

HOUSING STABILITY SERVICES (HSS)

AN EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA)

PROGRAM GUIDELINES

REVISED NOVEMBER 6, 2023

NEWEST UPDATES WILL BE IN GREEN FONT



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1. Background

The Housing Stability Services (HSS) program provides assistance to local communities and non-profits to assist income eligible households to help them maintain or obtain stable housing. The HSS program is administered by the Texas Department of Housing and Community Affairs (TDHCA or the Department), with Emergency Rental Assistance (ERA1 and ERA2) funds.

Funded through the U.S. Department of Treasury (Treasury), this program is designed to help keep households stably housed by providing them with case management, housing navigation, and other stability services. Housing stability services include, among other things, eviction prevention and eviction diversion programs; mediation between landlords and tenants; housing counseling; fair housing counseling; housing navigators or promotoras that help households access ERA programs or find housing; case management related to housing stability; housing-related services for survivors of domestic abuse or human trafficking; legal services or attorney's fees related to eviction proceedings and maintaining housing stability; and specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing. Although supported through the Treasury's ERA funds, the HSS program does not provide direct rental assistance or utility assistance; however, HSS funds may be used to provide additional services to households receiving rental assistance or other federal housing assistance. Additionally, the HSS program is only eligible for renter households or households experiencing homelessness. Homeowners should be assisted through TDHCA's Homeowner Assistance Fund or other local and federal programs.

As the agency in Texas designated to administer these funds, TDHCA is subcontracting with eligible jurisdictions or entities through direct awards for ERA1 funds and through a competitive process for ERA2 funds for the exclusive purpose of providing housing stability services for income eligible Texans.

These program guidelines list program requirements for both ERA1 and ERA2 HSS programs including household eligibility requirements, minimum federal administration and reporting requirements, length of assistance, maximum amounts of assistance, and maximum household income. In most cases, the following guidelines are applicable to both the ERA 1 HSS and the ERA 2 HSS programs, unless otherwise noted.

2. Program Goals

The goal of the Housing Stability Services Program is to provide assistance to cities, counties, councils of governments, public housing authorities, private nonprofit organizations, and other eligible organizations per Treasury regulations to assist income eligible households, who have been financially affected by (ERA 1) or during (ERA 2) the coronavirus pandemic, to help them maintain or obtain stable housing.

3. ERA National Objective

The Emergency Rental Assistance (ERA) program makes funding available to assist households that are unable to pay rent or utilities. Two separate programs have been established: ERA1 provides up to \$25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERA2 provides up to \$21.55 billion under the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. The funds are provided directly to states, U.S. territories, local governments, and (in the case of ERA1) Indian tribes or Tribally Designated Housing Entities, as applicable, and the Department of Hawaiian Home Lands. Grantees use the funds to provide assistance to eligible households through existing or newly created rental assistance programs and housing stability services programs.

The Housing Stability Services Program is funded by Treasury through the Emergency Rental Assistance (ERA1 and ERA2), which allows up to 10% of the funds to be utilized for housing stabilization services.

4. Governing Requirements

The following regulations establish federal and state requirements. Relevant legal authority includes, but is not limited to, the following as now in effect or as amended in the future:

- [2 CFR Part 200 \(OMB Super Circular\) \(ecfr.gov\)](#)
- [Texas Grant Management Standards \(TxGMS\) \(for Units of Government\)](#)
- [Texas Administrative Code: Title 10, Part 1, Chapters 1 and 2](#)

If state or federal statutes or regulations, or other laws, relating to the ERA funds are modified by the United States Congress, Treasury, the Department, the Texas State Legislature, or the Governor, the changes may become effective immediately and may be applicable to existing contracts executed between TDHCA and ERA1 or ERA2 HSS Subrecipients.

If there is a conflict between the state and federal regulations, the federal regulations shall prevail. In addition, the Department reserves the right, at its sole discretion, to suspend or amend the provisions governing this program. If such an action occurs, the Department will notify interested parties. Awards are also contingent upon the Department executing a grant agreement from the Treasury for the ERA funds.

Financial Management

Subrecipients must demonstrate to the satisfaction of the Department that they are in compliance with the financial management requirements at 2 CFR Part 200, including the single audit requirements of 2 CFR §200.501. All Subrecipients are subject to the requirements of 10 TAC §1.403, concerning Single Audits. If a Subrecipient utilizes subawardees the Subrecipient is responsible for monitoring the subawardees financial management systems in accordance with 10 TAC §1.402.

Specifically, per 10 TAC §1.403, Subrecipients are required to submit a Single Audit Certification form within two (2) months after the end of its fiscal year indicating the amount they expended in Federal and State funds during the fiscal year. *Funds expended under a Subrecipient's ERA HSS contract(s) are considered Federal funds from Treasury, passed through TDHCA to Subrecipients.* Subrecipients that expend \$750,000 or more in federal and/or state awards or have an outstanding loan balance associated with a federal or state resource of \$750,000 or more with continuing compliance requirements, or a combination thereof must have a Single Audit or program-specific audit conducted. If the Subrecipient's Single Audit is required by 2 CFR 200, subpart F, the report must be submitted to the Federal Audit Clearinghouse the earlier of 30 days after receipt of the auditor's report or nine (9) months after the end of its respective fiscal year. If a Single Audit is required but not under 2 CFR Part 200, subpart F, the report must be submitted to the Department the earlier of 30 days after receipt of the auditor's report or nine months after the end of its respective fiscal year.

Subrecipients are required to submit a notification to the Department within five business days of submission to the Federal Audit Clearinghouse. Along with the notice, the Subrecipient must indicate if the auditor issued a management letter. If a management letter was issued by the auditor, a copy must be sent to the Department.

The Single Audit Certification form and a checklist to ensure Single Audit requirements are met are available at <https://www.tdhca.state.tx.us/pmcomp/forms.htm>. Subrecipients must submit the form and any required Single Audit documentation to SAandACF@tdhca.state.tx.us. As a courtesy, please copy your ERA HSS Contract Specialist.

Records Retention

Subrecipients must maintain such records in an accessible location for the greater of: (i) six (6) years; (ii) if notified by the Department in writing, the date that the final audit is accepted with all audit issues resolved to the Department's satisfaction; (iii) if any litigation claim, negotiation, inspection, or other action has started before the expiration of the required retention period records must be retained until completion of the action and resolution of all issues which arise under it; or (iv) a date consistent with any other period required by the performed activity reflected in federal or state law or regulation. Upon termination of this Contract, all records are property of the Department.

Additionally, the U.S. Department of Treasury has issued a Preservation Notice requiring all ERA HSS Subrecipients to preserve all information concerning this program for a period of five years from August 7, 2023 (note that the Records Retention clause in ERA2 HSS Subrecipient contracts supersedes in that it requires a six year retention).

Previous Participation Review and Federal/State Debarment

Prior to receiving an award of HSS funds, all entities will be subject to a Previous Participation Review by the Department, as outlined in 10 TAC §1.302. Pursuant to 2 CFR Part 180, all HSS applicants are required to verify that they and their principals, or any/all persons, contractors, consultants, businesses, subawardees, etc., that will be conducting business with the applicant as part of the rental assistance activity are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction.

The Department will not award any HSS funds to organizations that are debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation from federal or state assisted programs, or that are proposing to partner, contract, or otherwise fund rental assistance activities through an organization that is debarred, suspended, proposed for debarment, or otherwise ineligible from participation in federally assisted programs. If an organization has a member of its governing body that has this status, the Department will allow the member to resign so that the organization can enter into a Contract with the Department.

