
Supportive Services

HOME-ARP funds may be used to provide a broad range of supportive services to qualifying individuals or families as a separate activity or in combination with other HOME-ARP activities.

Supportive services include:

- Supportive services under the McKinney-Vento Homeless Assistance Act;¹
- Homelessness prevention services (see below); and
- Housing counseling services.

Eligible Program Participants

Supportive services may be provided to individuals and families who meet the definition of a qualifying population and who are not already receiving these services through another program.

Program participants in other HOME-ARP activities are eligible for supportive services in accordance with policies and procedures developed by the participating jurisdiction. The policies and procedures should identify the length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before they will no longer be eligible as a qualifying population for purposes of this section.

Client Selection

Fund may only be used to provide supportive services to individuals or families that meet the definition of a qualifying population. City of Gary must develop policies and procedures for the selection of program participants for supportive services consistent with this Notice.

Eligible Supportive Services under HOME-ARP

Supportive services under HOME-ARP fall into three categories:

- Supportive services under the McKinney-Vento Homeless Assistance Act;²
- Homelessness prevention services (see below, adapted from Emergency Solution Grant (ESG) program rules); and
- Housing counseling services (defined under General HUD program requirements, and restricted to organizations and counselors certified by the Secretary to provide counseling services)

¹ McKinney-Vento Homeless Assistance Act at 42 U.S.C. §11360(29).

² McKinney-Vento Homeless Assistance Act at 42 U.S.C. §11360(29).

Housing Counseling supportive services except those provisions related to current homeowners do not apply. Examples of acceptable housing counseling services can be found in the Final HOME-ARP Implementation Notification.³

Housing Counseling services that are ineligible under HOME-ARP include:

- Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit; and
- 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.

Under HOME-ARP, housing counselors must establish an action plan for each participating qualifying individual or family in accordance with HUD's Housing Counseling Program.⁴ Additionally, housing counselors must also make reasonable efforts to have follow-up communications with participating qualifying individuals, when possible, to assure that the individual or family is progressing toward the housing goal established in the plan, to modify or terminate housing counseling, and to learn and report outcomes.

Eligible Costs of Supportive Services for Qualifying Individuals and Families

HOME-ARP funds may be used to pay eligible costs associated with supportive services activity. Eligible costs that may be paid using HOME-ARP funds are limited to only those identified below. Any ineligible costs paid using HOME-ARP funds must be repaid. All qualifying households are eligible to receive supportive services under this activity, the participating jurisdiction must establish requirements for documenting eligible costs for an individual or family in a qualifying population.

- If a person is homeless, then the person is eligible to be provided the supportive services as McKinney-Vento supportive services.
- If a person is housed and the supportive services are intended to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing to achieve stability in that housing, then the person is eligible for homelessness prevention services; and
- Housing Counseling services may be provided regardless of whether a person is homeless or currently housed.

City of Gary must document in their files the types of supportive services they wish to offer program participants. If they are using a supportive services provider to offer services, the jurisdiction must document in their written agreements with supportive service providers whether they are authorizing McKinney-Vento supportive services, homelessness prevention services, Housing Counseling services or some combination of the three.

Only the supportive services that are authorized in the written agreement with the supportive service provider may be provided to program participants by that supportive service provider

³ Final Home-ARP Implementation Notice, CPD-21-10, U.S. Department of Housing and Urban Development Community Planning and Development, September 13, 2021, pages 43.

⁴ Housing Counseling Program at 24 CFR §214.300(a)(2),

and only program participants that are eligible for those supportive services may be served. As such, supportive services providers must demonstrate through their documentation that the individuals served were eligible to receive the supportive services that were authorized under the written agreement in order for those costs to be eligible.

The participating jurisdiction may set a maximum dollar amount that a program participant may receive for each type of service and may also set a maximum period for which a program participant may receive any of the types of assistance or services (see below).

Oversight of Eligible Costs: All supportive service costs paid for by HOME-ARP must comply with the requirements of this Notice, including requirements that costs be “necessary and reasonable.”⁵ The participating jurisdiction is responsible for establishing requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds, which may include the use of systems such as Homeless Management Information Systems (HMIS) in coordination with local supportive service providers, CoCs, and other nonprofit organizations.

