SC Housing
HOME ARP Tenant-Based Rental Assistance & Supportive Services Application Manual

Notice of Funding Opportunity

South Carolina State Housing Finance & Development Authority

300-C Outlet Pointe Blvd., Columbia, SC 29210

www.schousing.com

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Program Overview

The American Rescue Plan Act (ARPA) was signed into law by President Biden in 2021, which provided more than $1.9 trillion in one-time relief to support the economy, public health, state and local governments, individuals, and businesses during the COVID-19 pandemic. Through the Act Congress appropriated $5 billon in ARPA funds to be administered by HUD through the HOME Investment Partnerships Program (HOME) to provide assistance to individuals and households that are homeless, at risk of becoming homeless, fleeing domestic violence or human trafficking, or are at great risk of housing instability.

This application manual includes information necessary to understand how to apply for HOME-ARP funding for Tenant Based Rental Assistance (TBRA) and/or Supportive Services and how to comply with the HOME-ARP program requirements established by the U.S. Department of Housing and Urban Development (HUD) and the South Carolina State Housing Finance and Development Authority (SC Housing). The information provided in this manual is based on guidance provided by HUD in **CPD Notice 21-10** and the HOME Investment Partnerships Program (HOME) located at 24 CFR Part 92. Persons with disabilities or limited English proficiency who need the information contained in this manual and related program materials in an alternative format may contact communitydevelopmentprograms@schousing.com to make such requests.

Available Funding

SC Housing will make available approximately **$12,040,785** of HOME-ARP funding for Tenant Based Rental Assistance and **$1,302,151** for Supportive Services to serve Qualifying Population (QP) households (defined on pages 28-32 of this Manual). There is no minimum or maximum amount of funding that can be requested. Applicants should request funding in amounts they can reasonably expect to fully expend by **September 1, 2030**, taking attrition into consideration, meaning they should anticipate the gradual reduction of HOME-ARP funding needed for rental assistance as the number of households assisted is gradually reduced due to households transitioning to the traditional Section 8 Housing Choice Voucher Program or no longer requiring rental assistance. Awardees will be selected through a non-competitive application process. SC Housing will award funding so that it is geographically disbursed across the state as evenly as possible and practical. PHAs may request funding for TBRA, Supportive Services, and administrative expenses.

Eligible Applicants

Eligible applicants are Public Housing Authorities (PHAs) located in South Carolina. PHAs must be in good standing with all SC Housing administered programs. PHAs may be determined to not be in good standing for any of the below reasons. The PHA:

- Is being investigated for alleged fraud, waste, or abuse by a federal or state agency;
- Has outstanding uncorrected non-compliance violations with SC Housing administered programs, or uncorrected breaches of agreements in conjunction with SC Housing administered programs;
- Is delinquent of payments owed to SC Housing, including, but not limited to loan payments and compliance monitoring fees;

- Has an ownership interest in an SC Housing financed development that is within its affordability period that has been identified as financially troubled, no longer financially viable, having operating costs that exceed operating revenue, or is at risk of foreclosure;
- Has been awarded funding for a project that is not meeting program deadlines, has required multiple extensions to SC Housing completion benchmarks, and is at risk of not meeting federal project completion or expenditure deadlines.
- Has been debarred or suspended from participating in any federal or state program, or any SC Housing administered programs;
- Has uncleared audit findings relevant to administering voucher programs or managing subsidized affordable housing developments in audits conducted in accordance with 2 CFR part 200, Subpart F.

SC Housing has the sole discretion in the determination of good standing and this determination is not subject to reconsideration or appeal. PHAs must demonstrate they have the experience and capacity to administer a HOME-ARP TBRA and Supportive Services program(s).

Eligible Beneficiaries

Eligible individuals/households must meet one of HUD's four Qualifying Populations (QPs) as defined in **CPD Notice 21-10**. These definitions are also provided in this manual in the definitions section on pages 28 - 32. Any individual or family that meets the QP criteria is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria such as meeting a specific income threshold. Individuals/households only need to qualify as an eligible QP for the initial assistance period, once qualified they no longer have to demonstrate they meet QP eligibility to qualify to receive additional HOME-ARP assistance.

Program Timeline

NOFO Q & A Webinar	September 23, 2026 (1:00 – 2:00)
Application Submission Deadline	October 30, 2026
Award Notifications	November 2026
Implementation Training	November 2026
Award 50% Expenditure Deadline	January 1, 2028
Award 100% Expenditure Deadline	September 1, 2030

Threshold Requirements

- Applicants must be in good standing as described on pages 3 – 4 of this Manual.
- Financial Capacity – Applicants must submit financial statements dated on or after **December 31, 2024** that demonstrate the PHA's overall financial stability and ability to responsibly manage its financial obligations and carry out the proposed TBRA and/or Supportive Services activities. Financial statements should include sufficient information to evaluate the PHA's financial condition, including its assets, liabilities, revenues, expenses, and overall financial position. The statements must demonstrate the PHA is financially healthy and has adequate financial capacity

to support its ongoing operations and fulfill its commitments. Financial statements that indicate significant financial distress, ongoing operating deficits without a reasonable explanation or corrective plan, insufficient resources to meet current obligations, or other conditions that raise concerns regarding the PHA's financial stability will be considered unacceptable. Applicants must provide financial statements that are audited, reviewed, or compiled by a licensed CPA that must include an Income Statement and Balance Sheet.