Fidelity Bond Requirements

All ERA HSS Nonprofit Subrecipients and any nonprofit subgrantees shall maintain adequate fidelity bond coverage as set forth in 10 TAC §1.406. The fidelity bond must be for a minimum of \$10,000 or an amount equal to the contract if less than \$10,000. The bond must be obtained from a company holding a certificate of authority to issue such bonds in the State of Texas. Subrecipients may use Administrative funds to pay for this coverage or a proportional amount of coverage if the coverage is for more than the ERA HSS funds.

5. Program Overview

The following table provides an overview of eligible program components explained in detail in subsequent sections.

Program Component	Criterion
<p>Eligible Activities</p>	<ul style="list-style-type: none"> <p>• Stabilization Services Funds can be used to enable eligible households impacted by the pandemic to maintain or obtain stable housing. Essential services to unsheltered persons and services to eligible renter households include outreach services, shelter services, community services, and services offered at permanent supportive housing properties.</p> <p>• Housing Legal Services – Texas Access to Justice Foundation (TAJF) TAJF subgrantees provide free civil legal services to eligible households experiencing housing insecurity including <u>legal</u> representation, housing clinics, and Texas Rent Relief (TRR) application assistance as funds are available.</p>
<p>Household Eligibility</p>	<ul style="list-style-type: none"> • ERA 1: Household must have experienced financial hardship due, directly or indirectly, to the coronavirus pandemic; AND • ERA 2: Household must have experienced financial hardship during or due, directly or indirectly, to the coronavirus pandemic; AND • ERA 1 & 2: Household must be experiencing homelessness OR be at risk of experiencing homelessness OR experiencing housing instability; AND, • ERA 1 & 2: Have income no more than 80% of AMI. For new ERA2 HSS contracts with an effective date on or after August 1, 2023, household income eligibility shall be no more than 50% of AMI.

<p>Income Verification</p> <p><u>**Due to the expiration of the Public Health Emergency related to Covid-19, as of May 11, 2023, Self-Attestation is no longer an allowable method to determine income eligibility and verification. For further detail, see Section 10. Client Eligibility Requirements. **</u></p>	<ul style="list-style-type: none"> • One or more members of the household must provide written attestation that they have either: <ul style="list-style-type: none"> ○ Qualified for unemployment benefits; OR ○ Due to or during the pandemic: <ul style="list-style-type: none"> ▪ Experienced a reduction in income, ▪ Incurred significant costs, ▪ Experienced other financial hardship and ○ AND one or more individuals within the household must attest that: <ul style="list-style-type: none"> ▪ That they are at risk of experiencing homelessness or housing instability, which may include a past due utility or rent notice or eviction notice, OR ▪ That unless they receive assistance, they would have to move to an unsafe, unhealthy, or emergency care environment, like an overcrowded living situation or emergency shelter.
<p>Duplication of Benefits</p>	<ul style="list-style-type: none"> • Households receiving HSS assistance must certify that they are not receiving duplicate housing stability services from another TDHCA funded ERA1 or ERA2 HSS Subrecipient. Non-HSS ERA funds, such as Texas Rent Relief assistance, do not count as duplicate services.
<p>Length of Assistance for Eligible Households</p>	<ul style="list-style-type: none"> • Households receiving assistance from <i>only</i> ERA1 HSS funds: up to 12 months of assistance • Households receiving assistance from <i>only</i> ERA2 HSS funds: up to 15 months of assistance • Households receiving assistance from <i>both</i> ERA1 and ERA2 HSS funds: up to 18 months of assistance <p>Months receiving assistance do not need to be contiguous</p>
<p>Contract Periods for Subrecipients</p>	<ul style="list-style-type: none"> • The ERA1 contract period for HSS Subrecipients is September 1, 2021, through August 31, 2022. Assistance for ERA1 can be provided to income eligible households through August 31, 2022. • The ERA2 contract period is March 31, 2022, through March 31, 2024. Subrecipients receiving both ERA1 and ERA2 awards must fully expend ERA1 funds before they will be able to access ERA 2 funds.
<p>Administrative Costs for Subrecipient</p>	<ul style="list-style-type: none"> • For ERA1 HSS contracts, up to 7% administrative funds are allowed • For ERA2 HSS contracts, up to 10% administrative funds are allowed. <i>In certain circumstances, HSS staff may allow Subrecipients to exceed the 10% administrative cap on a case-by-case basis and only through a contract amendment.</i> • Allowable administrative expenses include proportional amounts for: <ul style="list-style-type: none"> ○ Non-programmatic salary and benefits for staff, including any staff that do not directly serve clients, but are needed to oversee management of the HSS program ○ Supplies and equipment for both program and administrative staff

	<ul style="list-style-type: none"> ○ Overhead (administration, rent, utilities, maintenance, HMIS, etc.), so long as this overhead is needed to administer the grant ○ Subrecipients may not purchase equipment (meeting the federal definition at 2 CFR 200.1) without TDHCA’s approval and, if approved, must complete the ERA HSS Inventory Equipment List form and submit it to TDHCA within 10 business days. The Inventory Equipment List form may be obtained from a Subrecipient’s assigned HSS staff.
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6. Eligible Activities

Housing Stability Services and Housing Legal Services

To keep Texans who need assistance in obtaining or maintaining stable housing, the HSS program provides income-eligible, COVID-impacted households with housing stability services. HSS funds can be used to help families at-risk of eviction remain in their homes, including working with courts to connect such families and their landlords with mediation and emergency rental assistance resources, engaging providers of housing stability services for active support, and working directly with court administrators to facilitate eviction diversion programs.

Housing stability services may include, among other things, eviction prevention and eviction diversion programs; mediation between landlords and tenants; housing counseling; fair housing counseling; housing navigators or promotoras that help households access ERA programs or find housing; case management related to housing stability; housing-related services for survivors of domestic abuse or human trafficking; legal services or attorney’s fees related to eviction proceedings and maintaining housing stability; and specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing. Grantees using HSS funds for housing stability services must maintain records regarding such services and the amount of funds provided to them. All services provided with HSS funds must be tied to a specific household in their client file, unless the activity is expressly exempt from this requirement as indicated by HSS program guidance.

Stabilization Services may include:

Outreach Services

Activity	Activity Details
Housing Clinics	In person or web-based clinics to assist clients with rental assistance program applications. Clinics may provide legal advice related to eviction proceedings and applications for housing assistance.
Housing Navigators or Promotoras	Assisting eligible households in the housing search process, application, and move-in process. This includes conducting landlord outreach for the purposes of connecting clients with stable housing, so long as landlord outreach can be connected to specific households served by this activity.
HSS Outreach and Intake	Outreach to eligible households, and providing intake and needs assessment for eligible households, so long as these outreach activities can be connected to specific households served by the HSS program. Advertisement and marketing materials are NOT eligible under this category and must be paid for with administrative funds.

