

## CHAPTER 1. INTRODUCTION TO THE CHSP

## 1.1 BACKGROUND

## a. Program Objectives

The Congregate Housing Services Program (CHSP) provides funding for supportive services in certain projects assisted by HUD or Rural Housing Services (RHS), an agency of the U.S. Department of Agriculture. The CHSP program is designed to meet the needs of frail elderly, persons with disabilities (regardless of whether the person is elderly) or temporarily disabled who would otherwise be vulnerable to premature institutionalization.

CHSP can provide supportive services to current residents in eligible projects to enable them to remain, living independently, in their units for as long as possible. It can also be used to facilitate the deinstitutionalization of elderly and disabled individuals who are able to live in a supportive environment. The CHSP is intended to:

- (1) improve the capacity of owner/managers of assisted housing to assess the service needs of eligible residents, coordinate the provision of supportive services and ensure the long-term provision of such services;
- (2) through the provision of supportive services, provide a choice in supported living arrangements;
- (3) preserve the viability of existing affordable housing projects for older residents who are aging in place; and
- (4) develop partnerships among the federal, state, local and tribal governments and private housing providers of supportive services to effectively meet the needs of eligible residents.

## b. Authorization

The Congregate Housing Services Demonstration Program was first established as a demonstration program by the Congregate Housing Services Act of 1978 (42 U.S.C. 8001) and was converted to an ongoing program in 1987. Section 802 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8011)(Appendix 1) and Section 604 of the Housing and Community Development Act of 1992 provide the current authorization for the CHSP.

## 1.2 PROGRAM OVERVIEW

HUD and RHS administer the CHSP under a Common Rule - 24 CFR Part

700 for HUD and 7 CFR Part 1944 for RHS (Appendix 2). Assistance is provided through five-year, renewable congregate service grants.

a. Eligible Applicants/Grantees

HUD and RHS enter into grants with states, units of general local government, Indian tribes and local nonprofit organizations, including Public and Indian housing agencies (PHA/IHAs).

- (1) Owners of eligible nonprofit housing can only enter into contracts on their own behalf.
- (2) States, units of general local government and Indian tribes may enter into contracts on behalf of eligible project owners (whether for-profit or nonprofit).
- (3) For-profit owners of eligible housing may not apply directly for CHSP funds.

b. Eligible Housing

Eligible housing for the elderly includes eligible projects (listed below), or buildings within eligible mixed-use projects, that were designated for occupancy by the elderly or persons with disabilities at inception. It also includes eligible projects or buildings within eligible mixed-use projects, for which the eligible grantee gives preference in tenant selection, with HUD approval, to eligible elderly persons, persons with disabilities, or temporarily disabled individuals (24 CFR 700.105 or 7 CFR 1944.252).

Eligible housing includes projects that serve (1) all or primarily elderly persons, or (2) non-elderly, persons with disabilities, under the following programs:

- (1) Public Housing as defined in (Section 3(b) of the U.S. Housing Act of 1937);
- (2) Indian Housing (Title 11 of the U.S. Housing Act of 1937);
- (3) Projects assisted under Section 8 (d)(2) and 8 (b)(2) of the U.S. Housing Act of 1937; as that section existed before October 1, 1983.
- (4) Housing for the Elderly and Handicapped assisted under Section 202 of the Housing Act of 1959;

- (5) Mortgage Insurance and Interest Supplements for Rental Housing for Moderate-Income Families, including projects designated for the elderly (Section 221 (d) or Section 236 of the National Housing Act);

- (6) Rural Rental Housing Loans (Section 515 of the Housing Act of 1949); and
- (7) Loans or Loans/Grants for Low-Rent Housing (Section 514 or 516 of the Housing Act of 1949).

Not included in the definition of "eligible housing for the elderly" are projects assisted under the Low-Rent Housing Homeownership Opportunity Program (Turnkey III, 24 CFR Part 905, Subpart G).

c. Qualifying Supportive Services

Types of new or significantly expanded supportive services that qualify for funding under the CHSP include, but are not limited to:

- (1) case management/service coordination,
- (2) meal service,
- (3) housekeeping aid,
- (4) personal care,
- (5) services for transportation,
- (6) preventive health care services,
- (7) non-medical adult day care, and
- (8) personal emergency response systems.