- PHAs that are required to have an audit completed subject to 2 CFR part 200, subpart F must not have any uncleared findings relative to administering TBRA and/or Supportive Services activities.
- The PHA's most recent PHAS Score must indicate the PHA is a High Performer (90 points or higher) or a Standard Performer (above 60 points, but below 90).
- The PHA must have experience within the last 5 years administering a voucher program.
- PHA must be registered with SAM.gov and provide their UEI number.
- The submitted application must be substantially complete, meaning no more than (10) ten items were noted as missing or deficient during the application review process.

HOME-ARP TBRA Guidelines

Eligible Project Expenses

Eligible project costs for TBRA activities include rental assistance payments, security deposit assistance, and utility deposit assistance. HOME-ARP can be used to pay for up to 100% of rental assistance payments if the QP household does not have any income. QP households that are earning income must pay at least 30% of their monthly adjusted income towards rent. The amount that can be provided for security deposits is limited to two months' rent and utility deposits can only be provided if the QP household is also receiving rental assistance and/or security deposit assistance.

Costs incurred by the PHA to determine household eligibility and inspect units are eligible project delivery fees. Eligible fee amounts are as follows:

Initial Inspection $200 – Inspection of the selected unit by a certified inspector to determine if the unit meets HUD property and occupancy standards.

Eligibility File Review $75 – Review of QP eligibility and if applicable, income documentation to ensure the applicant household has provided all required documentation to verify eligibility and that the documents meet program requirements.

Special Inspection $100 – Inspections conducted at the request of the landlord, QP household, or a third party as a result of unresolved problems identified with a unit between annual inspections.

Annual Inspection $150 – Inspections conducted of the QP household's unit upon the annual renewal of the QP household's housing assistance payment contract.

Calculating Assistance Payments

Housing Assistance Payment (HAP) = the lower of 1.) Payment/Rent Standard minus the Total Tenant Payment, or 2.) Gross Rent minus the Total Tenant Payment. Gross Rent = Contract Rent plus applicable utility allowance. Steps to establish the HAP payment made to the landlord:

Step 1: Determine the QP household's annual and adjusted monthly income.

Step 2: Calculate the Total Tenant Payment (TTP)

Step 3: Determine the applicable Rent/Payment Standard based on voucher/unit bedroom size and, where applicable, the payment standard area.

Step 4: Determine the unit's rent to owner.

Step 5: Add the applicable utility allowance to establish gross rent.

Step 6: Apply the Housing Choice Voucher HAP Formula.

Step 7: Conduct rent reasonableness to make sure the proposed rent is reasonable compared with comparable unassisted units.

Step 8: Establish the HAP amount paid directly to the landlord.

Eligible Administrative Expenses

PHAs can request up to 5% of the amount they have budgeted for project costs for administrative expenses that are not covered by project delivery fees such as the costs for denied eligibility file reviews and reporting requirements. Administrative expenses can only be requested for direct expenses that are appropriately documented and eligible and meet the requirements of 2 CFR Part 200. Administrative expenses may only be charged to the project to the extent that they represent direct costs that are reasonable, necessary, allocable, and directly attributable to the approved HOME-ARP activities.

Indirect costs, overhead, general organizational expenses or other costs that can't be directly attributed to the approved application are not allowable for reimbursement. Time may not be charged to the project based solely on an estimated percentage of an employee's time. If an employee works on multiple activities other than the HOME-ARP activities, the time charged to the program must be supported by records showing the employee's actual time spent on the administration of the HOME-ARP activities.

Examples of allowable direct administrative expenses are staff time spent on project specific administration, record keeping, and reporting requirements. Records demonstrating staff time must:

- Identify the employee performing the work
- Identify the specific project or activity for which the time was incurred
- Record the actual hours worked on eligible project activities
- Describe the nature of the work performed in sufficient detail to demonstrate that the time was directly related to the approved HOME-ARP activity
- Be prepared and maintained on a timely basis and certified by the employee and/or the employee's supervisor
- The PHA must provide and maintain documentation sufficient to demonstrate that personnel costs charged as administrative expenses, i.e. payroll records, pay stubs, etc.

Ineligible Expenses and Activities

HOME-ARP funds may not be used for the following:

1. Provide project reserve accounts or operating subsidies;

2. Pay for the homebuyer program as defined at 24 CFR 92.209(c)(2)(iv);
3. Provide assistance to tenants who have been identified as potential low-income home buyers that are participating in lease purchase programs.
4. Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act.
5. Provide non-federal matching contributions required under any other Federal program;
6. Provide assistance for uses authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
7. Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
8. Pay for any cost that is not an eligible cost;
9. Provide TBRA to homeless persons for overnight or temporary shelter;
10. TBRA may not duplicate existing rental assistance programs that already reduce the tenant's rent payment to 30% of income;
11. Used to prevent the displacement of tenants from projects that are undergoing rehabilitation.
12. Pay delinquent taxes, fees, or charges on properties to be assisted with HOME funds;
13. Pay for any cost that is not eligible under § 24 CFR 92.206 through §24 CFR 92.209 or CPD Notice 21-10;
14. Pay for surety bonds, security deposit insurance, or instruments similar to surety bonds or security deposit insurance, in lieu of or in addition to a security deposit in units occupied by tenants receiving tenant-based rental assistance (including assistance in paying security deposits);
15. Provide assistance to individuals or households that do not meet a HOME-ARP QP definition; or
16. Pay for indirect administrative costs.

Activity Locations – PHAs may elect to require assisted TBRA households to lease units within its jurisdictional boundaries or may permit a household to use its assistance outside of its boundaries. In all instances, the HOME-ARP TBRA assistance must be limited to units located in the state of South Carolina.