	<p>Temporary space rentals, such as meeting or conference rooms, are allowable as long as households are served. If intake is not provided and households are not served, then all expenses for the outreach event will need to be billed either HSS admin, or a non-HSS source of funding. If other non-HSS services are provided, Subrecipient will need to bill proportionally to HSS.</p>
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Homelessness Prevention and Shelter Services

Activity	Activity Details
<p>Temporary Housing (Campgrounds and Hotel/Motel Stays)</p>	<p>Payments for short-term stays at public or private campgrounds, or hotels/motels for persons needing temporary housing solutions. Tents, RV lots, and open-air pavilions are <u>NOT eligible expenses under the HSS program</u>. Temporary housing MUST be an enclosed habitable space.</p> <p>Private short-term rentals, such as Airbnb, are NOT allowed, as they are not beholden to the same state and federal regulations for health, safety, and accessibility as hotel/motels are.</p> <p>Subrecipients may house a client in temporary housing up until the maximum length of eligible assistance, listed above, so long as the Subrecipient is actively attempting to place the household in a more permanent and stable residence. Temporary housing expenses are not eligible if there is no reasonable attempt to place the household in permanent housing.</p> <p>Pet fees incurred while housing eligible clients in short-term hotel/motels are allowable as an eligible Direct Household Payment expense under the 'Short-term Hotel/Motel Stay' reporting category. Subrecipients should make a good faith effort to house clients with pets in hotels or motels with no pet fees or reasonable pet fees whenever possible.</p> <p>Pet deposits for short-term stays are also eligible and shall be returned to the Subrecipient (not the client) and then recycled back into the ERA2 HSS program during the contracted performance period. If HSS Subrecipients wish to pay pet fees/deposits for eligible short-term hotel/motel stays, then they should confer with their counsel to ensure that written pet fee policies are in compliance with state, local, and federal law. Please note that incidental damages caused to hotel/motels by pets are not an eligible HSS expense.</p> <p>Eligible households renting a room in a house may receive HSS assistance, but the following rules must always apply:</p> <ul style="list-style-type: none"> • The household cannot be related to, financially dependent on, or affiliated with the landlord in any way as to be considered a 'household' with that landlord according HSS guidance. It is strongly recommended that the household sign an agreement attesting to this. • All the same lease provisions as for normal apartments.

	<ul style="list-style-type: none"> • HSS funds must not be used to pay a utility deposit (as that is covered by the landlord). • Costs must be reasonable and customary and the room must improve the households housing stability. <p>Subrecipients are responsible to do the due diligence to prevent fraud when renting an individual room. This includes not placing households in a rental where its suspected to not be a legitimate rental.</p>
<p>Homelessness or At Risk of Homelessness</p>	<p>Food, basic clothing needed for protection from the elements or to obtain employment, or basic hygiene products, as part of a service to help the household obtain or maintain housing. School uniforms for children under 18 are eligible, so long as they meet the provisions above. Baby formula is also an eligible expense.</p> <p>Food delivery costs are an eligible program cost if the household is homeless or at risk of homelessness and the delivery fee serves to directly provide food to that household. Delivery fees to households must be documented as reasonable through the micro purchase process for nongovernmental entities in 2 CFR 200.300. Governmental entities cannot pay for delivery fees. Subrecipients may incur reasonable transportation and staff costs to directly collect and/or deliver food to clients themselves; activity must be tied to an individual household to be charged to program costs.</p> <p>Large-scale meal provision services are an eligible program expense if such an activity is expressly approved by HSS program staff. Large-scale meal provision services include kitchens and cafeterias for eligible households. It does NOT include food donation or food pantries. Subrecipients should be able to reasonably ensure that all clients served by a meal provision service are eligible. Approved large-scale meal provision providers are exempt from tracking food provided to individual households but must report the number of meals served each month. Food, beverages, and cutlery are eligible program expenses; however, food preparation staff and kitchen equipment must be paid for through administrative funds.</p> <p>Basic hygiene products include consumable hygienic items, such as wet wipes, laundry detergent, dryer sheets, hand sanitizer, feminine hygiene products, toothpaste, shampoo, soap, basic cleaning supplies, diapers, and other items as approved by HSS program staff. Additional hygienic supplies include trash can, laundry basket, broom, dustpan, and mop.</p> <p>Gift Cards: Gift cards are an eligible expense, for nonprofits, so long as they are used to purchase eligible food, basic clothing and hygiene items for eligible households. Subrecipients must have a written gift card policy. They must have adequate measures in place to keep gift cards protected and to prevent fraud. Subrecipients must track the usage of gift cards via electronic or paper receipts to ensure that they are only expended on eligible items. These receipts must be placed in the client file. All distributed gift cards must be noted in the client file. If Subrecipients are providing gift cards to restaurants or stores that only provide eligible items, such as a food co-op, fast food restaurant, or clothing resale store, then</p>

	<p>the Subrecipient MAY be exempt from providing receipts provided that they note in their gift card policy how and why they vetted the establishment to ensure no ineligible items can be purchased. For instance, gift cards to restaurants that serve alcohol would not be eligible under a general gift card policy. All gift card policies and rules must be compliant with 2 CFR Part 200, especially in relation to micro purchases.</p> <p>Units of government are not allowed to purchase and distribute gift cards for clients. Units of government include local municipalities, Political Subdivisions, Public Housing Authorities (PHAs), and Local Mental Health Authorities (LMHAs). Subrecipients of this nature should ensure that they are following the procurement and micro-purchase rules set forth in 2 CFR 200 for government entities.</p> <p>If a gift card requires an activation or administration fee, then that fee counts as an administrative expense proportional to the amount of eligible purchases made on the gift card in question.</p> <p>Vouchers: Federal administrative code encourages Subawardees to utilize vouchers instead of gift cards whenever possible. Vouchers that permit only the purchase of eligible items for eligible households are permitted, provided that they comply with program guidelines and federal administrative code.</p>
<p>Hygiene stations</p>	<p>Handwashing stations, hand sanitizing stations or portable bathroom facilities. (Hygiene Stations purchased with ERA HSS funds are exempt from being tied to a specific household.)</p> <p>*Note: Since this activity has been included from the beginning of the HSS program for health and safety consideration during the public health emergency declaration related to the COVID-19 pandemic, it will remain listed as an eligible activity. Subrecipients are strongly encouraged to check with program staff before purchasing to determine need and reporting details.</p>

Housing Services

Activity	Activity Details
<p>Moving and Storage</p>	<p>Payment of rental moving vans or hiring of movers within reasonable limits (as outlined by federal procurement standards in 2 CFR 200). These standards usually require 3 individual quotes, but these quotes may also be obtained via a rate sheet comparison or via a comparison of 3 different continued service agreements. Subrecipients may use moving expenses to move furniture from a donation drop-off or furniture bank to a client’s new place of residence. Moving expenses can be used to move clients outside of Subrecipient's contracted service area, if there is sufficient reason to do so. To facilitate a move, storage facilities are an eligible expense for up to one month. Extensions to the one-month time frame may be granted with approval by TDHCA HSS staff if more storage time is needed in order to provide the household with necessary services.</p>

<p>Landlord Incentive Payments</p>	<p>Landlord incentive payments and risk fees to improve likelihood of finding housing through negotiating with landlords, and expanding the housing pool for households facing barriers to housing (e.g., households with criminal backgrounds, poor credit, debt or poor rental history). Subrecipients should keep a copy of the landlord incentive agreement and the lease, which should cover no less than six months.</p> <p>A landlord incentive payment includes any payment where an HSS Subrecipient offers to pay a landlord a non-refundable fee (except in certain circumstances decided by the agreement) in exchange for entering into a lease agreement of at least six months with a household facing a barrier to housing. Risk fees include any fee levied by the landlord according to pre-established criteria to mitigate leasing risk; however, any active negotiation between a landlord and a Subrecipient to provide a non-refundable fee of a certain amount shall count as a landlord incentive and should be subject to that Subrecipient’s landlord incentive policy.</p> <p>Landlord incentive payments and risk fees together may not exceed one month's rent. Subrecipients should develop a written landlord incentive policy that promotes stable housing situations for clients and does not encourage further barriers to housing for future clients. Landlord incentives cannot extend beyond the situations and uses as defined above and may not be offered after lease signing.</p> <p>Subrecipients who made Incentive Payments to Landlords of least \$600 in calendar year 2022 shall provide a 2022 Form 1099-MISC to the Landlord by February 2023. This requirement continues for payments made in calendar year 2023.</p>
<p>Deposits and Utility Reconnection Fees</p>	<p>Rental/Security Deposits</p> <ul style="list-style-type: none"> • Security Deposits should not exceed one month's rent unless the Subrecipient has requested and received written approval from TDHCA. The Subrecipient request must contain evidence of higher security deposits being reasonable and customary in the local rental market. This evidence may include internal assistance data, external assistance data, external housing market studies, and U.S. Census data. Subrecipients should keep a copy of the lease agreement, which should be valid for at least six months. The deposit amount may be calculated based on market rent of the unit, not the subsidized rent amount. • As a best practice, Security deposits should be returned to the tenant at the completion of the lease term (if the tenant stays for at least four months); otherwise, they should be returned to the Subrecipient or retained by the landlord (in case of a break in the lease terms). The Subrecipient should use the returned deposit to provide additional services during the ERA2 HSS Contract period of