Direct provision of services: Written agreements or contracts must be in place between City of Gary and service providers engaged directly in the provision of services under the HOME-ARP eligible supportive services categories, The written agreements and/or contracts shall identify the amount of funds that cover the actual total program costs and administrative overhead to provide the services contracted.

- If the services outlined below are being directly delivered by the participating jurisdiction or a subrecipient, the following costs are eligible project delivery costs:
 - The costs of labor or supplies and materials incurred by the jurisdiction or subrecipient in directly providing supportive services to program participants;
 - The salary and benefit packages of the participation jurisdiction and subrecipient staff who directly deliver the services. Project delivery costs must be attributable to the identifiable objective of the service delivered (otherwise they are administrative costs).

Eligible Costs - McKinney Vento Supportive Services and Homelessness Prevention Services: Eligible costs for supportive services under either of these two categories include costs associated with the following services:

- **Child care:** Includes providing meals and snacks, and comprehensive and coordinated developmental activities.
 - The childcare center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
 - Children must be under the age of 13 unless the children have a disability; and
 - Children with a disability must be under the age of 18.
- **Education services:** The costs of improving knowledge and basic educational skills. Covered costs include:

⁵ If a qualifying household is already receiving the same eligible supportive service or has been approved to receive the same service through another program or provider, the program participant does not have a need for the HOME-ARP service and the costs related to the service do not comply with HUD cost principles.

- 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.
- **Employment assistance and job training:** The costs of establishing and/or operating employment assistance and job training programs, 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 prevocational training;
 - Books and instructional material;
 - Counseling or job coaching; and
 - Referral to community resources.
- **Food:** The cost of providing meals or groceries to program participants.
- **Housing search and counseling services:** Costs of assisting eligible program participants to locate, obtain, and retain suitable housing. Services eligible include:
 - 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 and financial assistance for short-term and medium-term rental payments (see 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;
 - Payment of rental application fees; and
 - Other Housing counseling costs

Please Note: When jurisdictions or subrecipients 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, but

instead are covered under McKinney-Vento Supportive Services or Housing Prevention Services.

- **Legal services:** Covers 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 matter includes 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.

- **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. The services must be necessary to assist the program participant to function independently in the community and include the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.

- **Mental health services:** 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.

- **Outpatient health services:** 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 inhome health services and emergency medical services;
 - Provision of appropriate medication;
 - Providing follow-up services; and
 - Preventive and non-cosmetic dental care.
- **Outreach services:** The costs of activities to engage qualified populations for the purpose of providing immediate support and intervention, as well as identifying potential program participants, which include:
 - 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 geographic area.
 - **Substance abuse treatment services:** Substance abuse treatment services 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;

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

- **Transportation:** Eligible costs include:
 - The costs of program participant's travel on public transportation or in a vehicle provided by the participating jurisdiction or subrecipient to and from medical care, employment, childcare, or other services eligible under HOME-ARP;
 - Mileage allowance for service workers to visit program participants and to carry out housing inspections;
 - The cost of purchasing or leasing a vehicle that staff use to transport program participants and/or staff serving program participants;
 - The cost of gas, insurance, taxes, and maintenance for the vehicle;
 - The costs of staff to accompany or assist program participants to utilize public transportation; and
 - If there are insufficient public transportation options 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% of the Blue Book value of the vehicle;

- Payments for car repairs or maintenance must be paid by the participating jurisdiction or subrecipient directly to the third party that repairs or maintains the car; and
 - City of Gary or subrecipients 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 participating jurisdiction 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 HOME-ARP.
- **Case management:** The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s). City of Gary and subrecipients must have written standards for providing the assistance. Eligible costs including 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 the HOME-ARP program;
 - 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.
 - **Mediation:** 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.
 - **Credit repair:** 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.

Note: Does not include the payment or modification of a debt.

- **Landlord/Tenant Liaison:** Costs of liaison services between property managers/owners and program participants 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);

- Mediation services 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.
- **Services for special populations:** HOME-ARP funds may be used to provide services for special populations, such as victim services,⁶ so long as the costs of providing these services are eligible costs (see above).
- **Financial assistance costs:** Funds can be used to pay housing owners, utility companies, and other third parties for the following:
 - **Rental housing application fees** that are charged by the owner to all applicants.
 - Security deposits that are equal to no more than 2 months' rent. These costs cannot duplicate the costs paid under first and last month's rent (which are also covered under this provision).
 - 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 gas, electric, water, or sewer
 - **Utility payments** 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. Only covered if the program participant or a member of the same household has an account in their name with a utility company or proof of responsibility to make utility payments. Covers gas, electric, water, and sewage. Capped at 24 months of utility assistance during any 3-year period
 - **Moving costs** such as truck rental or hiring a moving company. Also can include payment of temporary storage fees for up to 3 months, so long as the fees are accrued after the date the program participant began receiving HOME-ARP benefits and before the program participant moves into permanent housing.

