

**261—24.4(PL100-628) Eligible activities.** Eligible activities are based on guidelines established by the Stewart B. McKinney Homeless Assistance Amendment Act of 1987 and further defined in 24 Code of Federal Regulations Part 576 (June 1, 1999) and the HUD Desk Guide section 3. Activities assisted by this program may include only the following:

1. Rehabilitation, renovation, or conversion of buildings for use as providers of services for the homeless. Rehabilitation activities shall be allowed a maximum cost of \$10,000 per project.

2. Provision of essential services if the service is a new service or a quantifiable increase in the level of service. No more than 30 percent of the IDED annual grant amount may be used for this purpose.

3. Payment of emergency shelter and transitional housing operating costs including shelter maintenance, operations, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings. Staff salaries, including fringe benefits, paid under the operating cost category are limited to 10 percent of the grant amount. Maintenance and security costs are not subject to the 10 percent standard.

4. Payment for eligible activities that assist in prevention of homelessness. Grants may be made for homeless prevention as long as the total amount of such grants does not exceed 30 percent of the total emergency shelter grants program allocation. Examples of eligible activities include, but are not limited to, short-term subsidies to help defray rent and utility arrearages for families faced with eviction or termination of utility services; security deposits or first month's rent to enable a family to acquire its own apartment; programs to provide mediation services for landlord-tenant disputes; or programs to provide legal representation to indigent tenants in eviction proceedings. Other possible types of homeless prevention efforts include making needed payments to prevent a home from falling into foreclosure.

5. Administrative costs. A grantee may use a portion of a grant received for administrative purposes as determined by IDED. The maximum allowed for these administrative costs shall be 5 percent of the state ESGP allocation. IDED reserves the authority for distribution of administrative funds.