# TITLE 462 NEBRASKA HOMELESS ASSISTANCE PROGRAM (NHAP)

<u>CHAPTER 1-000 GENERAL PROVISIONS</u>: These regulations govern the grants made from the Homeless Shelter Assistance Trust Fund (HSATF) and the Emergency Shelter Grant Fund (ESGF).

<u>1-001 Legal Authority:</u> The HSATF is authorized by <u>Neb. Rev. Stat.</u>, sections 68-1601 through 68-1608. The HSATF is funded by 25 cents of the real estate transfer tax per \$1,000 of real estate value sold, per <u>Neb. Rev. Stat.</u>, section 76-903.

The Emergency Shelter Grants Program (ESGP) is authorized by the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Secretary of Housing and Urban Development to make grants to states, units of general local government, territories, and Indian tribes (and to private nonprofit organizations providing assistance to homeless individuals in the case of grants made with reallocated amounts).

#### 1-002 General Requirements for Grantees

<u>1-002.01 Services</u>: Grantees and recipients must assure that homeless individuals and families are given assistance in obtaining:

- 1. Appropriate, supportive services, including permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and
- 2. Other federal, state, local, and private assistance available to homeless individuals and families.
  - <u>1-002.01A Target Populations</u>: Nebraska Homeless Assistance Program funds are targeted to the following homeless and/or near homeless populations:
    - 1. Jobless:
    - 2. Veterans:
    - Persons with serious mental illness:
    - 4. Persons suffering from substance abuse;
    - 5. Persons living with HIV/AIDS;
    - 6. Victims of domestic violence; and
    - 7. Runaway youth.
- <u>1-002.02</u> Participation on Policy Making Entity: Each grantee that receives funds must provide for the participation of homeless or formerly homeless individuals on its policymaking entity.
- 1-002.03 Nondiscrimination and Equal Opportunity: A grantee must not discriminate on the basis of race, color, religion, sex, age, national origin, familial status, or disability. The grantee must make known that use of the facilities and services is available to all on a nondiscriminatory basis. The grantee must have procedures to make known their policy of nondiscrimination. Grantees and recipients must also adopt procedures which will make available to interested persons information concerning the location of services and facilities that are accessible to persons with disabilities.
- <u>1-002.04</u> Conflicts of Interest: A grantee must not be in a position to obtain a personal or financial benefit from the grant either for himself/herself or for those individuals with whom s/he has family or business ties.

<u>1-002.05</u> Relocation and Acquisition: Grantees and recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under this program. A displaced person must be provided relocation assistance.

Grantees and recipients must assure that they will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

- <u>1-002.05A</u> Appeals: A person who disagrees with the grantee's or recipient's determination concerning a payment or other assistance required by this program may file a written appeal of that determination with the grantee or recipient.
- 1-002.06 OMB Circulars: State and local government grantees are subject to the requirements in OMB Circulars No. A-102 and A-87. Private non-profit organizations are subject to requirements in OMB Circulars No. A-110 and A-122. Eligible organizations are subject to the audit guidelines set in federal OMB Circular A-133, "Audit Requirements for Non-Profits," which require that any nonprofit with total annual funding of more than \$300,000 must conduct a certified, annual external audit.
- <u>1-002.07</u> <u>Lead-Based Paint</u>: Grantees are subject to provisions of the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992 and regulations that implement them.
- 1-002.08 Labor Standards and Provisions: Grantees are subject to:
  - 1. The Davis-Bacon Act;
  - 2. Section 2 of the June 13, 1934 Act popularly known as The Copeland Anti-Kickback Act;
  - 3. Fair Labor Standards Act of 1938;
  - 4. Contract Work Hours and Safety Standards Act; and
  - 5. Section 3 of the Housing and Urban Development Act of 1968.
- <u>1-002.09 Lobbying</u>: No grant funds may be paid by or on behalf of a grantee to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the grant.
- <u>1-002.10 Environmental Provisions</u>: The grantee is subject to applicable environmental requirements related to:
  - 1. Historic preservation;
  - 2. Floodplain management and wetland protection;
  - 3. Coastal Zone Management;
  - 4. Sole source aquifers;
  - Endangered species;
  - 6. Wild and scenic rivers;
  - 7. Air quality;
  - 8. Farmlands protection:

- 9. HUD environmental standards; and
- 10. Environmental justice.
- <u>1-002.11 Confidentiality</u>: Grantees must maintain confidentiality of records pertaining to the provision of family violence prevention or treatment services.