Note: 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. Can 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. 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 and cannot duplicate those costs (see above)
- Payment of **one-time rental arrears** 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.

⁶ 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.

- **Short-term and medium-term financial assistance for rent:** A participating jurisdiction may provide a program participant with short-term (up to 3 months) or medium-term (more than 3 months but not to exceed 24 months) financial assistance for rent, provided that the total assistance, including any pre-payment of first and last month's rent, does not exceed 24 months of rental payments over any 3-year period.
 - The jurisdiction may make rental payments only to an owner if the participating jurisdiction has entered into a financial assistance agreement for rental payment with that owner.
 - The agreement must set forth the terms under which rental payments will be provided, including the requirements that apply under HOME-ARP. The agreement must provide that, during the term of the agreement:
 - The owner must give the jurisdiction a copy of any notice to the program participant to vacate the housing unit or any complaint used under state or local law to initiate 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 HOME program VAWA requirements.⁷
 - The jurisdiction must make timely payments to each owner consistent with the agreement.
 - The agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease.
 - The jurisdiction 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 and it must meet HUD's standard of rent reasonableness.⁸
 - Each program participant receiving 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.
 - If the financial assistance is solely for rental arrears, an oral agreement is acceptable in lieu 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.
 - City of Gary 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 assistance for short- or medium-term rental payments meets the conditions for an emergency transfer under the HOME program's VAWA protections,⁹ 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.

⁷ Home Program at in 24 CFR §92.359

⁸ Housing Choice Voucher program at 24 CFR §982.507.

⁹ Home program at 24 CFR §5.2005(e)

- Ineligible costs:
 - Financial assistance to a program participant who is receiving the same type of assistance through other public sources.
 - Financial assistance 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, during the period of time covered by the replacement housing payments.
 - Costs for the provision of services related to mortgages and homeownership to existing homeowners
- Eligible Costs:
 - Costs associated with housing counseling¹⁰ are 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.
 - Costs associated with the services listed in the Housing Counseling Program, including, but not limited to:
 - Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to program participants;
 - Development of a housing counseling workplan;
 - Marketing and outreach;
 - Intake;
 - Financial and housing affordability analysis;
 - 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); and
 - Follow-up communication with program participants.

Termination of assistance to program participants

A participating jurisdiction may terminate assistance to a program participant who violates program requirements or conditions of occupancy or no longer needs the services as determined by the jurisdiction. Termination does not bar the jurisdiction from providing further assistance to the same qualifying household at a later date.

The participating jurisdiction must establish policies and procedures for termination of assistance, including a formal process that recognizes the rights of individuals receiving assistance under due process of law. At a minimum, the process must provide:

- A written copy of the program rules and the termination process to program participants before they begin to receive assistance;
- Written notice to program participants, which contains a clear statement of the reasons for termination;
- A review of the decision, giving program participants the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant. During this process, the jurisdiction must provide effective communication and accessibility for

¹⁰ HUD General HUD Program Requirements at 24 CFR §5.100 and §5.111.

individuals with disabilities, including the provision of reasonable accommodations and meaningful access to persons with Limited English Proficiency (LEP).

Commitment

For supportive services, commitment means that before disbursing any HOME-ARP funds to any entity, the participating jurisdiction executed a legally binding written agreement that complies with HOME-ARP requirements with the contractor or subrecipient providing the supportive service (that includes the date of the signature of each person signing the agreement).

Policies and Procedures

City of Gary must establish the following policies and procedures for supportive services:

- Tenant selection procedures;
- Eligibility of program participants in other HOME-ARP activities for supportive services, including the length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before they will no longer be eligible as a qualifying population for HOME-ARP supportive services;
- If setting 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 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, 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.

Project Completion:

Project completion for a HOME-ARP Supportive Services project means the final drawdown has been disbursed for the project.