Property and Occupancy Standards – Assisted households have the right to choose their own rental unit; however, units leased by HOME-ARP assisted households must meet HUD’s property standards. Currently, units must meet HUD’s Housing Quality Standards (HQS) requirements located at 2 CFR 982.401 or successor inspection standards issued by HUD. HUD is expected to transition its property standards from HQS to NSPIRE as of February 1, 2027. If a household selects a unit financed with HOME-ARP rental activity funds, the units must currently meet HUD’s NSPIRE requirements. Eligible Units:

- May be publicly or privately owned
- Households must be free to select the unit of their choice
- Rents must be reasonable
- Units financed with HOME and/or HOME-ARP funds are eligible
- Units must meet HUD’s property standards, including compliance with Lead-Based Paint regulations located at 24 CFR Part 35.1200(b) and 24 CFR Part 35.115

- May be owned by the PHA, but cannot be public housing units

Occupancy Standards – PHAs must adopt the occupancy standards as required by HUD's Housing Choice Voucher Program.

Tenant Selection Policies

Only individuals and households that meet the definition of Qualifying Populations (QPs) are eligible to receive HOME-ARP TBRA assistance. PHAs must select qualifying households in accordance with written tenant selection polices and criteria that:

- Limit eligibility to households that meet at least one of the HOME-ARP QP definitions.
- In accordance with SC Housing's HOME-ARP amended allocation plan, may elect to have a preference to prioritize applicants that meet the QP4 definition located in Section IV(A)(4) reoffered to as "Other families requiring services or housing assistance to prevent homeliness." To meet this criterion, the family must have been previously homeless and is currently housed due to temporary or emergency assistance.
- Must not violate nondiscrimination requirements in 24 CFR 92.350.
- Comply with all applicable fair housing, civil rights, and nondiscrimination requirements, including, but not limited to the requirements identified in 24 CFR 5.105(a) when utilizing a preference.
- Allows households that are eligible for the preference to have the opportunity to participate in all HOME-ARP activities of the PHA that they are eligible for.
- Establishes a written waiting list for HOME-ARP TBRA assistance. All eligible households must have access to apply for placement on the waiting list. Households on the waiting list must be accepted in accordance with the PHA's preference; if applicable, and if the PHA does not elect to have a preference in chronological order, insofar as practicable.
- Gives prompt written notification to any rejected applicant of the grounds for any rejection; and
- Complies with the VAWA requirements described in 24 CFR 92.359.

Tenant Protections

PHAs must require and verify that there is an executed lease agreement between the QP household and the and the owner/landlord that includes a HOME-ARP Tenant Based Rental Assistance lease addendum. (The lease addendum will be provided by SC Housing.) PHAs must document approval of lease agreements in writing and must also approve rent increases at lease renewal. The lease may not contain any of the prohibited lease terms described in 24 CFR 92.253(b) listed below:

(1) ***Agreement to be sued.*** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

(2) ***Treatment of property.*** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) ***Excusing owner from responsibility.*** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) ***Waiver of notice.*** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) ***Waiver of legal proceedings.*** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) ***Waiver of a jury trial.*** Agreement by the tenant to waive any right to a trial by jury;

(7) ***Waiver of right to appeal court decision.*** Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;

(8) ***Tenant chargeable with cost of legal actions regardless of outcome.*** Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and

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

Portability of Assistance

The PHA may elect to allow an assisted household to lease a unit inside or outside of its jurisdictional boundaries; however, QP households must lease units located in the state of South Carolina. The HOME-ARP QP household has the right to continued assistance if the household elects to relocate to another unit.

Rent Assistance Contracts

Rent assistance contracts may not exceed a 12-month period, but may be renewed subject to the availability of funds. The term of the rent assistance contract must begin on the first day of the lease. The contract continues until the end of term of the contract or until the lease is terminated, whichever occurs first. The Rental Assistance Contract will be provided by SC Housing.

Maximum Subsidy Amounts

HOME-ARP can be used to provide up to 100% of costs for a QP household’s rental assistance; however, QP households that earn income must provide a minimum of 30% of their adjusted monthly income towards rent. All income calculations to determine a QP household’s contribution towards rent must calculated in accordance with 24 CFR 5.609.

Rent/Payment Standard

The PHA must establish a rent standard for HOME-ARP TBRA by unit size that is based on local market conditions or the Section 8 Housing Choice Voucher Program under 24 CFR 982. PHAs must disapprove a lease if the rent amount does not meet the PHA’s rent standard. PHAs must describe in their administrative plan how the rent/payment standard is calculated and maintain documentation of its calculation.

Disbursement of Funds

Disbursement requests for TBRA must be submitted to SC Housing at least ten (10) days prior to the 1st of each month to ensure landlords are paid timely. Disbursement requests for utility deposits must be provided to SC Housing at least ten (10) days prior to the due date required by the utility company. PHAs must make housing assistance payments directly to the landlord and/or utility company.

Attrition

When determining how much funding to request for HOME-ARP TBRA assistance the PHA should factor attrition into the equation, meaning they should plan for a percentage of the assisted households to either be absorbed into Section 8 Housing Choice Voucher Program annually or have the expectation that QP households' economic situations may improve to the point they are able to independently cover the costs of their living expenses.