	<p>performance. The lease agreement between the client and landlord should stipulate where funds are to be returned at the end of the lease period. Subrecipients may choose to use lease addendums or signed agreements with the client to ensure compliance with security deposit policies. If a security deposit is returned to the Subrecipient after the end of the contract period, then the funds must be returned to TDHCA. Contact your assigned HSS staff for instructions on returning deposits.</p> <ul style="list-style-type: none"> As a best practice, the lease agreement should prohibit a landlord from retaining a security deposit without just cause and should require the landlord to provide an itemized bill to any clients if the landlord has sufficient reason to retain all or part of the security deposit. <p>Pet Deposit/Fee</p> <ul style="list-style-type: none"> Pet deposits and pet fees for rental housing may also be paid for eligible households. Pet fees and deposits of this nature must not exceed \$500 per pet or \$1000 for all pets. The rules and regulations for pet deposits and fees follow all the same applicable rules for security deposits and application fees respectively. <p>Utility Deposit</p> <ul style="list-style-type: none"> Utility Reconnection fees are an eligible expense provided that they are paid to a utility provider for an eligible renter household. <p>Surety Bond Fee</p> <ul style="list-style-type: none"> Subrecipients may use budgeted security deposit funds to pay for surety bond fee only if the landlord and/or property manager of an applicable rental unit does not otherwise accept security deposits. If security deposits and surety bonds are both offered as an option, HSS Subrecipients may NOT use HSS funds to pay for a surety bond fee. If a surety bond fee is paid, then HSS funds may NOT be used to pay for any damages claimed by the bond company, landlord, and/or property management company during or after the lease term. The amount paid for a surety bond fee must be reasonable and customary for the local rental market. <p>*Important note for ERA1 HSS Subrecipients who also have an ERA2 HSS contract: Any ERA1 HSS funds returned to the Subrecipient after the end of the ERA1 HSS contract MUST be returned to the Department as soon as possible. These returned funds may not be recycled back into the ERA2 HSS program. Contact HSS staff immediately if there are funds to return.</p>
Counseling	Housing or fair housing counseling
Application and Administrative Fees	Application fees are an eligible program expense if used to help a client obtain stable housing. Application fees must be reasonable for the local rental market. Subrecipients should keep a log of all applications submitted and paid for with HSS program funds in their client files.

	Administrative fees are an eligible program expense at the time of application and move-in provided they are reasonable for the local rental market. 'Administrative fees' that only apply to certain households facing barriers to housing should be treated as 'risk fees' as described above and not as application fees.
Case Management	Salaries and fringe expenses for case management staff related to housing stability are eligible program expenses. Staff supplies and equipment, regardless of use, should be paid for from administrative funds.
Domestic Violence and Human Trafficking Survivors	Housing-related services for survivors of domestic abuse or human trafficking

Eviction Diversion Services

Must be a household **NOT** receiving this type of assistance from Texas Access to Justice Foundation subawardees.

Activity	Activity Details
Eviction Prevention	Eviction prevention and eviction diversion activities, which can include paying for eviction appeal bonds (if the eviction case is handled by an attorney and the attorney makes a professional decision that the expense is reasonable). This excludes rental or utility bill assistance. Cleaning/remediation services are eligible if a tenant has received a lease violation notice or a warning notice from the Landlord, <u>and</u> the tenant has a documented disability from a third-party medical professional that they have a disability impacting their ability to maintain their residence in a habitable condition.
Legal Fees	Legal services or attorney's fees related to eviction proceedings and maintaining housing stability
Dispute Resolution/Mediation	Mediation or alternative dispute resolution between landlords and tenants

Social Services for Housing Stability

Activity	Activity Details
Technology Costs	ONLY if the technology is a needed supply for the program participant to attend a Housing Stability Services funded training program, search for employment, or communicate with a remote medical provider and the expense is directly necessary to obtain or maintain housing, then broadband assistance, phone minutes, or purchase of a computer or phone is allowed. Subrecipients must set internal policies to ensure that technology costs do not exceed what is necessary for the household to obtain or maintain housing stability. Otherwise, technology costs are not allowed. Within the allowable activity noted, no individual purchase of equipment of \$5,000 or more is allowed. Clients may retain purchased technology after the grant period is over provided that the purchase adheres to the requirements above and that

	<p>no household has received non-consumable supplies including technology of greater than \$5,000.</p> <p>Purchased technology must be to directly serve housing stability services clients and must not be used for general operations. Technology purchases for staff are an administrative expense and NOT a program expense.</p> <p>Subrecipients may retain purchased technology used for Housing Stability Services activities provided that they intend to use said technology for other federal grant programs and only if the total supplies for the entire program are worth less than \$5,000 (inclusive of technology). Otherwise, TDHCA will provide disposition instructions for supplies at the end of the contract term.</p> <p>Internet/Broadband service payments can be paid month to month, or up to 6 months, but not to exceed a current lease date (if housed) and cannot exceed total length of assistance</p>
<p>Transportation</p>	<p>Transportation, gas reimbursement, or gas cards can be provided for clients needing access to social services that are necessary or required to obtain or maintain housing.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Bus/cab fare or IRS mileage for a service provider to take a household to view an available unit or access other social services. • Ride share services, provided that the trip itinerary is logged by the Subrecipient and provided that the cost is reasonable to help stabilize the household. • Employment services (but not to their actual place of employment) • Case management meetings • Substance abuse or mental health counseling • Childcare that is being funded as part of the HSS program <p>In all cases above, Subrecipients must note in the client file how, when, and why the transportation cost was incurred. Subrecipients should keep an itinerary of where the client traveled to, their method of travel, and their reason for travel. Miles traveled should be logged at the IRS mileage rate for any gas expenses (reimbursement or gas cards). Subrecipients should ask for sufficient proof that the correct itinerary was completed, such as a copy of a job application, a signed notice from a mental health practitioner, or paper brochure from a rental complex/unit.</p> <p>Gas cards are subject to the gift card provisions above and are also subject to the rules regarding micropurchases established in 2 CFR 200.</p> <p>Units of local government may NOT purchase gas cards for clients.</p> <p>Bicycles are an allowable supply under federal administrative code if they are used directly to stabilize the household, such as employment services, accessing/viewing housing, or accessing other social services if these services are needed to help the household obtain or maintain stable housing. Title to the bicycle would have to remain with the organization, and all supplies remaining (in aggregate value of over \$5,000) would have to be returned to the Department, sold, or reimbursed to the Department</p>