In addition, other requested supportive services may be approved by the Secretary of HUD or the Secretary of Agriculture. (See Paragraph 2.12 below for more information regarding each type of qualifying supportive service.)

d. Eligible Project Residents

Eligible residents are persons residing in eligible housing projects who are frail elderly, temporarily disabled elderly or residents who are individuals with disabilities (elderly or non-elderly).

e. Funding and Cost Sharing

The CHSP requires both grantees and program participants to share service costs. CHSP funds generally can be used to pay for up to 40 percent of total program costs. A third party, generally the owner/grantee, must contribute matching resources that cover at

least 50 percent of the total program costs. At least ten percent of total program costs must be paid from fees collected from participants. In cases in which participants cannot pay the fees and fees are waived by HUD, any deficit is shared equally by the grantee (or a third party) and the CHSP.

f. Grant/Program Administration

The CHSP Grant Officer is the person authorized by HUD to execute and administer CHSP grants. The Grant Officer is the Director of Housing or the Director of Multifamily Housing in the HUD state or area office. THIS RESPONSIBILITY MAY BE DELEGATED TO AN INDIVIDUAL ACTING ON HIS OR HER BEHALF, BUT IT MAY NOT BE DELEGATED TO STAFF OUTSIDE THE MULTIFAMILY HOUSING DIVISION.

Grant Officers, or appropriate Multifamily or Public Housing supervisory staff, designate Government Technical Representatives (GTR) and Government Technical Monitors (GTM) who are responsible for the technical administration of the grant, the evaluation of performance under the grant, the acceptance of reports and other specific responsibilities. Paragraph 1.3 below provides more information regarding designation of GTRs and their responsibilities under the CHSP.

### 1.3 PROCESS OVERVIEW

#### a. Applications for Funding - Submission, Review and Selection

A Notification of Funding Availability (NOFA) is published in the Federal Register when approved. The NOFA announces:

- (1) the amount of funding available;
- (2) the submission requirements; and
- (3) the process for the selection of grantees.

#### b. Designation of GTR/GTM

Every CHSP grant has a designated GTR, but a GTR may be assigned to work with more than one CHSP grantee. The HUD or RHS official who designates the GTRs and GTMs depends on the program area of the CHSP project. Paragraph 4.2 below describes the GTR/GTM designation process.

#### c. Grant Execution

Approval and execution of all grant documents is performed by the HUD Grant Officer. The grant award agreement is effective when it is signed by both the grantee and the Grant Officer.

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#### d. Implementation Activities

- (1) Grantee Responsibilities. During the project start-up period, CHSP grantees participate in a start-up conference with HUD/RHS staff; hire a service coordinator and other staff, as necessary; appoint the professional assessment committee (PAC); complete required applications and requests (see Appendix 6 for list); and set up a recordkeeping system.

Once the project is underway, grantees screen applicants

and select program participants and contract for services.

- (2) GTR/GTM responsibilities. CHSP GTRs are responsible for organizing and holding a start-up conference with the grantees and project owners within 30 days of grant execution. Both Grant Officers and HUD/RHS GTRs are responsible for setting up a record-keeping system.

e. Ongoing Activities

- (1) Grantee Responsibilities. CHSP grantees use the Line of Credit Control System (LOCCS) to obtain the grant funds. CHSP grantees must submit semi-annual financial reports and annual performance reports to the GTR/GTM.

In cases where grantees are states, Indian tribes, or units of general local government and have more than one project, the grantees may be delegated the responsibility for reviewing and monitoring project activities and reporting findings to the GTR/GTM.

- (2) GTR/GTM responsibilities. GTRs/GTMs are responsible for: reviewing financial and annual reports submitted by grantees; monitoring grantee drawdown of funds using the Line of Credit Control System (LOCCS); performing on-site monitoring of grantee performance under the CHSP as approved; providing technical assistance and training to managers of housing projects with CHSP grants and other office staff; processing budgets and amendment requests; and closing out grants at the end of the performance period.

#### 1.4 HANDBOOK APPLICABILITY AND ORGANIZATION

This handbook is to be used as a guide to the CHSP program for HUD and RHS staff and CHSP grantees.

- o Chapter 2: Key Program Components describes key elements of the CHSP program in more detail.