#### 1-003 Limitation on Homeless Prevention Activities

- <u>1-003.01</u> Religious Organizations: Assistance may be provided to a grantee or recipient that is a primarily religious organization if the organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the following principles:
  - 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
  - 2. It will provide no religious instruction or counseling, conduct no religious services or worship (not including voluntary nondenominational prayer before meetings), engage in no religious proselytizing, and exert no other religious influence in the provision of shelter and other eligible activities under these regulations.
- <u>1-003.02</u> Rehabilitation or Conversion of Emergency Shelters: Grants may be used to rehabilitate or convert to an emergency shelter a structure that is owned by a primarily religious organization only if:
  - The structure (or portion of it) that is to be renovated, rehabilitated, or converted with ESGP assistance has been leased to an existing or newly established wholly secular organization;
  - 2. The ESGP assistance is provided to the secular organization (and not the religious organization) to make the improvements;
  - 3. The leased structure will be used exclusively for secular purposes available to all persons;
  - 4. The lease payments paid to the primarily religious organization do not exceed the fair market rent for the structure before the renovation, rehabilitation, or conversion;
  - 5. The portion of the cost of any improvements that benefit any unleased portion of the structure will be allocated to, and paid for by, the religious organization; and
  - 6. The primarily religious organization agrees that if the recipient does not retain the use of the leased premises for wholly secular purposes for the useful life of the improvements, the organization will pay to the original grantee (from which the amounts used to renovate, rehabilitate, or convert the building were derived) an amount equal to the residual value of the improvements. A private nonprofit organization must remit to the Department this amount if the organization is the lessee as well as the grantee. The original grantee is expected to use his amount to alleviate homelessness in its jurisdiction, but there is no requirement that funds received after the close of the grant period be used in accordance with these requirements.

1-003.02A Assistance to a Wholly Secular Private Nonprofit Organization: A primarily religious organization may establish a wholly secular private nonprofit organization to serve as a recipient. The secular organization may be eligible to receive all forms of assistance available with the following requirements:

- 1. The secular organization agrees to provide shelter and services eligible under these regulations in a manner that is free from religious influences and in accordance with the principles in 462 NAC 1-003.01.
- The secular organization may enter into a contract with the religious organization to
  provide essential services or undertake homeless prevention activities. The
  religious organization must agree in the contract to carry out its contractual
  responsibilities in a manner free from religious influences and in accordance with
  the principles in 462 NAC 1-003.01.
- 3. The rehabilitation, conversion, or renovation of emergency shelters are subject to the requirements in 462 NAC 1-003.02.

The secular organization does not need to be established before the selection of the application. The religious organization may apply on behalf of the secular organization. The application will be reviewed on the basis of the religious organization's financial responsibility and capacity, and its commitment to provide appropriate resources to the secular organization after formation. After formation, a secular organization that is not in existence at the time of the application is required to demonstrate that it meets the definition of a private non-profit organization.

- <u>1-004 Application Form</u>: All grant applications must be made on forms provided by the Nebraska Department of Health and Human Services (the Department) unless otherwise specified. The application and instructions for completing the application will be provided by the Department.
  - <u>1-004.01 Joint Applications</u>: Joint grant applications are encouraged. One designated entity must serve as the principal point of contact for administration of the grant application. If a joint grant application is made, a signed copy of the agreement that exists between joint applicants must be provided as a part of the application.
  - <u>1-004.02</u> Application Deadline: The Department will determine the deadline for receipt of the grant application. The Department may in its discretion establish a special deadline for accepting applications.

Any grant application that is incomplete by the grant application deadline will not be considered for funding in that funding cycle.

- <u>1-005</u> Grant Application Review: All applications are reviewed for eligibility to ensure that they are consistent with program policy and grant purposes.
  - <u>1-005.01</u> Individuals with Conflict of Interest: Any Department employee or member who sits on any board of a potential grantee that will be submitting a grant application for assistance under the NHAP is prohibited from participating in discussion and voting on a particular project for funding consideration. A conflict of interest must be disclosed by the party and reported to appropriate authorities pursuant to state statutes.