	<p>at fair market value at the time of contract closeout as per 2 CFR 200.314 and 2 CFR 200.453.</p> <p>Car rentals, purchases, payments, and/or insurance are NOT allowable expenses.</p>
Case Management	<ul style="list-style-type: none"> • Services related to housing stability, including but not limited to help accessing other benefits (e.g., SNAP, SSI, SSDI, Veteran’s assistance, and Medicaid). A caseworker’s salary is an eligible service if the casework provided is for eligible activities and their time is maintained via timesheets pursuant to 2 CFR 200 • Supporting embedded caseworkers on-site at shelters, permanent supportive housing properties or properties willing to commit to serve persons exiting homelessness (activities performed by caseworkers must be otherwise eligible) • Financial literacy assistance as needed to understand documents needed to obtain or maintain access to housing • Assistance with correcting eviction, debt, or other inaccurate data from a household’s credit report. This does NOT include paying for someone’s debt or other incurred costs. • ID recovery to help obtain identification documentation. This does NOT include paying traffic tickets, driver’s courses, fines, or driver’s license reinstatement fees. It does include license renewal fees in cases where a client needs the license for identification. ID recovery services also do NOT include passports or other documentation that extend beyond the basic identification needed for employment and/or the receipt of government benefits.
Mental Health Counseling	<p>Mental health counseling and associated medical services and substance use treatment, including but not limited to access to a mental health practitioner for medication management for persons with disabilities, as required to obtain or maintain housing. Prescriptions and medical care are NOT eligible HSS expenses.</p>
Childcare Expenses	<p>Childcare expenses are eligible if the client is otherwise eligible for assistance AND they are searching for a new job so that they can maintain or obtain housing. Childcare expenses can extend a maximum of two months beyond the start of the new job to ensure stability within the new role.</p>
Employment Assistance	<ul style="list-style-type: none"> • Help with job placement (including associated childcare while searching for a job), as needed to obtain or maintain housing • Employment services and job skills training provided by the Subrecipient may include basic language classes, technology classes, financial and accounting literacy workshops/classes. Employment services can involve resume writing, interviewing skills, and application assistance if job loss or loss of income was due to COVID-19 and if needed to obtain or maintain access to housing

	<ul style="list-style-type: none"> • General Education Development (GED) Test Fee • Assistance in qualifying for unemployment • Employment assistance shall NOT be at institutions of higher education
Individuals with Disabilities or Seniors	Specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing. Program funds may be used to provide reasonable accommodations, including the provision of sign-language interpreters for eligible households.
Limited-English-proficiency (LEP)	In accordance with Title VI of the Civil Rights Act of 1964 (Title VI), Subrecipients must ensure they provide meaningful access to their limited-English-proficiency (LEP) applicants and clients. Program funds may be used to provide interpreters and translations of program related documents for eligible households. https://www.lep.gov/

What are HSS funds not allowed to be used for?

Any cost that cannot be specifically tied to direct assistance to an eligible household is an ineligible expense. Assistance funds must be for services and must be tied to specific households. A good way to apply a test for this is to ask yourself which households are the specific beneficiaries that I can report on for this activity. If the funds can't be tied to households, then it likely is not eligible. If unsure, ask us.

This means that funds cannot be used for:

- Capital projects or infrastructure; funds may not be used for hard construction, equipment such as showering stations, or other construction activities including remodels
- Rent or rental arrears assistance (Note that households that need rental assistance should be referred to either the Texas Rent Relief Program or a local rental assistance program.)
- Utility payments or utility arrears (Note that households that need utility assistance should be referred to either the Texas Rent Relief Program or a local rental assistance program.)
- General shelter operations
- Rental insurance
- Furnishings (Note that TDHCA has requested from the Treasury whether helping a household with basic household furnishing/kitchen tools, etc. can be eligible. If TDHCA receives an affirmative response from Treasury, this item will be moved to the eligible category.)
- Tents, tarps, or sleeping bags
- General administration and agency coordination expenses that are not household-level specific
- Cars, car rentals, car repairs or car registration expenses
- Bicycle rental
- Driving courses
- Traffic tickets or license reinstatement after suspension
- Tuition for education courses and certification programs
- **School supplies, unless approved by HSS staff**
- Payroll processing fees
- Hotel damage fees
- Full time students or individuals who have not experienced job loss or loss of income, directly or indirectly, due to the Covid-19 pandemic.
- Medical/Dental Care – As noted in the table above, health counseling and associated medical services and substance use treatment, including access to a mental health practitioner for medication management for persons with disabilities are eligible if needed to obtain or maintain housing; however, all other general medical and dental expenses, administration associated with

medical/dental care, medical supplies/prescriptions, health and wellness classes, or clinic operations are not eligible.

- Technology costs other than those noted above (is a needed supply for the program participant to attend a housing stability services training program, search for employment, or communicate with a remote medical provider and the expense is directly necessary to obtain or maintain housing) are not allowed. No individual purchase of equipment of \$5,000 or more is allowed.

Administrative Costs

Subrecipients can incur the following administrative costs to deliver the Home Stability Services program: salaries and related costs, supplies, overhead (utilities, maintenance, etc.), equipment for staff (with Department approval or as approved in Subrecipient Budget), transportation, and mileage based upon time spent on Eligible Costs. Funds requested for administration are limited up to 7% of the total amount of funds requested for ERA1 HSS contracts and up to 10% for ERA2 HSS contracts. **Administrative costs limits may be increased only with HSS staff approval and through a contract amendment.**

Subrecipients may use Administrative funds for HMIS, at a proportional amount for households served. All methods of allocating administrative costs (per 2 CFR § 200.405, 414 & 416) to the Department are allowable.

Match

ERA1 and ERA2 HSS funds shall not be used for match of Emergency Solutions Grants funds, but may be used as match for HOME, HUD CoC (**program activities including Rapid Re-housing, PSH, etc.**), or AmeriCorps funds if spent on eligible matching items for those programs.

7. Duplication of Benefits

A Duplication of Benefits (DOB) occurs when a program beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular funding need. The amount of the duplication is the amount of assistance provided in excess of the need. In the case of housing stability services, a duplication of benefits would occur if a client received direct financial payments for the same purpose from multiple TDHCA-funded ERA 1 and/or ERA 2 sources.

TDHCA is required to develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity or program. To accomplish this TDHCA has instituted the following requirements:

- Clients must attest they are not receiving any other form of government or charitable assistance from TDHCA's ERA1 or ERA2 HSS program intended for the same purpose that might produce a duplication of benefits. **A duplication of benefits may also occur when a program beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular funding need.**
- Subrecipients must keep client files for monitoring purposes, so that TDHCA can monitor for any suspected cases of duplicative benefits. Subrecipients are responsible for ensuring that clients do not receive duplicative benefits from within their own organization.
- Subrecipients must keep lease agreements and landlord contact information in their client files to prevent duplicative payments to landlords in the form of deposits or incentives.

8. Time Period of Assistance

Housing stability services funded through ERA1 may be provided through August 31, 2022. Services funded through ERA2 may be provided through March 31, 2024. Based on performance, TDHCA may opt to extend ERA2 contract and close-out periods for certain Subrecipients beyond March 31, 2024. ERA1 contract and close-out periods may not be extended past the deadline.

9. Subcontractors and Subawards

Subcontracts

A Subrecipient, in subcontracting for any performances described in their Contract, expressly understands that in entering into such subcontracts, TDHCA is in no way liable to the Subrecipient's subcontractor(s). All subcontracts must be for goods or services and paid out of administrative funds. Subcontractors must be procured in accordance with 2 CFR Part 200, and 10 TAC §1.404.