Termination of Assistance

PHAs may terminate TBRA assistance to a QP participant who violates program requirements or conditions of occupancy or if the QP participant no longer needs the services as determined by the PHA. Termination does not prohibit the PHA from assisting the individual at a later date. PHAs must include in their administrative plan policies and procedures for termination of assistance to program participants. The process must be formal and protect the rights of individuals receiving assistance under the due process of law. The PHA must provide effective communication and accessibility for individuals with disabilities, including reasonable accommodations and providing access to those with limited English proficiency (LEP). The process at a minimum must include:

- Providing the participant with a written copy of the 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.

Supportive Services Guidelines

HOME-ARP funds may be used to provide a broad range of supportive services to QP individuals and households as a separate activity or in combination with TBRA assistance. Supportive Services must be necessary to assist QPs to prevent homelessness or to enable QP households to obtain and maintain housing. Cost principles require Supportive Services costs to be reasonable and necessary and may not be duplicative. Housing counseling services may be provided to both housed and homeless QPs.

Ineligible Supportive Services

Housing counseling surrounding the following topics are not eligible under the HOME-ARP program:

- 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.

Eligible Supportive Service Expenses

Eligible costs for supportive services are limited to only those identified in Section VI.D.4(c) of CPD Notice 21.10 listed below. There are three types of HOME-ARP Supportive Services. PHAs will need to document what type or types QP households were assisted with in addition to documenting QP status at the time of initial assistance. All costs for supportive services must comply with CPD Notice 21-10 including the requirements of 2 CFR part 200, subpart E requiring costs to be reasonable and necessary.

- McKinney-Vento Supportive Services
- Homelessness Prevention Supportive Services
- Housing Counseling Supportive Services

PHAs may outsource supportive services to a supportive service provider or may provide supportive services directly. When using a third party, PHAs must enter into a contract with service providers that comply with the requirements of CPD Notice 21-10. Contract amounts should include amounts needed to cover the costs of supportive services and administrative overhead to deliver the services. If supportive services are being directly provided by the PHA the following are eligible project delivery costs:

- The costs of labor, supplies, and materials incurred by the PHA in directly providing supportive services to QP participants.
- The salary and benefits packages of the PHA staff who directly deliver the services.

The project delivery costs must be attributable to the identifiable objective of the service delivered.

<u>1. Eligible Costs for McKinney Vento Supportive Services and Homelessness Prevention Services:</u>
Eligible costs for supportive services under either of these two categories include costs associated with the following services:

(A) **Child care:** The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated developmental activities, are eligible. The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible. The following conditions also apply:

- 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.

(B) **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, English as a Second Language, 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.

(C) **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.

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

(E) **Housing search and counseling services:** Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible. Services are:

- Development of an action plan for locating housing;
- Housing search;
- Tenant counseling;
- Securing utilities;
- Making moving arrangements;
- Outreach to and negotiation with owners;
- Assistance submitting rental applications and understanding leases;
- Assessment of housing for compliance with HOME-ARP requirements for TBRA assistance in Section VI.C of CPD Notice 21-10 and financial assistance for short-term and medium-term rental payments provided under Section VI.D.4.c.i.(R) of CPD Notice 21-10 below;
- Assistance obtaining utilities; and
- Tenant counseling;
- Mediation with property owners and landlords on behalf of eligible program participants;
- Credit counseling, accessing a free personal credit report, and resolving personal credit issues; and
- Payment of rental application fees;
- Other Housing counseling costs, as defined in 24 CFR 5.100, funded with or provided in connection with grant funds must be carried out in accordance with 24 CFR 5.111.

<u>Please Note:</u> When PHAs provide housing services to eligible persons that are incidental to a larger set of holistic case management services, these services do not meet the definition of Housing counseling, as defined in 24 CFR 5.100, and therefore are not required to be carried out in accordance with the certification requirements of 24 CFR 5.111.

(F) **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.
- 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.
- 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 would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.

(G) **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.

(H) **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. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
- 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.

(I) **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.

(J) **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 PHA’s geographic area.

(K) **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;
- Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.

(L) **Transportation:** Eligible costs are:

- The costs of program participant's travel on public transportation or in a vehicle provided by the PHA to and from medical care, employment, childcare, or other services eligible under CPD Notice 21-10;
- 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 PHA staff to accompany or assist program participants to utilize public transportation; and
- If public transportation options are not sufficient within the area, the PHA 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:
- Payments for car repairs or maintenance on behalf of the program participant may not exceed 10 percent of the Blue Book value of the vehicle (Blue Book refers to the guidebook that compiles and quotes prices for new and used automobiles and other vehicles of all makes, models, and types);
- Payments for car repairs or maintenance must be paid by the PJ or subrecipient directly to the third party that repairs or maintains the car; and

- PHAs may require program participants to share in the cost of car repairs or maintenance as a condition of receiving assistance with car repairs or maintenance.
- The PHA must establish policies and procedures surrounding payments for the cost of 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 eligible services under this Section VI.D.4.c.i. of CPD Notice 21-10.

(M) **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. PHAs 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 CPD Notice 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.

(N) **Mediation:** HOME-ARP funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

(O) **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.

(P) **Landlord/Tenant Liaison:** Costs of liaison services between property managers/owners and program participants are eligible HOME-ARP costs and may include:

- Landlord outreach;
- Physical inspections and rent reasonable studies as needed to secure units;
- Rental application fees and security deposits for clients, in accordance with the financial assistance costs requirements in (R);
- Mediation services in (N) for housing issues that may arise between owner, property manager, or other residents and clients;

- Coordination or assistance with the provision of other HOME-ARP eligible services to assist clients to maintain permanent housing.