- <u>1-005.02</u> <u>Deadline for Reviewing Grant Applications</u>: Following the application deadline, the Department has 90 days to score grants and determine grant awards and announcements.
- <u>1-005.03</u> Review Team: A Review Team is assembled each year. The members are representatives of the Nebraska Department of Health and Human Services (the Department), the Nebraska Department of Economic Development, the state continuum of care, populations who are served with these funds, and others who address issues related to people who are homeless and near homeless.
- <u>1-005.04</u> Funding Priority: The priority in funding will be for services listed in 462 NAC 1-002.01 for the homeless and near-homeless target populations listed in 462 NAC 1-002.01A.
- <u>1-005.05</u> Grant Decision: The Department must notify in writing an applicant whose application is not selected. The notification must include the reason for not funding the application.
- <u>1-005.06 Withdrawn or Cancelled Grants</u>: An applicant may unilaterally withdraw an application at any time before or after the application has been considered by the Department.

If the project is cancelled by the applicant after the funds have been allocated, the applicant must refund unused grant funds allocated by the Department. Funds that have already been expended must, if necessary, be recovered according to existing state law.

- <u>1-005.07</u> Evaluation of Applications: The Department must evaluate each application primarily on the basis of whether the need as stated by the applicant justifies the awarding of the grant. The Department must use the following minimum criteria:
  - 1. The extent to which the applicant addresses the primary purpose of the Homeless Shelter Assistance Trust Fund Act by assisting the alleviation of homelessness, by providing temporary and permanent shelters for homeless persons, by encouraging the development of projects which link housing assistance to programs promoting the concept of self-sufficiency, and by addressing the needs of migrant farm workers;
  - 2. The extent to which the applicant's implementation plan provides for adequate professional, non-professional, and volunteer staff to realize objectives;
  - The extent to which the applicant works closely with allied agencies and other groups serving the needs of the homeless, including participation in local and regional continuums of care;
  - 4. The extent to which the applicant can produce measurable, objective data to support that there is a need and that there is or will be community support, including participation in any homeless management information system data collection planning and implementation through continuums of care; and
  - 5. The extent to which the applicant has budgeted operations realistically and is attempting to obtain funds from other sources.

#### 1-006 Grant Awards

<u>1-006.01</u> Awarding of Grants: In making grants pursuant to the Homeless Shelter Assistance Trust Fund Act, the Department must consider but is not limited to the following factors:

- 1. The number of night-lodging units provided by the applicant as measured by the number of persons housed per night;
- 2. The number of meals provided by the applicant;
- 3. Other verifiable units of service provided by the applicant; and
- 4. The geographic distribution of funds, in order to serve the needs of the homeless throughout the entire state.

<u>1-006.01A</u> <u>Distribution of Funds</u>: The Department distributes funds through a formula process according to the population and resulting homeless needs of the state planning regions. A review panel recommends funding levels to the governor up to the total amount of each regional allocation. A more detailed allocation formula is written and reviewed yearly through the State Action Plan.

1-006.02 Grant Agreement: After the Department has approved funding for a grant, the Department and the applicant must execute a grant agreement. Execution of the agreement by the Department constitutes its approval of the grant as described in the approved application. Grants are governed by any applicable provision of state statutes in effect at the time of execution of the agreement and any statute or amendment to any statutes after the execution of the agreement. Any amendment to the agreement must be formally agreed to by both the Department and the grant recipient. The major points of the agreement are as follows:

- 1. The agreement must specify the grantee's obligations including the rules and regulations applicable to the conduct of a program under the Act, and any special terms and conditions to the program established by the Department.
- 2. The agreement will specify the overall funding approved and must contain an established budget for the program. The agreement must also specify the program; what is to be done; how the program will be accomplished; the applicant's responsibilities for program planning, accounting, auditing, and other similar matters.

<u>1-006.03</u> Amendment: At the discretion of the Department, grant agreements for approved grants may be amended to increase or decrease the scope of the grant, if funds are available. A grant amendment which involves a change in purpose or scope must be approved by the Department.

# CHAPTER 2-000 HOMELESS SHELTER ASSISTANCE TRUST FUND (HSATF)

<u>2-001</u> <u>Definitions</u>: For use within the Homeless Shelter Assistance Trust Fund, the following definition of terms will apply.