A Subrecipient is responsible for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all Contract terms and as if such performances rendered were rendered by Subrecipient. Department maintains the right to monitor and require Subrecipient's full compliance with the terms of their Contract.

Subawards

A Subrecipient may request to the Department to enter into a subaward with a unit of local government, council of government, public housing authority, or private nonprofit organization for some or all of its program and administrative funds through a direct (non-competitive) award. The Subrecipient must fulfill all of the requirements of a pass-through entity listed in 2 CFR §200.332, and must monitor its subawardee at least once during the Contract Term.

Any subaward must contain all the applicable terms and conditions required by federal and state requirements and as further reflected in a Subrecipient contract including but not limited to items specifically identified in the contract, 2 CFR §200.332, and 2 CFR Part 200 (as applicable).

A Subrecipient must provide the Department with the applicable contact information for all subawards to ensure that accurate contact information is available relating to Housing Stability Services to include in a list of resources for eligible Households and members of the public. Subawardees may not further subaward funds except as approved by the Department in writing. Any further subawardee's service area and contact information must also be reported to the Department.

Before entering into a contract or other agreement with a subawardee, Subrecipient must:

1. check the Federal and TDHCA's debarment list for the entity and for governing board members of subawardees;
2. ensure that the entity (if applicable) is current on its Single Audit submission to the Federal Audit Clearinghouse;
3. request a disclosure for matters under 2 CFR §200.113, 2 CFR Part 200 Appendix XII, or the Fair Housing Act; and
4. Provide the Department this information.

The Subrecipient, in subawarding for any performances described in its contract, expressly understands that in entering into such subawards, the Department is in no way liable to the Subrecipient's subawardee(s). Department's approval does not constitute adoption, ratification, or acceptance of Subrecipient's or subawardee's performance. Department maintains the right to monitor and require Subrecipient's full compliance with the terms of their Contract. Department's approval does not waive any right of action which may exist or which may subsequently accrue to Department under their Contract.

10. Client Eligibility Requirements

Eligibility Requirements

Households must be experiencing homelessness or be at risk of experiencing homelessness or housing instability and have an income no more than 80% of area median income (AMI) AND one or more members of the household must attest in writing that they have either:

- Qualified for unemployment benefits, OR
- Due to, directly or indirectly (ERA1), or during (ERA 2) the pandemic:
 - Experienced a reduction in income,
 - Incurred significant costs, or
 - Experienced other financial hardship,
- AND one or more individuals within the household must attest that:
 - That they are at risk of experiencing homelessness or housing instability, which may include a past due utility or rent notice or eviction notice, OR
 - That unless they receive assistance, they would have to move to an unsafe/unhealthy environment like a shared living situation or emergency shelter.

For new ERA2 HSS contracts with an effective date on or after August 1, 2023, household income eligibility shall be no more than 50% of AMI.

For households with six or fewer members, where persons are receiving assistance from these other programs, no other income documentation is needed:

- Head Start, LIHEAP/CEAP, SNAP, SSI, TANF, or Tribal TANF for head or co-head of household
- Veterans Affairs Disability Pension, Survivor Pension, Enhanced Survivor Benefits, or Section 306 disability pension (not standard VA pension)
- WIC for households with three or fewer members, **OR**
- If you are living in a rent-restricted property or public housing unit or you are receiving tenant-based or Section 8 rental assistance, you or your landlord can provide evidence of your most recent income certification no older than one year from when you apply for assistance.

For persons that are Victims of Domestic Violence that are also participating in a program funded by the Emergency Solutions Grant, Family Violence Prevention and Services Act, or the Victims of Crime Act, the household can certify within the application that their income is within the program income limit, and no further income documentation is required.

For clients enrolled as students, as long as the household meets the program eligibility requirements (income, housing instability, financial hardship due to pandemic), they may be assisted with HSS funds. However, this would not be allowable if the applicant is a dependent and is receiving housing support from a guardian.

Self-Attestation of Income

****Due to the expiration of the Public Health Emergency related to Covid-19, as of May 11, 2023, Self-Attestation is no longer an allowable method to determine income eligibility and verification. ****

For households that apply for HSS services between August 25, 2021, and May 10, 2023, Self-Attestation may be used as an acceptable method to determine income eligibility. Self-Attestation is valid for three months, at which time a household may re-certify or submit income documentation to maintain eligibility. Subrecipients may use a Certification of Zero Income form for households with no income or no reportable

income, as outlined in the income determination procedures set forth in the ERA 2 HSS contacts and Section 12 and Appendices of these Guidelines. This Certification of Zero Income does not require a re-certification every three months. Sample Certification of Zero Income forms are available on the HSS webpage at <https://www.tdhca.state.tx.us/HSS.htm>.

The Department of the Treasury's August 25, 2021, ERA FAQ revision allows households, who are not otherwise exempt from providing income documentation, to provide a written attestation to their income and income eligibility if the household has insufficient income documentation or no income documentation available. A caseworker, housing navigator, or other housing stability service professional may then certify, in writing, that they reasonably believe that the household meets the applicable income requirements. The Subrecipient must retain documentation on the certified self-attestation and record why they believe the household to be eligible. If the household self-attests and is certified by a housing professional, then this certified self-attestation is only valid for three months. After three months have elapsed, if the client is still being served or if the client re-enters the program, then the housing professional must either acquire sufficient income documentation from the client or re-certify their self-attestation.

If no service professional is available to certify the self-attestation, the household may still self-attest, but the self-attestation is only valid for three months after its issuance. If the household wishes to access services after three months have passed, they must either re-attest to their income eligibility, provide proper income documentation, or have a professional certify their self-attestation (see above).

Verbal attestations of eligibility delivered in person, over the phone, or internet voice/video services counts as proof of eligibility IF a caseworker, housing navigator, or other housing stability service professional certifies, in writing, that they reasonably believe that the household meets the applicable income requirements. Verbal attestations may be made through a qualified sign-language or language interpreter. A representative from the awardee (or subawardee) must witness, approve, and retain documentation on the verbal attestation and record why the household is eligible for verbal attestation.

Conflict of Interest

All ERA HSS Subrecipients are responsible for ensuring that their internal conflict of interest policies are compliant with state and federal law. Texas nonprofits are responsible for following their conflict of interest policies established under the Texas Business Code, while units of local government are responsible for following their conflict of interest policy as it pertains to local government code. Government agencies should contact TDHCA staff regarding any outstanding questions related to conflict of interest.

For non-procurement related conflict of interest policies, Subrecipients should ensure that if an employee wishes to be served as a client: 1) The employee is not given information not available to the general public regarding application availability; 2) The employee is not given a preference in application selection or benefit amount; 3) The employee does not have any role in determining eligibility, approve financial amounts or payments, request reimbursement from the Department, or supervise those persons who would perform those functions, in addition to any other provisions in the Subrecipient's conflict of interest policy.

For procurement related conflict of interest, Subrecipients should ensure that they are compliant with local, state, and federal administrative code related to procurement, as well as their own conflict of interest policy.

11. Appeal Procedures for Households

Subrecipient must establish a written denial of service complaint procedure to address written complaints (or an oral complaint if a person with a disability requests a reasonable accommodation based on their disability) from an applicant whom the Subrecipient determines is not an Eligible Household.

If the applicant is not satisfied with the Subrecipient's decision under the service complaint procedure, the applicant may appeal the Subrecipient's decision in writing (or telephonically if a person with a disability requests a reasonable accommodation based on their disability) to the Department within ten (10) calendar days of notification of an adverse decision.