(Q) **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 section. 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.

(R) **Financial assistance costs**: 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.

(S) **Short-term and medium-term financial assistance for rent:** Subject to the following conditions, a PHA 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 PHA may make rental payments only to an owner with whom the PHA 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 CPD Notice 21-10. The financial assistance agreement must provide that, during the term of the agreement, the owner must give the PHA 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 PHA 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 PHA 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.
    - PHAs must establish requirements to prevent the provision of short- or medium-term 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).
    - 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.

<u>Ineligible costs</u> - 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.

<u>2. Eligible Costs Associated with Housing Counseling under 24 CFR 5.100 and 5.111:</u> Costs associated with housing counseling services as defined at 24 CFR 5.100 and 5.111 are eligible under HOME-ARP. As homeowner assistance and related services are not eligible HOME-ARP activities, costs for the provision of services related to mortgages and homeownership to existing homeowners are also not eligible under HOME-ARP. If a program participant is a candidate for homeownership, costs associated with pre-purchase homebuying counseling, education and outreach are eligible under HOME-ARP. Eligible costs are those costs associated with the services listed in 24 CFR part 214 and include, but are not limited to:

(A) Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-ARP program participants;

(B) Development of a housing counseling workplan;

(C) Marketing and outreach;

(D) Intake;

(E) Financial and housing affordability analysis;

(F) Action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s);

(G) Follow-up communication with program participants.

Eligible Administrative Expenses

PHAs can request up to 5% of the amount they have budgeted for project costs for administrative expenses that are not covered by project delivery fees such as the costs for denied eligibility file reviews and reporting requirements. Administrative expenses can only be requested for direct expenses that are appropriately documented and eligible and meet the requirements of 2 CFR Part 200. Administrative expenses may only be charged to the project to the extent that they represent direct costs that are reasonable, necessary, and allocable and directly attributable to the approved HOME-ARP activities.

Indirect costs, overhead, general organizational expenses or other costs that can’t be directly attributed to the approved application are not allowable for reimbursement. Time may not be charged to the project based solely on an estimated percentage of an employee’s time. If an employee works on multiple activities other than the HOME-ARP activities the time charged to the program must be supported by records showing the employee’s actual time spent on the administration of the HOME-ARP activities.

Examples of allowable direct administrative expenses are staff time spent on project specific administration, record keeping, and reporting requirements. Records demonstrating staff time must:

- Identify the employee performing the work
- Identify the specific project or activity for which the time was incurred
- Record the actual hours worked on eligible project activities
- Describe the nature of the work performed in sufficient detail to demonstrate that the time was directly related to the approved HOME-ARP activity; and
- Be prepared and maintained on a timely basis and certified by the employee and/or the employee's supervisor
- The PHA must provide and maintain documentation sufficient to demonstrate that personnel costs charged as administrative expenses, i.e. payroll records, pay stubs, etc.

Disbursement of Funds

Disbursement requests for Supportive Services must be submitted to SC Housing at least ten (10) days prior to the date due by the supportive service provider. HOME-ARP funds can only be released for property documented costs incurred for supportive services. HOME-ARP funds cannot be advanced to award recipients ahead of having incurred expenses for services. PHAs must make payments directly to supportive service providers and not to QPs being assisted with supportive services.

Limitations for Assistance

Program participants may receive assistance through September 1, 2030; and all drawdowns or assistance must be processed by September 30, 2030. SC Housing does not place a limitation on the amount of financial assistance a QP individual may receive; however, all assistance provided must be reasonable and necessary to enable the QP individual to make strides to achieve stable housing. PHAs may elect to include in their written policies and procedures limits for the length of time and maximum amount of assistance a QP individual may receive.

Termination of Assistance

PHAs may terminate supportive services assistance to a QP participant who violates program requirements or conditions of occupancy or if the QP participant no longer needs the services as determined by the PHA. Termination does not prohibit the PHA from assisting the individual at a later date. PHAs must include in their administrative plan policies and procedures for termination of assistance to program participants. The process must be formal and protect the rights of individuals receiving assistance under the due process of law. The PHA must provide effective communication and accessibility for individuals with disabilities, including reasonable accommodations and providing access to those with limited English proficiency (LEP). The process at a minimum must include:

- Providing the participant with a written copy of the 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.

Policies and Procedures

PHAs must provide with the application the following written policies and procedures that are in compliance with HUD CPD Notice 21-10:

- Tenant selection procedures in accordance with Section IV.C.2 of CDP Notice 21-10;
- Eligibility of program participants in HOME-ARP TBRA activities for supportive services under Section VI.D.4.c.i of CPD Notice 21-10, including the length of time that program participants may be served by HOME-ARP supportive services before they will no longer be eligible as a qualifying population;
- If the PHA chooses to set maximum amounts and/or maximum periods for assistance or services, the maximum dollar amount that a program participant may receive for each type of service described in Section VI.D.4.c.i of CPD Notice 21-10 and/or maximum periods for which a program participant may receive any of the types of assistance or services;
- Documentation of eligible costs;
- 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;
- Payments for the cost of gas, insurance, taxes, the one-time payment for car repairs or maintenance described above, and maintenance for vehicles of program participants;
- Financial assistance for short-term and medium-term rental payments under CPD Notice 21-10, including requirements to prevent a duplication of rental or financial assistance provided to a program participant;
- Housing stability case management; and
- Termination of assistance to program participants.