Advisory Committee: A committee established in Neb. Rev. Stat, section 68-1605, to advise and assist the Department in establishing criteria, priorities, and guidelines for eligibility requirements, application requirements and dates, public notification, monitoring, and adoption and promulgation of rules and regulations.

<u>Day Center</u>: Any facility in which the primary purpose is to provide temporary (less than 24 hours a day) shelter for the homeless or near homeless in general or for specific populations of the homeless.

Provided services may include but are not limited to laundry services and bathing facilities. A day center does not provide sleeping facilities.

#### Homeless Person: An individual who:

- 1. Lacks a fixed, regular, and adequate nighttime residence;
- 2. Has a primary nighttime residence that is:
  - a. A publicly supervised or privately operated shelter designed to provide temporary living accommodations (including a congregate shelter, a hotel or motel operated as a shelter, and transitional housing for the mentally ill);
  - b. An institution that provides a temporary residence for individuals intended to be institutionalized: or
  - A public or private place not designed for, or ordinarily used as, regular sleeping accommodations for human beings.

An individual in prison or detained pursuant to state or federal law is not considered a homeless person.

Near Homeless Person: An individual who is at risk of becoming homeless.

<u>Twenty-Four Hour Residential Housing</u>: An ongoing program that assists persons having special housing needs with access to lodging, meals, transportation, counseling, housekeeping, care management, and/or personal emergency response needs.

## 2-002 Purpose: The purpose of the HSATF is to:

- 1. Assist in the alleviation of homelessness;
- 2. Provide temporary and permanent shelters for homeless persons;
- 3. Encourage the development of projects which link housing assistance to programs promoting the concept of self-sufficiency;
- 4. Address the needs of the migrant farmworker; and
- 5. Aid in defraying the expenses of administering the Homeless Shelter Assistance Trust Fund Act.

- 2-003 Grantee Appeal Rights: An applicant or grant recipient may appeal the Department's action according to the Administrative Procedure Act (Chapter 84, Article 9) if the Department:
  - Does not select a grant applicant for funding:
  - Cancels a grant, requests the return of unused grant funds, or requires another 2. remedial action for failure to initiate a program in a reasonable period of time; or
  - Revokes funding commitments or seeks repayment of granted funds because of noncompliance.
- 2-004 Commitment of Funds: The Department needs to commit all funds available during a funding cycle. Any repaid funds may be reserved by the Department for the next funding cycle or for investment.
- 2-005 Set Aside of Emergency Discretionary Funds: The Department will set aside up to \$75,000 of the Homeless Shelter Assistance Trust Fund for investment in the Trust Fund by the state investment officer pursuant to Neb. Rev. Stat., sections 72-1237 to 72-1276. These funds will be used for emergency or for discretionary situations that occur outside of the annual HSATF program cycle related to the support of homeless and near homeless populations.
- 2-006 Organizations Eligible to Apply: Any community, neighborhood-based, housing assistance organization, institution, association, society, or corporation is eligible to apply for funding if it:
  - Provides temporary or permanent shelters for homeless persons; 1.
  - Encourages the development of projects which link housing assistance to programs promoting the concept of self-sufficiency;
  - Addresses the needs of the migrant farm worker:
  - Is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; or
  - 5. Provides residential housing for at least 8 hours of every 24-hour period, or serves as a day center for the homeless population.

#### 2-007 Eligible Program Costs: Costs which are eligible for payment under the program are:

- Client Services: Food, clothing, transportation, child care, medical assistance, medical and psychological counseling, substance abuse treatment and counseling, nutrition counseling, help in obtaining other assistance (federal, state, or local), staff salaries to provide the previously mentioned and case management services to homeless clients only.
- 2. Operations: The cost of grant administration up to five percent of the total grant amount. This includes rent, utilities, telephone, maintenance, office supplies, repairs, insurance, furniture and equipment, audits, security, and fuel.
- Homeless Prevention: Short-term subsidies to defray rent and utility arrearages when there is an eviction or utility shut off notice, security deposits or first-month's rent to assist the homeless in obtaining housing, legal representation in eviction proceedings, mediation programs for landlord/tenant disputes, payments to prevent mortgage foreclosure, and salaries to provide case management to near-homeless clients in order to prevent homelessness. When there is an unusual circumstance such as a natural disaster, funds may be considered for use for homeless prevention.

