

## CHAPTER 11

### SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY (SRO) PROGRAM FOR HOMELESS INDIVIDUALS

11-1 APPLICABILITY. This Chapter provides guidance for conducting monitoring of the Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals (SRO). The direct role of CPD Field Office staff in the administration of the program extends from award through technical submission approval, with limited additional involvement in programmatic areas unique to the homeless nature of the population served. Use of the project monitoring Exhibits is mandatory when reviewing the SRO program. The SRO Program provides Section 8 rental assistance in conjunction with the moderate rehabilitation of buildings with single room dwellings, designed for the use of an individual, that may or may not contain food preparation or sanitary facilities. A public housing authority makes Section 8 rental assistance payments to the landlords for the homeless people who rent the rehabilitated units. Rental assistance for SRO units is provided for an initial period of 10 years under a Housing Assistance Payments (HAP) contract. Public housing agencies and private nonprofit organizations may apply. Nonprofit organizations must subcontract with public housing agencies to administer the rental assistance. For purposes of this Chapter, the term “grantee” means the applicant which applied for, and was awarded, SRO funding. “Participant” means the homeless person who occupies the assisted SRO unit.

11-2 PREPARING FOR MONITORING. The specific SRO program areas or requirements to be monitored are determined as part of the risk assessment process (see additional guidance provided in Chapter 2). Before monitoring, the reviewer should be familiar with both the SRO program requirements and the design and operation of the grantee’s SRO program, particularly those areas that have been identified as high risk or that are the subject of the monitoring. Whether monitoring on-site or assembling materials for a remote monitoring, HUD reviewers will need specific items to successfully monitor a grantee’s SRO Program.

Resources required for monitoring include:

- authorizing legislation, Title IV, Subtitle E of the McKinney-Vento Homeless Assistance Act (42 USC Subtitle E);
- the program regulations at 24 CFR 882, Subpart H;
- the Notice of Funding Availability (NOFA) under which the grantee being monitored was awarded the funds;
- the grantee’s approved application;
- the grantee’s approved Technical Submission; and
- the Housing Assistance Payments (HAP) contract, including any amendments.

To ensure that the time available for monitoring is used efficiently, the reviewer may want to collect and review additional information about the grantee and its administration of the program before beginning the review. This is particularly important if the reviewer has limited experience with the SRO program, has recently been assigned the participant to be monitored, the monitoring will be conducted remotely, or the subject area to be reviewed either appears to pose a risk or has not been monitored by the HUD Field Office in the past.

11-3 FILE SELECTION AND SAMPLING. As described in Chapter 2, the risk analysis process will be used to determine which grantees and areas should be reviewed. Once that process has been completed, where it is indicated that a file review is necessary to answer Exhibit questions, the HUD reviewer should consider the following factors when determining the specific files that would comprise the review sample:

- A. Where feasible, initial file selection should be made using a random selection method.
- B. The reviewer would consider adding more files to this selection in order to:
  - i. Include a file or files from each staff person working in the respective program area being monitored;
  - ii. Expand the sample, if possible, to include additional files with the same characteristics, if indicated by the severity or nature of any problems(s) noted during the initial selection's review (for example, same problem category, same staff person, same activities or other characteristics).

This expanded sampling aids in determining whether problems are isolated events or represent a systemic problem.

- C. The reviewer may also add files to the selection from any project that the HUD reviewer has reason to believe may have compliance problems or that is substantially different in terms of size, complexity, or other factors from other projects the grantee has undertaken.