Quarterly Reporting Requirements

PHAs will be required to collect and report data on program beneficiaries receiving supportive services. The data collected (household race, ethnicity, size, composition, type of services received, etc.) must be reported quarterly per HUD requirements.

Federal Requirements

HUD CPD Notice 21-10 This notice establishes requirements for funds appropriated under section 3205 of the American Rescue Plan Act of 2021 for the HOME Investment Partnerships Program.

Other Federal Requirements

HOME-ARP funds are federal financial assistance and are subject to several federal regulatory requirements. PHAs must comply with 24 CFR Part 92, Subpart H, which are set forth in 24 CFR part 5, Subpart A, which include non-discrimination, equal opportunity, disclosure requirements, debarred and suspended contractors, and drug free workplace.

Federal Debarment and Suspension

PHAs, contractors, and other participants must not be debarred, suspended, or ineligible to access federal funding based on the federal excluded parties list: https://sam.gov/

Environmental Review

SC Housing as the State Participating Jurisdiction (PJ) will take on the responsibility of completing the environmental review as the Responsible Entity. No HOME-ARP funds can be committed to an activity before the completion of the environmental review and approval of the RROF/C, as applicable. SC Housing will begin the environmental review process as soon as applicants are notified of conditional fund commitments. HOME-ARP TBRA and Supportive Service activities are defined in 24 CFR 58.35(b) as categorically excluded, not subject to the Federal laws and authorities at 24 CFR 58.5 (CENST) or exempt from review under NEPA.

Lead Hazard Control Requirements

The Lead-Based Paint Prevention Act (42 U.S.C. 4821-4846), and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4858), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, M, and R apply to HOME-ARP TBRA and Supportive Services activities.

- **Subpart B – General Lead-Based Paint Requirements and Definitions for All Programs**
- **Subpart K – Acquisition, Leasing, Support Services, or Operation**
- **Subpart M – Tenant Based Rental Assistance**
- **Subpart R – Methods and Standards for Lead-Based Paint Hazard Evaluation and Hazard Reduction Activities**

Conflicts of Interest

PHAs engaging in HOME-ARP TBRA and Supportive Services activities are subject to the conflicts of interest provisions at 24 CFR 92.356; including but not limited, to the conflicts of interest exception process defined in 24 CFR 92.356(d)-(e).

Organizational Conflicts of Interest – The provision of any type or amount of HOME-ARP TBRA or Supportive Services may not be conditioned upon an individual's or family's acceptance or occupancy of a shelter or housing unit owned by the PHA, or its affiliate, or any subsidiary of the PHA. No PHA may, with respect to individuals or families occupying housing owned by the PHA, or any affiliate, or subsidiary of the PHA, administer financial assistance that includes rental payments, security deposits, utility deposits, or first and last month's rent provided pursuant to HUD's CPD Notice 21-10.

PHAs must maintain written standards of conduct covering the conflicts of interest and organizational conflicts of interest requirements included in CPD Notice 21-10 and 2 CFR 200.318. The written standards of conduct must also provide for internal controls and procedures to require a fair and open selection process for awarding HOME-ARP funds pursuant to CPD Notice 21-10. These standards must include provisions on if and how Continuum of Care board members may participate in and/or influence discussions or resulting decisions concerning the competition or selection of an award or other financial benefits made pursuant to CPD Notice 21.10, including internal controls on when funds may be awarded to the organization that the member represents.

PHAs must disclose any existing or potential conflict of interest relative to the performance of services relative to this NOFO, including any relationship that might be perceived as a conflict.

Any requests for exceptions to the organizational conflicts of interest provisions must be submitted in writing to SC Housing for review prior to SC Housing submitting the request to HUD for approval.

Confidentiality

The PHA's administrative plan must contain written policies and procedures for confidentiality that:

- Contain directives for maintaining the confidentiality of qualifying households individuals or families fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Contain requirements for maintaining confidentiality in compliance with VAWA protections contained in 24 CFR Part 5, subpart L.
- Requires 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;
- Requires that the address or location of any NCS or HOME-ARP 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 of the NCS or HOME-ARP rental housing, when necessary to record use restrictions or restrictive covenants in accordance with Section VI.B or VI.E of CPD Notice 21-10, or with written authorization of the person or entity responsible for the operation of the NCS or HOME-ARP rental housing; and
- Requires 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, except as provided under a privacy policy of the PHA consistent with state and local laws and any other grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.
- Documents the status of a qualifying population that is fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault, or human trafficking:
- 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. An oral 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, legal assistance provider, 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.

Uniform Administrative Requirements

The requirements of 2 CFR part 200 apply to PHAs receiving HOME-ARP awards with the exception of 200.311 (except as provided in 24 CFR 92.257), 200.312, 200.239, 200.333, and 200.334. The provisions of 2 CFR 200.305 apply as modified by 24 CFR 92.502(c) and CDP Notice 21-10. All costs must comply with the cost principles contained in Subpart E.

Audits

Audits must be conducted in accordance with 2 CFR part 200, subpart F. This regulation requires PHAs that expend more than $1 million in federal funds during their fiscal years to have an audit completed and submitted to SC Housing within nine months from the end of the fiscal year that triggered the audit.

Recordkeeping and Access to Records

Each PHA must establish and maintain sufficient records to enable SC Housing and/or HUD to determine whether the PHA has met the requirements of HOME-ARP CPD Notice 21-10 and the HOME Program regulations located at 24 CFR Part 92. In general HOME-ARP records must be retained for the five-year period following project completion; however, requirements may differ depending on specific regulatory requirements. Detailed information on record retention and access to records requirements are located in **CPD Notice 21-10** on pages 86-94.