- 4. Rehabilitation: Labor, materials, tools and other costs of maintenance and/or improvement of homeless facilities, installation of security devices, improvements to increase energy efficiency, changes necessary to make a facility handicapped accessible.
- <u>2-008 Grantee Performance Requirements</u>: Grantees are expected to commence programs in a timely manner. Failure to initiate the program in a reasonable time period may be cause for termination or cancellation of the grant, return of unused grant funds at the time of termination, or remedial action on the part of the grantee.

Grant recipients must keep adequate records relating to the program, and all records must be retained in accordance with state laws. The Department may choose to verify the contents of successful applications and may conduct performance review monitoring and site visits. A site visit may include inspection of financial records, audits, forms used in the performance of the program, board meeting minutes, and other board records, etc.

<u>2-008.01</u> Noncompliance: The Department may revoke funding commitments or seek repayment of funds granted, or both, if:

- 1. The terms of the program agreement have not been or are not anticipated to be fulfilled.
- 2. The Department finds that the application contained inaccuracies, omissions, errors, or misrepresentations.
- 3. The time schedule for program completion was misrepresented or has not been maintained.
- 4. Any property, real or personal, acquired or developed with HSAT funds passes or diverts from control of the grantee or is used for purposes other than the approved program purpose, lawful or unlawful.
  - <u>2-008.01A</u> Time Period for Remittance of Misused Funds: The grantee has a period of one year after notification by the Department to remit unlawfully used funds.
- <u>2-008.02</u> Annual Grantee Report Requirement: The grantee must report on the status of all program activity according to the schedule and data requirements identified in the grant agreement. The report must include data that can be used to measure the success or failure of the program, anticipated problems, or other pertinent matters. The grantee may be subject to a program compliance review by a site visit by Department staff.
- <u>2-008.03</u> Returned Funds: Any returned funds resulting from repayment by the grantee must be deposited in the HSATF account from which they were originally portioned, or disposed of pursuant to state law in the event the program should lapse or terminate. Returned or unspent funds are reallocated according to the allocation formula used for discretionary funds.

<u>2-008.04</u> <u>Disposal of Land and Buildings</u>: Whenever the Department and the grantee mutually agree that facilities acquired or developed with HSAT funds are no longer of value for the program purposes, or that the grantee can show good cause why the land or building should no longer be used in accordance with the approved program purpose, the land or building may be disposed of with the Department's approval. The proceeds from the disposal must be returned to the HSATF account or an account as directed by state law.

<u>2-008.05</u> Ineligibility: If the Department determines at any time that a grantee is in violation of the provision of the rules or grantee agreement, the grantee is ineligible for further assistance for subsequent programs until the matter has been resolved to the satisfaction of the Department.

## CHAPTER 3-000 EMERGENCY SHELTER GRANTS PROGRAM

3-001 Scope: These regulations govern the grants made from the Emergency Shelter Grants Program (ESGP). The grants are used for:

- The rehabilitation or conversion of buildings for use as emergency shelter for the homeless:
- 2. The payment of certain operating expenses and essential services in connection with emergency shelters for the homeless; and
- 3. Homeless prevention activities.

The program is designed to be the first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness.

3-001.01 Definitions: For use within the Emergency Shelter Grants Program, the following definition of terms will apply.

Administrative Costs: The costs associated with accounting for the use of grant funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs. Administrative costs do not include the costs of carrying out eligible activities under 462 NAC 3-002.

Conversion: The change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after conversion.

Emergency Shelter: Any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.

Essential Services: Services concerned with employment, health, drug abuse, and education and may include (but are not limited to):

- 1. Assistance in obtaining permanent housing:
- Medical and psychological counseling and supervision; 2.
- Employment counseling; 3.
- Nutritional counseling:
- Substance abuse treatment and counseling:
- Assistance in obtaining other federal, state, or local assistance including mental health benefits, employment counseling, medical assistance, Veteran's benefits, and income support assistance such as Supplemental Security Income benefits, Aid to Dependent Children, General Assistance, and Food Stamps;

- 7. Other services such as child care, transportation, job placement and job training; and
- 8. Staff salaries necessary to provide the previously listed services.

