants to remain stable in housing during the economic hardship of COVID-19, the requirement that recertification of eligibility be completed once every 3 months is waived. Recertification must be completed no less than once every 6 months.

Required documentation (must be included in project participant file):

- Note that 3-month recertification was not completed due to COVID-19.

*Monthly Case Management Waiver* (Duration: 5 months, ending August 22, 2020)

The requirement that case management for project participants in Rapid Re-housing occur at least once monthly is waived as needed (see below).

Required documentation (must be included in project participant file):

- Documentation that monthly case management could not occur due to:
  - Limited staff capacity; AND/OR
  - Lack of technology/inability to connect with project participant virtually.

*24-month Limit Waiver* (limited applicability noted below)

The 24-month maximum on rental assistance and supportive services provided to any project participant within any 3-year period is waived for currently enrolled project participants. The 24-month limit is extended by up to 6 months as necessary for the project participant to maintain permanent housing only for project participants who reach their 24-month maximum between January 21, 2020 and ending February 28, 2021.

*Homeless Definition – Temporary Stays in Institutions of 90 Days or Less* (Duration: ending March 31, 2021)

The 90-day limit on temporary stays in institutions to maintain homeless status is extended to 120 days or fewer to account for the longer period of time individuals are residing in institutions as a result of COVID-19. Under this waiver, an individual may qualify as homeless under paragraph (1)(iii) the homeless definition in 24 CFR 576.2 so long as he or she is exiting an institution where they resided for 120 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

**HMIS**

HMIS Administrators and Victim Services Providers using a comparable data system will be eligible to receive ESG-CV funding to meet ESG-CV data collection and reporting requirements. The funding made available for HMIS Administrators and Victim Services Providers will be based on the total number of projects to be included in their required reporting. ESG-CV funding may be used to pay for staff expenses, necessary training, additional user licenses, and updates to HMIS that are necessary to fulfill the reporting requirement.

**Administrative Costs**

Includes the costs associated with the administration of CHERP funding. Grantees may use up to 5 percent of funding for administrative costs.

While it is not necessary to detail administrative costs on requests for reimbursement, grantees must be able to document all administrative costs and will be required to produce said documentation at the time of either on-site or desk monitorings.