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- o Chapter 3: Application Procedures is reserved. Information regarding the CHSP application and selection process is published in the annual NOFA.
- o Chapter 4: Pre-Award Procedures, Program Implementation and Operation includes a brief description of the grant execution process and the designation of GTRs and GTMS. This chapter describes implementation of the CHSP, including start-up activities, the establishment of a record-keeping system and reporting requirements for grantees.
- o Chapter 5: Using LOCCS/BLI describes the computer system used by CHSP grantees to draw down grant funds and the

responsibilities of both GTRs and grantees for establishing accounts and using the system.

- o Chapter 6: On-Site Monitoring discusses the on-site monitoring process for both CHSP grantees and HUD GTRs/GTMs, including the schedule and scope of monitoring activities, conducting on-site monitoring, assessing compliance, and determining corrective measures and sanctions, if necessary.
- o Chapter 7: CHSP Grant Amendments and Extensions focuses on the process of modifying or amending a CHSP grant and the process of extending CHSP grants for one or more years.
- o Chapter 8: CHSP Grant Close-Outs and Terminations describes the process for closing out a CHSP grant and for performing voluntary terminations and other terminations and recaptures of CHSP grants.

#### 1.5 OTHER REFERENCES

##### a. OMB Circulars

Several Circulars issued by the Office of Management and Budget (OMB) describe requirements for recipients of federal funds. A number of these circulars are applicable to eligible owners and grantees who receive CHSP funds.

Exhibit 1-1 lists the OMB circulars and indicates their applicability and subject matter. Also listed in Exhibit 1-1 are relevant sections on grant administration in the Code of Federal

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Regulations (CFR). To obtain single copies of OMB Circulars write or call:

EOP Publication Services  
Room 2200, New Executive Office Building  
725 17th Street, N.W.  
Washington, D.C. 20503  
(202) 395-7332

##### b. Other Useful References

Other useful references include:

- (1) Line of Credit Control System (LOCCS) Ucer Guide. To obtain a copy call Office of Finance and Accounting Systems Division at (202) 708-0143.
- (2) Government Technical Representative Handbook 2210.13 REV-3. To obtain a copy call 1-800-767-7468.

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## Exhibit 1-1

## OMB CIRCULARS AND RELATED CHSP REFERENCE MATERIALS

TITLE	TYPE OF GRANTEE	DESCRIPTION
Cost Principles		
1. OMB Circular A-87: "Cost Principles for State and Local Governments."	STATES, LOCAL GOVERNMENTS AND INDIAN TRIBES	This Circular sets forth determining the allowable costs of programs administered by state or local governments or Indian tribes that receive grants and contracts from federal agencies. The principles are for the purpose of cost determination. They are designed to provide that federally-assisted programs bear their fair share of costs recognized under these principles.
2. OMB Circular A-122: "Cost Principles for Nonprofit Organizations."	NONPROFIT ORGANIZATIONS	This Circular sets forth principles to be used to determine allowable costs of grants, contracts and other agreements made with nonprofit organizations. The principles are designed to provide that the federal government bear its fair share of costs.
Grant Administration		
1. 24 CFR part 85: "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally	STATES, LOCAL GOVERNMENTS AND INDIAN TRIBES	This part establishes uniform administrative rules for federal grants and cooperative agreements and for subawards to state, local and Indian

Recognized Indian Tribal Governments"

tribal governments.

2. 24 CFR Part 84 (Revised OMB Circular A-110): "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Orgnaizations

NONPROFIT ORGANIZATIONS

This part sets forth standards for obtaining consistency and uniformity among federal agencies, in the administration of grants to and agreements with public and private institutions of higher education, hospitals, and quasi-public and private nonprofit organizations.

#### Audit Requirements

1. OMB Circular A-128: "Audits of State and local Governments"

STATES, LOCAL GOVERNMENTS AND INDIAN TRIBES

This Circular was developed pursuant to the Single Audit Act of 1984 (P.L 98-502). It establishes audit requirements for state and local governments that receive federal aid and defines federal responsibilities for implementing and monitoring those requirements.

2. OMB Circular A-133: "Audits of Institutions of Higher Education and Other Nonprofit Organizations"

NONPROFIT ORGANIZATIONS

This Circular provides policy guidance to federal agencies for establishing uniform requirements for audits of awards provided to Institutions of higher education and other nonprofit organizations. It promotes the effective and efficient use of audit services. OMB's audit policy is set forth in this document.