Each PHA must establish and maintain sufficient records to enable SC Housing and/or HUD to determine whether the PHA has met the requirements of CPD Notice 21-10. At a minimum, the following records must be maintained:

1. **Program Records:**

- Records evidencing that all HOME-ARP funds used by a PHA for TBRA and Supportive Services benefit individuals and families in qualifying populations.
- If HOME-ARP funds are used for TBRA, records supporting the PHA's written selection policies and criteria; supporting documentation for preferences for specific categories of qualifying individuals; and records supporting the rent standard and minimum tenant contribution established in accordance with Section VI.C.7 and 8 of CPD Notice 21-10.
- Confidentiality:
    - The PHA's written policies and procedures for maintaining confidentiality of qualifying households as individuals or families fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.
    - The PJ's written policies and procedures for maintaining confidentiality in compliance with the VAWA protections contained in 24 CFR Part 5, Subpart L.

2. Project Records: PHAs are required to retain the following records for HOME-ARP-assisted projects, as specified by activity type.

- A full description of each project assisted with HOME-ARP funds, including the location (address of project), form of HOME-ARP assistance, and the units, families, or qualifying households assisted with HOME-ARP funds, subject to confidentiality requirements of CPD Notice 21-10.
- The source and application of funds for each project, including supporting documentation in accordance with 2 CFR 200.302; and records to document the eligibility and permissibility of the project costs.

- Records (i.e., written agreements) demonstrating compliance with the written agreement requirements.
- Records (e.g., inspection reports) demonstrating that each unit occupied by a qualifying household receiving HOME-ARP TBRA, meets the housing quality standards and subsequent requirements at initial occupancy and throughout the household's term of assistance.
- Records demonstrating that each qualifying household is eligible for HOME-ARP assistance based on the requirements of the ARP and Section IV of CPD Notice 21-10.
- Records demonstrating that each household qualifying as homeless, records that meet the requirements in 24 CFR 576.500(b)(1), (2), (3), or (4), as applicable (except that youth aged 24 and under must not be required to provide third-party documentation to show they are homeless to receive any shelter, housing, or services for which ESG or CoC Program funds may be used to supplement the HOME-ARP assistance).
- Records demonstrating that each household qualifying as "at risk of homelessness," records that meet the requirements in 24 CFR 576.500(c)(1) or (2), as applicable, and include the following documentation of annual income:
    - Income evaluation form containing the minimum requirements specified by HUD and completed by the PHA; and
    - 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 PHA'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 that for each HOME-ARP household receiving HOME-ARP TBRA, compliance with the tenant protection requirements of Sections VI.B.19 and VI.C.2, respectively, of CPD Notice 21-10. Records must be kept for each household.
    - For all HOME-ARP Supportive Services projects pursuant to McKinney-Vento or Homelessness Prevention Supportive Services: Records, where applicable, demonstrating compliance with the termination of assistance requirement as described in Section VI.D.5 of CPD Notice 21-10. Records of all solicitations of and agreements with contractors, records of all payment requests by and dates of payments made to contractors. Records of all procurement contracts and documentation of compliance with the procurement requirements in 2 CFR part 200, subpart D, as revised by Section VIII.D of CPD Notice 21-10. Records evidencing the use of the written procedures required under Section VI.D.2 and records evidencing compliance with Section IV.C.2 of CPD Notice 21-10.

    - Records of all leases and financial assistance agreements for the provision of rental payments, documentation of payments made by the PHA to owners, or qualifying households for the provision of financial assistance for rental payments, and supporting documentation for these payments, including dates of occupancy by qualifying individuals and families.

- Records that document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction. Records of the types of services provided under the PHA's supportive services program and the amounts spent on these services. For all HOME-ARP Housing Counseling Services projects as defined in 24 CFR part 5, each participating housing counseling agency must maintain a recordkeeping and reporting system in accordance with 24 CFR 214.315 and 24 CFR 214.317. The system must permit HUD to easily access all information needed for a performance review.

2. Records concerning other Federal requirements:

- Equal opportunity and fair housing records.
    - 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, any program or activity funded in whole or in part with HOME-ARP funds.
    - Documentation that the PHA complied with affirmatively further fair housing consistent with HUD's Interim Final Rule entitled Restoring Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021) (codified at 24 CFR 5.151 and 5.152;), available at https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications.
    - Records demonstrating compliance with the nondiscrimination and equal opportunity requirements of 24 CFR 92, Subpart H.
- Affirmative marketing records.
    - Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR 92.351 and this Notice.
- Records demonstrating compliance with the lead-based paint requirements of 24 CFR part 35, subparts A, B, J, K, M and R, as applicable.
- Records supporting compliance with conflict of interest requirements in 24 CFR 92.356, as revised by Section VII.H of CPD Notice 21-10, as well as documentation of any exceptions granted by HUD, as applicable, to the conflict of interest provisions in 24 CFR 92.356, as revised by Section VII.H of CPD Notice 21-10.
- Records demonstrating compliance with debarment and suspension requirements in 2 CFR part 2424.
- Records of emergency transfers requested under 24 CFR 5.2005(e) and 24 CFR 92.359 pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of those requests.

4. Period of record retention: All records pertaining to HOME-ARP funds must be retained for five years, except as provided below.

- For HOME-ARP TBRA projects, records must be retained for five years after the period of rental assistance terminates.

- Written agreements must be retained for five years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been 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.