<u>Homeless Prevention</u>: Activities or programs designed to prevent the incidence of homelessness, including but not limited to:

- 1. Short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices;
- 2. Security deposits or first month's rent to permit a homeless family to move into its own apartment;
- 3. Mediation programs for landlord-tenant disputes;
- 4. Legal services programs for the representation of indigent tenants in eviction proceedings;
- 5. Payments to prevent foreclosure on a home; and
- 6. Other innovative programs and activities designed to prevent the incidence of homelessness.

<u>Major Rehabilitation</u>: Rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

Operating Costs: Expenses incurred by a recipient operating a facility with respect to:

- 1. The administration, maintenance, repair, and security of housing; and
- 2. Utilities, fuels, furnishings, and equipment for the housing.

<u>Operations</u>: Maintenance, rent, food, repair, security, fuel, equipment, insurance, utilities and furnishings. Staff salaries for operations management are limited to ten percent of the grant.

<u>Rehabilitation</u>: The labor, materials, tools, and other costs of improving building, other than minor or routine repairs. The term includes where the use of a building is changed to an emergency shelter and the cost of this change and any rehabilitation costs do not exceed 75 percent of the value of the building before the change in use.

<u>Renovation</u>: Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

<u>Value of the Building</u>: The monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the state recipient.

<u>3-002 Eligible Activities</u>: Emergency shelter grant amounts may be used for one or more of the following activities:

- 1. Rehabilitation
  - a. Moderate rehabilitation of a building in which case the site must serve homeless persons for at least three years;
  - b. Major rehabilitation or conversion of a building to a shelter in which case the site must serve homeless persons for at least ten years;

Note: Property acquisition and new construction are ineligible ESG activities;

- Essential services, including supportive social services such as case management, counseling, health care, job training, education, and child care (limited to 30 percent of the grant except where HUD waives for good cause);
- 3. Operations; and
- 4. Homeless prevention.

<u>3-003</u> Who May Carry Out Eligible Activities: All of a state's formula allocation, except for administrative costs, must be made available to the following entities:

- 1. Units of general local government in the state, which may include formula cities and counties even if the cities and counties receive grant amounts directly from HUD; or
- 2. Private nonprofit organizations.

Tribal entities may apply directly to HUD for ESG funds and are therefore ineligible to apply from the state program, but may apply jointly with a unit of local government.

<u>3-004 Building Standards</u>: Any building for which emergency shelter grant amounts are used for conversion, major rehabilitation, rehabilitation, or renovation must meet local government safety and sanitation standards.

For projects of 15 or more units, when rehabilitation costs are:

- 1. Seventy-five percent or more of the replacement cost of the building, the project must:
  - a. Be designed and constructed to be readily accessible to and usable for individuals with handicaps;
  - b. Have a minimum of five percent of the total dwelling units or at least one unit in a multifamily housing project (whichever is greater) that is accessible for persons with mobility impairments. An additional two percent of the units (at least one unit) in the project must be accessible for persons with hearing or vision impairments.
- 2. Less than 75 percent of the replacement cost of the building, any alterations in a multifamily housing project must, to the maximum extent feasible, be made to be readily accessible to and usable by individuals with handicaps. A recipient is not required to make modifications for handicap-accessibility if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project.

## 3-005 Grant Administration:

<u>3-005.01 Method of Payment</u>: Payments are made to a grantee upon its request after the grant agreement has been fully executed, and may include a working capital advance for 30 days' cash needs or an advance of \$5,000 whichever is greater. Thereafter, the grantee will be reimbursed for the amount of its actual cash disbursement.

3-005.02 Records Retention: Grantees must retain records for five years.

<u>3-005.03 Sanctions</u>: If the Department determines that a grantee is not complying with the requirements of the program, the Department may, at its discretion, terminate the grant immediately upon written notice to the grantee. The Department may, at its discretion, contract for provision of the services required to complete the contract and hold the grantee liable for all expenses incurred in completing the project.

Any funds that become available due to a sanction will be redistributed according to the allocation plan.

<u>3-006</u> Consolidated Plan: The Department will include citizen participation and public involvement in preparation of the State Consolidated Plan.