

SHP Guidance

Eligible and Ineligible Activities and Limitations. There are eight activities that can be funded under SHP. They are acquisition, rehabilitation, new construction, leasing, operating costs, supportive services, HMIS and administrative costs. This year, HMIS will be classified as its own eligible SHP activity rather than as a supportive service. See the "Questions and Answers" supplement to the application for additional discussion on this topic. Specific activities that are **not eligible** by law under the six program components/type include:

- Operating costs or new construction for supportive service only projects.
- Support for an existing project except as noted in section E of this exhibit and renewals.
- Support for permanent housing for non-disabled persons.
- Rehabilitation of a structure owned by a primarily religious organization, except in accordance with the requirements of 24 CFR 583.150(b)(2).
- New construction or rehabilitation of a structure prior to an executed grant agreement with HUD. Lack of an environmental clearance in such a case would necessitate withdrawal of HUD funds from the project.
- Acquisition and rehabilitation, or new construction that exceeds statutory funding limitations. (See section K of this exhibit for the specific limits.)
- Homeless prevention activities.
- Planning costs for HMIS.

Match. SHP funds provided for acquisition, rehabilitation, and new construction must be matched by the recipient with an equal amount of funds from other sources. In addition, any applicant requesting SHP funds for operating costs for supportive housing must provide a cash contribution of at least 25 percent of the total operating costs. Any applicant requesting SHP funds for supportive service activities funds must provide a cash contribution of at least 20 percent of the total supportive services costs. HMIS activities must also have a cash contribution of at least 20 percent of the total HMIS costs.

Relocation and Environmental Issues. SHP projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act and additional relocation requirements in Section 583.310 of the SHP regulations. In addition, the use of SHP funds for acquisition, rehabilitation, new construction and, in some cases, leasing triggers 24 CFR Part 58, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities, for recipients who are private nonprofit organizations or public housing authorities. Projects are also subject to the Lead-Based Paint Poisoning Prevention Act and are, therefore, subject to 24 CFR Part 35. Because Lead-Based Paint requirements can be complex, please contact your local HUD Field Office for guidance during the planning stages of your project.

Renewal Projects

The purpose of renewal funding is to provide operating, leasing and supportive services for previously approved grantees in order to ensure continued assistance to homeless persons. ***Note: Only the current grantee (the entity that has executed the current grant agreement with HUD) can apply for renewal of its project, i.e., must be the applicant and submit a HUD-424.***

A project may request one, two or three years of renewal funding if it previously received HUD McKinney-Vento Act funds under the Supportive Housing Program, including those previously renewed, and will expire during calendar year 2004. Since renewal projects may request renewal funds only for continuing a previously approved project at the **same level of housing and/or services** provided in the previous grant, renewal project budgets should be based upon the **average of the term activities of the previous grant award**. Renewal projects proposing both to renew the existing project and expand the number of units or number of participants receiving services must submit a new project proposal for the expansion portion of the project. HMIS activities being renewed should be included on the HMIS budget chart.