Subrecipient must put appeal information in its contract with its subawardees or subcontractors, if the entity is taking or evaluating the application.

12. Income Determination

Applicants can use either their most recent total annual income or their most recent 30 days of income. Income provided for the 30 days is annualized, based upon the frequency of pay (hourly, weekly, bi-weekly, or monthly) for those 30 days. If using the most recent 30 days of income, any reapplication for assistance later in the Subrecipient's contract period must include a resubmission of income documentation. Some households receiving certain types of federal benefits are automatically (categorically) income eligible.

Income for all household members 18 years of age or older will be considered when calculating annual household income.

A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated people who share living arrangements.

Household income will be calculated based on the adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes. Forms from the latest applicable tax year should be used. Income reported for 30 days will be annualized based upon the provided 30-day documentation. When determining the number of household members and annual household income, keep in mind:

- Minor children are considered household members. Earned income of minor children is not considered as part of total annual household income.
- Minor children who are subject to shared custody agreements may be counted as household members if the minor child lives in the residence at least 50% of the time.
- Temporarily absent family members are considered household members and their income is considered in calculation of household income, regardless of how much the temporarily absent family member contributes to the household.
- Paid, non-related, live-in aides, whether paid by the family or through a social service program, are not considered household members. Income of live-in aides is not considered in the calculation of household income. Related persons do not qualify as live-in aides.
- Permanently absent family members, such as a spouse who resides permanently in a nursing home, may be considered a household member, at the discretion of the head of household/program applicant. If the head of household opts to include a permanently absent family member in the household, the income of the permanently absent household member will be counted in the calculation of annual household income. If the head of household chooses not to include the permanently absent family member as part of the household, the

income of the permanently absent family member will not be considered in the calculation of annual household income.

To determine whether a household qualifies for the program they must have gross annual income at or below 80% of the Area Median Income (AMI). Subawardees can use the following link to determine the AMI limits for the county services are provided in: <https://www.huduser.gov/portal/datasets/il.html>

13. Program Administration and Performance

Execution of Grant Documents

Before accessing the HSS funds, the Subrecipient must execute and deliver a Contract to TDHCA and must provide to TDHCA all executed, legally enforceable grant documents, as applicable, and any other documents reasonably requested by TDHCA in connection with these funds.

If a Subrecipient has a change in contract signatory authority or HCS employee access/removal, Subrecipient must provide an updated HCS access request form. If agency has a change in direct deposit, Subrecipient must submit an updated Direct Deposit form. Forms may be submitted to HSS email. These forms are available on the HSS webpage at: <https://www.tdhca.state.tx.us/HSS.htm>

One-Time Advance of Funds

Per 2 CFR §200.305, the Subrecipient may request a one-time advance of funds (no more than 30 days cash need) by submitting to TDHCA a properly completed planned expenditure report that includes a request for advance funds, in a format specified by TDHCA. TDHCA shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment until TDHCA has reviewed and approved such request. TDHCA may request Subrecipient to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein as may be necessary or advisable for compliance with the Federal Act and Program Requirements.

The Subrecipient's request for the advance of funds shall be limited to the minimum amounts needed for effective operation of programs, and shall be timed as closely as possible to be in accord with actual cash requirements. The Subrecipient shall establish procedures to minimize the time elapsing between the transfer of funds from TDHCA to the Subrecipient and the spending of such funds and shall ensure that such funds are disbursed as soon as administratively possible. If Subrecipient subgrants any part of its award, it must have financial management systems in place to pay the subgrantee for expenses under the agreement, generally within 30 days.

Contract Term, Performance Benchmarks, and Deobligation

Subrecipient contracts will be issued for a term of 12 months for ERA1 and for 24 months for ERA2, subject to opportunity for extension at the sole discretion of the Executive Director of the Department. Subrecipient contracts will contain performance and expenditure benchmarks set at four (4) intervals through the contract term (quarterly for ERA1 HSS and bi-annually for ERA2 HSS).

Failure to achieve contract benchmarks may be cause for a partial or complete deobligation of the remaining unexpended contract funds, as determined by TDHCA on a case-by-case basis. Subrecipients of both ERA1 and ERA2 HSS funds must expend all ERA 1 HSS funds before accessing and expending ERA 2 HSS funds. TDHCA may alter the contract benchmarks to account for when ERA 1 HSS Subrecipients begin to expend ERA 2 HSS funds on a case-by-case basis. If ERA 1 benchmarks are not met, TDHCA may reduce a Subrecipient's ERA 2 award in whole or in part.

Following the benchmark schedule in Exhibit A of the HSS contract, Subrecipients will receive periodic progress reports on performance and expenditure rates and monthly reporting compliance.

Deobligation of Funds

Failure to meet an expenditure benchmark as reported in the Monthly Expenditure and Performance Report as identified in the Contract Benchmarks may result in the Department (in its sole discretion) deobligating the unreported amount of expended funds for the benchmark and deobligating an equivalent proportion of administrative funds.

Program Income or Reimbursement

Per Section 12 of the Subrecipient contract, any refunds or reimbursement of housing stability costs paid out or annual interest exceeding \$500 must be returned to TDHCA within 10 days of receipt. To return these funds, Subrecipient must notify HSS staff in writing. This does not include refunds that may be recycled into the program during the ERA2 HSS contract period of performance, such as security deposit and utility deposit refunds. Staff will then provide instructions for returning funds via check or ACH transfer. Upon receipt, funds may be credited back to Subrecipient's available funds in the Housing Contract System.

Reporting Responsibilities & Records to be maintained

Subrecipients will be required to submit monthly performance reports outlining households assisted, funds expended, client demographic data and verification of grant-funded program expenses. The reports will be reviewed for accuracy, performance measures and compliance. In addition, monitoring and auditing of grantees for ongoing compliance and eligibility will be performed by the State to ensure federal requirements are being met.

Subrecipients will be required to maintain client data supporting client eligibility for services provided. Data shall include, but not be limited to: how the person/household was directly impacted by the coronavirus, number of persons/households served, family size, race/ethnicity and income documentation or self-attestation. **(**Due to the expiration of the Public Health Emergency related to Covid-19, as of May 11, 2023, Self-Attestation is no longer an allowable method to determine income eligibility and verification. **)**

Subrecipients will also be required to maintain client and program data relating to the Housing Legal Services including, but not limited to: number of persons served, number of housing clinics executed, client eligibility and demographic information.

During the grant period, ERA 1 and ERA 2 HSS Subrecipients will be required to submit three reports by the 15th of each calendar month, or the first business day thereafter, as allowed by TDHCA HSS staff in writing. The first report is the Monthly Household Reporting Spreadsheet, which tracks economic, geographic, and demographic data on each individual household served, and is submitted via a Smartsheet portal listed on the ERA HSS program website. The second report is the Housing Contract System Monthly Performance Report, which is a roll-up of all household data provided on the Monthly Household Reporting Spreadsheet. These first two reports will be used to evaluate program performance and compliance. The third report is the Housing Contract System Monthly Expenditure Report. This report will be used to review draw requests and program compliance. Failure to submit these three reports in a

timely manner each month may result in the deobligation of funds. Monthly Performance and Expenditure reporting is submitted through TDHCA's Housing Contract System at:

<https://www.tdhca.state.tx.us/contractsystem.htm>

For more information on reporting requirements, see the HSS Reporting Guidelines document available at <https://www.tdhca.state.tx.us/HSS.htm>.

