

Exhibit 3:

Shelter Plus Care Program (S+C) - New

This Exhibit 3 is for **new** Shelter Plus Care projects only. Eligible applicants for this program are States, units of local government and Public Housing Authorities. If you are requesting renewal funds for an existing S+C project, **do not** use Exhibit 3. You must complete Exhibit 3R instead.

Program Components

Shelter Plus Care (S+C) components were created by statute and designed to give applicants flexibility in devising appropriate housing and supportive services for homeless persons with disabilities. Assisted units may be of any type, from group homes to apartments to SRO units. You may design a program that has participants first living in a group setting with intensive supportive services, then moving to another setting but retaining the rental assistance during the term of the grant, as long as they stay within a S+C unit.

Participants in S+C units receive supportive services. These services may be provided by the applicant, funded by the applicant but provided by a third party, or both funded and provided by a third party. Rental assistance provided through the S+C program must be matched in the aggregate on a dollar for dollar basis by the recipient with supportive services.

Tenant-based Rental Assistance (TRA) provides rental assistance that permits participants to choose their own housing. Participants retain the rental assistance even if they move. To help you provide supportive services or for purposes of controlling housing costs, you may require participants to live in a particular structure for the first year of assistance or to live in a particular area for the entire rental assistance period.

Sponsor-based Rental Assistance (SRA) provides rental assistance through contract(s) between the grant recipient and nonprofit organization(s), called a sponsor. The nonprofit organization may be a private nonprofit organization or a community mental health center established as a public nonprofit organization. The assisted units must be owned or leased by the sponsor. After a grant is awarded, should the sponsor lose its capacity to own or lease the assisted units, the grantee must identify an alternate sponsor in order to continue to serve the original number of persons proposed to be served.

Project-based Rental Assistance (PRA) provides rental assistance through a contract with a building owner(s). An applicant must enter into a contract with the building owner(s) for the full five-or ten-year period of assistance. The building owner must agree to accept eligible S+C participants to live in an assisted unit for this time period. Under PRA, applicants may assist units that will be rehabilitated or existing units that do not need to be rehabilitated. If the units are rehabilitated to meet the requirements specified below, the applicant may request 10 years of rental assistance. Otherwise, assistance will be for a period of five years.

To qualify as a rehabilitated unit and be eligible for 10 years of assistance, the rehabilitation must:

- equal at least \$3,000 per unit, including the prorated share of rehabilitated common areas;
- be necessary in order to make the unit decent, safe, and sanitary;
- be funded from other sources; and
- be completed within 12 months of grant award.

SRO-based Rental Assistance (SRO) provides rental assistance in an existing or reconfigured single room occupancy (SRO) setting. The units to be assisted must be in need of moderate rehabilitation. The rental assistance includes an allowance to pay for debt service to retire the cost of the moderate rehabilitation over the ten-year grant period. This component is designed to bring more standard SRO units into the local housing supply and to use those units to assist homeless persons with disabilities. The SRO units may be in a rundown hotel, a vacant motel, a YMCA, or even a large, abandoned house.

HUD enters into an annual contributions contract with the PHA recipient or subcontractor in connection with the moderate rehabilitation of SRO dwelling units. PHAs make Section 8 rental assistance payments to participating owners (i.e., landlords) on behalf of homeless, disabled individuals who rent the rehabilitated dwellings. The rental assistance payments cover the difference between the tenant contribution and the unit's rent, which must be within the fair market rent (FMR) established by HUD. To be eligible for assistance, a unit must receive a minimum of \$3,000 of rehabilitation to meet housing quality standards (HQS), including the prorated share of work on common areas or systems.