

## **ELIGIBLE USES**

As stated in Health and Safety Code section 50220.7 (e), HHAP Round 3 funds must be expended on one or more of the following eligible uses:

1. Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.
2. Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.
3. Street outreach to assist persons experiencing homelessness to access permanent housing and services.
4. Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.
5. Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth.
6. Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions.
7. Prevention and shelter diversion to permanent housing, including rental subsidies.
8. Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing non-congregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:
  - a. The number of available shelter beds in the city, county, or region served by a continuum of care.
  - b. The number of people experiencing unsheltered homelessness in the homeless point-in-time count.
  - c. Shelter vacancy rate in the summer and winter months.
  - d. Percentage of exits from emergency shelters to permanent housing solutions.
  - e. A plan to connect residents to permanent housing.
  - f. Any new interim sheltering funded by round 3 funds must be low barrier, comply with Housing First, and prioritize interventions other than congregate shelters.
9. Improvements to existing emergency shelters to lower barriers and increase privacy.

## **YOUTH SET ASIDE**

Health and Safety Code section 50218.6(e) requires that a program recipient use at least 10 percent of its allocation for services for homeless youth populations, which are defined as unaccompanied youth who are between 12 and 24 years old and experiencing homelessness. Funds spent under this provision must still also comply with the eligible use requirements of Health and Safety Code section 50220.7(e).

## **ADMINISTRATIVE COSTS**

Health and Safety Code section 50220.7(f) mandates that grantees comply with the following:

No more than 7 percent of an applicant's Round 2 program allocation may be expended on administrative costs incurred by the city, county, or continuum of care to administer its program

allocation. "Administrative costs" do not include staff or other costs directly related to implementing activities funded by the program allocation.