Limited English Proficiency (LEP)

In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) ERA grantees must ensure they provide meaningful access to their limited-English-proficiency (LEP) applicants and beneficiaries of their federally assisted programs, services, and activities. Denial of an LEP person's access to federally assisted programs, services, and activities is a form of national-origin discrimination prohibited under Title VI and Treasury's Title VI implementing regulations at 31 CFR Part 22. Meaningful access for an LEP person may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication regarding the ERA grantee's programs, services, and activities. For more information regarding reasonable steps to provide meaningful access for LEP persons, please go to <https://www.lep.gov>. The provision of language assistance services for an HSS applicant or client is an eligible HSS program expense.

Direct Deposit Form

For any changes to Subrecipient's direct deposit bank information, Subrecipients are required to complete the Direct Deposit Information form found on the HSS website and email it to their HSS contract contact. Subrecipient staff will be required to verify any bank information changes by a video or phone call with HSS Staff.

Budget Amendments

Subrecipients may request a budget amendment at any time by emailing their assigned HSS staff. A budget amendment will be required anytime the aggregate amount of funds being moved is more than 10% of the total contract amount. HSS staff will provide a template to complete for each budget amendment as requested by the Subrecipient.

Returned Funds

Contact HSS staff immediately if there are returned funds for a closed-out contract. Returned funds will most commonly be returned or unused security/pet/utility deposits or landlord incentives. To return unused funds, Subrecipient will fill out a form given upon request by HSS staff describing the amount of funds being returned, as well as their original intended purpose. HSS staff will provide instructions to immediately wire returned funds back to TDHCA.

Prevention of Fraud, Waste, Abuse

If a Subrecipient suspects fraud, waste, or abuse, submit an email to HSS staff providing as much detail as necessary so that the appropriate action can be taken. HSS staff will review the information submitted and determine the appropriate steps in accordance with Section 24 of the ERA2 HSS Contract and with Section 321.022 of the Texas Government Code. In the emailed notification, include contact information such as email, telephone and/or physical address; the date(s) the incident occurred; the date the incident was discovered; and, a detailed description of the incident.

Contract Closeout

Once the ERA 2 HSS contract term ends (March 31, 2024, unless granted an extension by TDHCA), and/or the final draw has been submitted (whichever comes first), Subrecipients will receive a Final Report/Acknowledgement Form and Inventory Report (which consists of both the Equipment List, and the Aggregate Supplies List-SF428) from their HSS Contract Specialist. These forms must be completed and returned by the due date listed in the contract and accompanying email.

The ERA HSS INVENTORY EQUIPMENT LIST template will be used to report the following:

- All equipment (as defined federally*) purchased in whole or in part with these grant funds;

And the **U.S. Treasury SF-428 form** will be used to report the following:

- Aggregate supplies of over \$5,000.

Any remaining unspent funds will be deobligated from the Subrecipient's contract. Once the final draw has been approved and all requested forms (as noted above) have been received, the Subrecipient will receive confirmation of contract close (the Closeout Letter).

*2 CFR 200.1 "Equipment":

**Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

14. Other Federal Cross-cutting requirements

- Fair Housing Act
- Monitoring and reporting program performance - 2 CFR §200.329

15. List of Program Forms

Administrative Forms

- Audit Certification Form
- Direct Deposit Authorization Form
- Housing Contract System Access Request Form
- TDHCA Information Security and Privacy Agreement
- Taxpayer Identification Number (TIN) Form

Sample Program Forms

- Sample Intake Checklist Form
- Sample Certification of Zero Income Form

Reporting Template

- Monthly Performance Reporting Spreadsheet

Appendix 1: Annualized Income

In general, a Subrecipient evaluating a household's income should assume that the household's circumstances today will continue for the next 12 months (ANNUALIZE), unless there is verifiable evidence to the contrary.

For example, if a head of household is currently working for \$7.00 per hour, 40 hours per week, the Subrecipient should assume that this family member will continue to perform that work for that rate and amount of time for the next year. Thus, estimated earnings will be \$7.00 per hour multiplied by 2,080 hours (40 hours per week for 52 weeks of the year), or \$14,560 per year.

This method should be used even when it is not clear that the type of income received currently will continue in the coming year.

For example, assume a family member has been receiving unemployment benefits of \$100 per month for 16 weeks at the time of income certification. It is unlikely that the family member will continue on unemployment for another 52 weeks. However, because it is not known whether or when the family member will find employment, the Subrecipient should use the current circumstances to anticipate annual (gross) income. Income would therefore be calculated as follows:

- \$100 per week x 52 weeks, or \$5,200.

The exception to this rule is when documentation is provided that current circumstances are known to be time limited or about to change. For example, an employer might report that an employee currently makes \$7.50 an hour, but a negotiated union contract will increase this amount to \$8.25 an hour eight weeks from the date of assistance. In such cases, income can be calculated based on the information provided. In this example, the calculation would be as follows:

- $\$7.50/\text{hour} \times 40 \text{ hours/week} \times 8 \text{ weeks} = \$2,400$
- $\$8.25/\text{hour} \times 40 \text{ hours/week} \times 44 \text{ weeks (remaining weeks in the year)} = \$14,520$
- $\$2,400 + \$14,520 = \$16,920 = \text{Anticipated and Annualized Gross Income from that household member.}$

Methods to annualize for part-time and full-time gross income

Weekly pay:

4 pay stubs: Add the four gross amounts of each stub and divide by four to give you the weekly average. Multiply the weekly average by 52 to arrive at the gross annualized income.

Bi-weekly (every two weeks) pay:

2 pay stubs: Add the two gross amounts of each stub and divide by two to give you the bi-weekly average. Multiply the bi-weekly average by 26 to arrive at the gross annualized income.

Semi-monthly (twice per month) pay:

2 pay stubs: Add the two gross amounts of each stub and divide by two to give you the semi-monthly average. Multiply the semi-monthly average by 24 to arrive at the gross annualized income.

Monthly pay:

One pay stub: Multiply gross amount by 12 to arrive at the gross annualized income.

Irregular pay:

Use a reasonable, consistent method to arrive at the gross annualized income.

Appendix 2: Excluded Income

The calculation of annual income shall not include the following:

A. Income from Children, which is income from the employment of children (including foster children) under the age of 18 years.

B. Payments Received for the Care of Foster Children, including foster adults (usually persons with disabilities, unrelated to the family, who are unable to live alone).

C. Lump-Sum Payments, including additions to family assets, such as inheritances, insurance payments (e.g., health and accident insurance, and worker's compensation), capital gains and settlement for personal or property losses [except as provided].

D. Reimbursement for Medical Costs, including all payments received by the family that are specifically for, or in reimbursement of, medical expenses for any family member.

E. Live-in Aide, including the income of a live-in aide employed because of a medical condition or disability of a family member. A live-in aide is determined to be essential to the care and well-being of the person, not obligated for the support of the person, and would not be living in the unit except to provide the necessary supportive services.

F. Education Assistance, including the full amount of educational scholarships paid directly to the student or to the educational institution, and Government funds paid to a veteran for tuition fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income.

G. Government Programs, including the following: Amounts received under training programs funded by HUD and earnings and benefits from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government.) Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits, because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). Amounts received by a participant in other publicly-assisted programs, which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and made solely to allow participation in a specific program. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the U.S. Housing Act of 1937. Amounts paid by a state agency to a family with a member who has developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member living at home.

H. Temporary Income, considered temporary, nonrecurring or sporadic in nature (including gifts).

I. Income of Full-Time Students, earnings in excess of \$480 for each full-time student 18 years old or older attending school or vocational training (excluding the head of household and spouse).

J. Property Tax Refunds, including amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling of the unit.

K. Adoption Assistance Payments, in excess of \$480 per adopted child.