

Attachment 1
HHAP 5 Eligible Use Categories

HHAP 5 Statute	HHAP 5 Eligible Use Category	Explanation of Eligible Uses of HHAP funds; HHAP 5 Changes
Costs that support Permanent Housing include the following	Delivery of Permanent Housing and Innovative Housing Solutions	Eligible uses should be categorized here when costs support the provision of permanent housing.
	Rapid Re-Housing	Eligible Uses should be categorized here when the costs support operating a rapid rehousing type housing service. This means a tenant-based, time limited, permanent housing program, inclusive of wrap-around services.
	Prevention and Shelter Diversion	<p>Eligible uses should be categorized here when costs support eligible populations access safe alternatives to shelter and/or remain safely housed at their current residence.</p> <p><i>HHAP-5 changes:</i></p> <ul style="list-style-type: none"> • Change of eligible population to include “at risk of homelessness.” • Requires prioritization of households with incomes at or below 30 percent of the area median income, who pay more than 50 percent of their income in housing costs, and who meet criteria for being at highest risk of homelessness through data-informed criteria.
	Operating Subsidies - Permanent Housing	<p>Eligible ses should be categorized here when costs support operations in new and existing affordable or supportive housing units serving people experiencing homelessness. Operating subsidies may include operating reserves (funds held in reserve to cover large, unexpected operating expenses).</p> <p><i>HHAP-5 changes:</i></p> <ul style="list-style-type: none"> • Previously combined with Operating Subsidies – Interim Housing. Now a standalone category.

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Costs that support interim housing include the following	Operating Subsidies- Interim Housing	Eligible uses should be categorized here when costs support operations in interim housing serving people experiencing homelessness. Operating subsidies may include operating reserves (funds held in reserve to cover large, unexpected operating expenses). <i>HHAP-5 changes:</i> <ul style="list-style-type: none"> • Previously combined with Operating Subsidies – Permanent Housing. Now a standalone category.
	Interim Housing	Eligible uses should be categorized here when costs support the provision of interim housing. <i>HHAP-5 Changes:</i> <ul style="list-style-type: none"> • No HHAP-5 resources may be used to fund new interim housing solutions, until both of the following occurs: (1) the applicant has demonstrated that the region has dedicated sufficient resources from other sources to long-term permanent housing solutions and (2) the applicant has received written permission from Cal ICH. (HSC §50236(c).) • This limitation does not apply to new interim housing solutions for youth under the ten percent youth set aside.
	Improvements to Existing Interim Housing	Eligible uses should be categorized here when costs support renovation of existing interim housing to improve the quality of the life for people experiencing homelessness who are residing in the interim housing.
Costs that support service provision and systems support.	Street Outreach	Eligible uses should be categorized here when costs support Outreach programs.
	Service Coordination	Eligible uses should be categorized here when costs support wrap-around services not directly provided through another project.
	Systems Support	Eligible uses should be categorized here when the cost supports homelessness services system infrastructure, regional coordination, and/or improves accessibility and outcomes generally, as opposed to specific client(s).

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Youth-Set Aside	Youth Set-Aside	<p>Consistent with Rounds 3 and 4, HHAP-5 grantees must use at least 10 percent of their allocation for services for homeless youth. (HSC § 50234(e).) Homeless youth is defined as unaccompanied youth between ages 12- and 24-years old experiencing homelessness, including pregnant and parenting youth. (HSC § 50216(l).) Dollars spent under the Youth Set Aside have the same eligible uses as those described in this tables above. Therefore, eligible uses follow the same logic described above and should be categorized as part of the youth set aside when costs support services and housing interventions for homeless youth populations. Given the continued focus and priority in allocating resources in support of Homeless Youth, the restriction on new interim housing solutions does not apply to the ten percent youth set aside. Funding utilized in excess of the ten percent set aside will be subject to the restriction on new interim housing solutions provided in HSC section 50236(c) and further described in paragraph III.C.4 in the NOFA.</p>
Administrative Costs	Administration Costs	<p>Eligible uses should be categorized here when costs are incurred by the city, county, or CoC to administer its HHAP program allocation. Administrative costs do not include staff or other costs directly related to implementing activities funded by the program allocation. Consistent with all prior rounds of HHAP, Round 5 Administrative costs are capped at 7 percent of each allocation.</p> <p><i>HHAP-5 changes:</i></p> <ul style="list-style-type: none"> • The Council may authorize applicants to allocate an additional one percent of funds to cover expenses associated with the HMIS. See below for more information.
	Additional 1% for HMIS	<p>Eligible uses should be categorized here when the eligible applicant elects to allocate (up to) 1% of the HHAP-5 allocation to cover expenses associated with the administration of HMIS. This funding shall be transferred directly to the HMIS lead entity and is intended to support the</p>

		functioning, maintenance, and operation of the local HMIS.
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