5. Access to records: The PHA must provide citizens, public agencies, and other interested parties 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.

The PHA and its contractors 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 below requirement.

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 PHA in order to make audits, examinations, excerpts, and transcripts. If a provider of services is subject to state or local laws or other federal grant programs that require that HUD not be given access to records detailing PII of victims, then auditors or evaluators may be given access to representative files without any sharing of individual identifying information.

Repayments

Any HOME-ARP funds used for costs that not eligible under CPD Notice 21-10 or the HOME Program regulations at 24 CFR part 92, or invested in a project/activity that is terminated before completion, either voluntary or involuntary must be repaid to SC Housing to be remitted to HUD.

Violence Against Women Act

HOME-ARP funding is subject to the requirements of the Violence Against Women Act (VAWA) located at 24 CFR 92.359(b) and (c).

Written Agreements

PHAs with successful HOME-ARP applications will be required to enter into a HOME-ARP written agreement with SC Housing. Written agreements will be issued after the completion of the environmental review process and will contain requirements specific to HOME-ARP TBRA and Supportive Service requirements as applicable.

Monitoring

HUD requires SC Housing to evaluate the performance of HOME-ARP award recipients. To meet these requirements, SC Housing's Community Development staff will conduct monitoring reviews of PHAs that receive funding for TBRA and/or supportive services.

Application Submission Requirements

1. Applications may be obtained from SC Housing's website at HOME-ARP Program | South Carolina Housing or requested in writing at the address below: South Carolina State Housing Finance and Development Authority 300–C Outlet Pointe Blvd. Columbia, SC 29210 ATTN: Community Development Division – HOME-ARP.

2. Applications must be submitted to SC Housing **no later than 5pm, October 30, 2026**.

3. Applications for the HOME-ARP TBRA and Supportive Services funding cycle must be submitted to SC Housing by the application deadline. Applications can be submitted in person or via the USPS or other shipping service during regular business hours of 8:30 a.m. to 5:00 p.m. (EST). Applications received after the deadline will not be considered for funding and will be returned to the Applicant. Applications should be mailed to South Carolina State Housing Finance and Development Authority 300–C Outlet Pointe Blvd., Columbia, SC 29210 ATTN: Community Development Division – HOME-ARP.

4. Applicants must submit one complete Application Packet on a thumb drive appropriately organized and separated with the tabs identified in the Application. All electronic copies of the application must be tabbed out in accordance with the tabbing system, meaning each tab with its contents must be saved as an individual file folder containing the applicable document files. Applications that are not appropriately organized in accordance with the tabbing system will be considered incomplete. Hard copies of applications will not be accepted. Applications will NOT be accepted by facsimile, e-mail transmission, or any file exchange system. Missing, Incomplete, and Clarification items requested by SC Housing during the application review process must also be submitted via a thumb drive, unless otherwise instructed by SC Housing.

5. All applications must be self-contained and complete. SC Housing will not rely on any previously submitted information, written or verbal, to evaluate applications.

6. Complete applications must include all pages and sections of the application and all applicable items identified on the ***HOME-ARP Exhibit 1 -TBRA & Supportive Services Application Checklist*** with all applicable supporting documentation.

7. All documentation, unless otherwise stated in this Manual, must not be dated prior to September 1, 2025.

8. There are no fees required to submit an application.

9. All costs incurred by the Applicant in the preparation, transmittal, or presentation of the application package are the responsibility of the Applicant.

Application Evaluation Process

SC Housing staff will review the HOME-ARP TBRA and Supportive Services applications received as outlined below:

1. Evaluation Criteria - Applications will be reviewed for, but not limited to, the following:

    a. Mandatory threshold criteria

    b. Compliance with federal and state laws

c. Application package completeness

d. HOME-ARP program requirements

2. Applications with the following deficiencies or concerns may be disqualified:

a. Application packages with ten (10) or more missing and/or incomplete items may be disqualified.

b. Applicants with nine (9) or less missing and/or incomplete items will have seven (7) business days from the date of notification to provide the information to SC Housing. Failure to meet this requirement may result in the automatic disqualification of the application.

3. Applications deemed to be financially feasible, and consistent with HOME-ARP policies may be recommended for funding.

4. If the entire HOME-ARP allocation is not exhausted during this funding round, SC Housing may elect to hold a second funding round or accept applications on a first come first serve basis.

5. Proposal acceptance or rejection and utilization of unused funds are at the discretion of SC Housing staff.

Other Information

Awards under the HOME-ARP Program will impose deadlines for committing and expending funds based on the activity or activities proposed and other information in the application. Any funds not committed or expended within these timeframes will be recaptured by SC Housing. HOME-ARP awards may be terminated at any time prior to the award expiration date due to the absence of program and/or project productivity.

Changes to projects after the award – Any changes to the program or project after the notice of award must be approved by SC Housing.

Definitions

Period of Performance – The period of performance for HOME-ARP grants ends on September 30, 2030.

Project Completion – Project Completion for TBRA and Supportive Services activities means the final drawdown of funds has been disbursed for the project.

Qualifying Populations – The four types of Qualifying Populations (QPs) are defined as follows:

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:

(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.

SC Housing’s Suspension and Debarment Policy – HOME-ARP applicants and award recipients are subject to the agency’s suspension and debarment policy. Information about SC Housing’s Suspension and Debarment Policy can be found on SC Housing’s website: https://schousing.sc.gov/sites/schousing/files/Documents/About/Suspension-and-Debarment-Policy.pdf