

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****CFDA 14.257 HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP) (RECOVERY ACT FUNDED)****I. PROGRAM OBJECTIVES**

The objectives of the Homelessness Prevention and Rapid Re-Housing Program (HPRP), as authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. No. 111-5), are to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly re-house persons who are homeless as defined by Section 103 of the McKinney-Vento Homeless Assistance Act (42 USC 11302).

**II. PROGRAM PROCEDURES**

HPRP provides grants to States, metropolitan cities, urban counties, and four territories according to a formula used in the Emergency Shelter Grants Program (CFDA 14.231), with a minimum grant allocation set by the Department of Housing and Urban Development (HUD) at \$500,000. A State grantee must make available all of its formula allocation, except for an appropriate share of funds for administrative costs, to the following subgrantees to carry out all eligible activities: (1) local governments in the State, which includes formula cities and counties, whether or not such cities and counties receive grant amounts directly from HUD; or (2) private non-profit organizations, if the local government in which the proposed activities are to be located certifies that it approves of each project. Metropolitan cities, urban counties, and territories, or an agency of those governments, may directly carry out eligible activities or may distribute all or part of their grant amounts to private non-profit organizations to carry out HPRP activities. In addition, any local government grantee may enter into a subgrant with another local government to carry out the program.

HPRP is focused on housing for homeless and at-risk households. It will provide temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless but for this assistance. The funds under this program are intended to target two populations of persons facing housing instability: (1) individuals and families who are currently in housing but are at risk of becoming homeless and need temporary assistance to prevent them from becoming homeless or assistance to move to another unit (homelessness prevention), and (2) individuals and families who are experiencing homelessness (residing in emergency or transitional shelters or on the street) and need temporary assistance in order to obtain housing and retain it (rapid re-housing). HPRP grantees must coordinate with the local Continuum of Care and with other ARRA funding streams, so that eligible activities under other ARRA programs are aligned with HPRP funds to create a comprehensive package of housing and service options available to eligible program participants.

**Source of Governing Requirements**

HPRP was authorized by Title XII of ARRA.

### Availability of Other Program Information

Additional information about the HPRP is available on the Internet at the HUD Recovery Act website on the Internet at <http://www.hud.gov/recovery>, or in Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009 (HPRP Notice), which is available on the Internet at:

[http://portal.hud.gov/pls/portal/docs/PAGE/RECOVERY/PROGRAMS/HOMELESSNESS\\_RESOURCES/HRP-NOTICE.PDF](http://portal.hud.gov/pls/portal/docs/PAGE/RECOVERY/PROGRAMS/HOMELESSNESS_RESOURCES/HRP-NOTICE.PDF).

### III. COMPLIANCE REQUIREMENTS

**In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.**

#### A. Activities Allowed or Unallowed

1. *Allowed Activities* - There are four categories of eligible activities for the HPRP program: financial assistance, housing relocation and stabilization services, data collection and evaluation, and administrative costs.
  - a. Financial assistance is limited to the following activities: short-term and medium-term tenant-based rental assistance up to 18 months, security deposits, utility deposits, utility payments, moving cost assistance, and motel and hotel vouchers for up to 30 days if housing has been identified. Grantees and subgrantees must not make payments directly to program participants, but only to third parties, such as landlords or utility companies. In addition, an assisted property may not be owned by the grantee, subgrantee or the parent, subsidiary or affiliated organization of the subgrantee.
  - b. Rental assistance may also be used to pay up to 6 months of rental arrears for eligible program participants. Rental arrears may be paid if the payment enables the program participant to remain in the housing unit for which the arrears are being paid or move to another unit. All rents paid must be in compliance with HUD's standards of "rent reasonableness." (Section IV, A. Eligible Activities, in HPRP Notice)
2. *Unallowed Activities* - HPRP is not a mortgage assistance program; therefore, HPRP funds are not eligible to pay for any mortgage costs or legal or other fees associated with retaining homeowners' housing. Specifically, HPRP funds may not be used to pay for any of the following items:
  - a. Construction or rehabilitation;
  - b. Credit card bills or other consumer debt;

- c. Car repair or other transportation costs;
- d. Travel costs;
- e. Food;
- f. Medical or dental care and medicines;
- g. Clothing and grooming;
- h. Home furnishings;
- i. Pet care;
- j. Entertainment activities;
- k. Work or education related materials;
- l. Cash assistance to program participants;
- m. Development of discharge planning programs in mainstream institutions such as hospitals, jails, or prisons;
- n. Certifications, licenses, and general training classes (Note, training for case managers and program administrators is an eligible administrative cost as long as it is directly related to HPRP program operations); and
- o. State operating costs, except for administrative costs (Section IV, B. Ineligible and Prohibited Activities, in HPRP Notice).

**C. Cash Management**

Any HPRP funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants (Section IV, B. Ineligible and Prohibited Activities, in HPRP Notice).

**G. Matching, Level of Effort, Earmarking**

1. **Matching** – There is no match required in this program.
2. **Level of Effort** - Not Applicable
3. **Earmarking** - Not more than 5 percent of the total grant may be used for administrative costs (ARRA, 123 Stat.221).

**H. Period of Availability of Federal Funds**

Recipients must expend at least 60 percent of such funds within 2 years of the date on which funds became available for obligation; and expend 100 percent of such funds within 3 years of such date (ARRA, 123 Stat. 221).

**J. Program Income**

Recipients may not charge fees to HPRP program participants (Section IV, B. Ineligible and Prohibited Activities, in HPRP Notice).

**L. Reporting****1. Financial Reporting**

- a. SF-269, *Financial Status Report* - Not Applicable
- b. SF-270, *Request for Advance or Reimbursement* - Not Applicable
- c. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* - Not Applicable
- d. SF-272, *Federal Cash Transactions Report* – Applicable
- e. *Integrated Disbursement and Information System (IDIS) (OMB No. 2506-0077)* – Grantees, and as applicable, subgrantees, will use the Integrated Disbursement and Information System (IDIS) to draw down HPRP funding and report grant expenditures.
  - (1) C04PR02 - List of Activities by Program Year and Project (HPRP Projects Only).
  - (2) C04PR19 - HPRP Statistics for Projects as of Grant Year

*Key Line Item: Dollars funded from HPRP Grants*

**2. Performance Reporting – Not Applicable****3. Special Reporting – Not Applicable****IV. OTHER INFORMATION**

ARRA gave HUD the authority to waive statutory and regulatory requirements to facilitate the use of HPRP funds.