

427—23.5(PL100-77) Eligible use of funds. As defined by PL100-77, as amended by PL100-628 and PL101-645, EHP funds may only be used for the following purposes:

23.5(1) Self-sufficiency development. At least 50 percent of each eligible entity's EHP funds shall be used for the expansion of comprehensive services to homeless individuals to provide follow-up and long-term services to enable homeless individuals and families to make the transition out of poverty. Such programs shall include each of the following components:

- a. A written description of the priorities and processes used to select the homeless individuals and families to receive these comprehensive services,
- b. The conduct of a comprehensive assessment with selected individuals/families,
- c. The development of a written plan toward self-support for each individual/family enrolled,
- d. The execution of a written agreement between the client and worker which specifies the actions for which each is responsible during the self-sufficiency development process, and
- e. The coordination of all available resources to support the client's self-sufficiency development.

These activities may also be conducted with funds budgeted in this cost category: provision of, or referral to, violence counseling for homeless children and individuals; and the provision of violence counseling training to individuals who work with homeless children and individuals.

23.5(2) Renovation. Funds may be used for the renovation of buildings to provide comprehensive services as addressed in subrule 23.5(1) except that not more than 50 percent of each subgrantee's EHP funds may be used for such purpose and must comply with the following:

- a. All procedures required under the National Historic Preservation Act must be followed; and
- b. Subgrantee renovation plans must be received by the division of community action agencies by December 1 for consideration of inclusion in the next year's funding cycle.
- c. The division of community action agencies reserves the right to secure assistance of other state agencies in reviewing renovation plans and will cooperate with these agencies in an effort to maximize program funding.
- d. Subgrantees planning renovation are encouraged to contact the division of community action agencies for planning assistance.

23.5(3) Obtaining income support. Funds may be used to provide assistance to homeless individuals and families in obtaining social and maintenance services and income support services.

23.5(4) Promotion/coordination. Funds may be used to promote private sector and other assistance to homeless individuals and families in the community served. Such activities may include, but are not limited to, assessing homeless needs, performing community planning pertaining to homeless problems and coordinating community level response(s) to the problems of homeless persons.

23.5(5) Administrative costs. No more than 12 percent of the EHP funds expended by an eligible entity shall be used for administrative costs.

23.5(6) Direct financial assistance. Funds may be used for the provision of direct financial assistance such as cash or vouchers to meet the emergency housing or shelter needs of qualifying individuals.

a. For the near-homeless, this assistance would be limited to mortgage, rental or utility payments (including deposits and reconnect fees) for individuals who have received a notice of foreclosure or eviction. Financial assistance for a near-homeless individual is allowable if:

- (1) The inability of the individual to make a mortgage or rental payment is due to a sudden reduction in income;
- (2) The assistance is necessary to avoid foreclosure or eviction; and
- (3) There is a reasonable prospect that the individual will be able to resume the payments within a reasonable period of time.

b. For the homeless, this assistance would be limited to the payment of housing or shelter costs for an individual who is living on the street, in an abandoned building, house, tent, car, etc., living in an emergency shelter, or living in substantially similar conditions. The payment of utility payments, including deposits and reconnect fees, and other housing deposits is an allowable use of funds, provided that other program requirements are met.