



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

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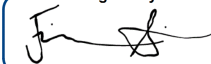
JOYCE MASSEY-SMITH • Director
Division of Aging and Adult Services

DA ADMINISTRATIVE LETTER NO 24-01; CHANGE NOTICE 02

TO: Area Agency on Aging Directors

FROM: Jill Simmerman Lawrence, Deputy Director

DATE: October 1, 2024

DocuSigned by:

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**SUBJECT: State Fiscal Recovery Fund (SFRF) Housing and Home Improvement (HHI) –
“Choosing Home”**

Division of Aging's Administrative Letter No. 24-01 issued on Feb. 16, 2024, provided guidance for “Choosing Home” Housing and Home improvement program funded under the State Fiscal Recovery Fund (SFRF). The purpose of this Change Notice is to update the guidance provided. Updates are provided in underlined, italicized, and red text. Text that is red and struck through are deletions. Changes for the Administrative Letter and Attachment B are included here.

The American Rescue Plan Act (ARPA) was enacted on March 11, 2021, to address the impact of COVID-19 on the economy, public health, state/local governments, individuals, and businesses. It provided \$5.4 billion to North Carolina in State Fiscal Recovery Funds (SFRF) to lay the foundation for a strong and equitable recovery. The NC Pandemic Recovery Office (NCPRO) is responsible for overseeing and monitoring the use of the SFRF as well as reporting to the U.S. Treasury on behalf of state agencies.

Under Session Law 2021-180, Section 9A.4, the N.C. General Assembly appropriated fifteen million dollars (\$15,000,000) in nonrecurring funds to the Department of Health and Human Services, Division of Aging and Adult Services, for rapid rehousing services to assist individuals and families at risk of homelessness due to the COVID-19 public health emergency. The funds may be used to provide financial assistance to eligible individuals and families and cover the cost of acute needs for securing housing to prevent homelessness or for home improvements and home repairs that allow vulnerable seniors aged 60 and older to remain in home-based living arrangements rather than congregate care settings.

Of the fifteen million dollars allocated in Session Law 2021-180, DHHS directed \$5,471,247 to the N.C. Office of Recovery and Resiliency to operate the Back@Home Balance of State rehousing program. Of the remaining funds, DAAS has budgeted \$3,837,939 for the SFRF Rapid Rehousing project to be administered by the Emergency Solutions Grant office within DAAS and \$3,837,939 for the Housing and Home Improvement project to be administered by NC Area Agencies on Aging. Per legislative restrictions, \$852,875 (10%) has been budgeted for overall administration of each component.

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This administrative letter focuses on the SFRF funds that will be administered by NC Area Agencies on Aging (AAAs) to support the housing needs of vulnerable older adults aged 60 and over. **AAAs that plan to participate shall submit an application for funding (see Attachment A) by March 18, 2024. [Note: applications are closed.]** It is anticipated that Notification of Grant Awards will be issued ~~by May~~ in September 2024. Awards to participating AAAs will be based on the Intrastate Funding Formula (IFF), and there will be no local match requirement. Funds allocated under the State Fiscal Recovery Fund Housing and Home Improvement (SFRF HHI) program may be used to provide services between the date ~~of contract execution~~ of July 1, 2024 and December 31, 2026. ~~For services provided between July 1, 2024 and the execution of the NGA contract valid documentation must be provided to the Division of Aging before reimbursement. Once approved, AAAs will be authorized to enter these services in ARMS for reimbursement per the tracking and reporting instructions outlined below.~~

SFRF funds will not be included in the county planning process required for certain funding administered by NC Area Agencies on Aging. However, DAAS strongly encourages communication about SFRF funds among AAAs, local providers, and their county planning committees. An additional difference from other Housing and Home Improvement funding administered by AAAs is that there will be no requirement for the solicitation of consumer contributions under the SFRF HHI program.

AAAs may administer and implement this program in-house or may subcontract SFRF HHI funding. AAAs may use any existing methodologies they have for obtaining contractors and vendors to provide allowable repairs and home improvements. Subcontracts must incorporate the requirements of this administrative letter as appropriate. The bid specifications for each procurement process should detail the types of repairs, improvements, related costs, or financial assistance payments allowed under the program, including spending limits and documentation required. The AAA may choose to focus on one or more allowable program priorities. Area Plan priorities and priorities identified for other community needs should guide these decisions.

Expenditures will be tracked and reported separately using new ARMS codes for SFRF Housing and Home Improvement services as detailed below and in Attachment B. Additional service outcome tracking will be collected using Excel tracking spreadsheets.

Eligible older adults and their families may receive up to \$20,000 in SFRF HHI services across all categories of allowable expenditures identified in Attachment B.

To assure appropriate use of funding as intended by Congress and address the continued impact of COVID-19 on disproportionately impacted households (those with low or moderate incomes or experiencing unemployment who qualify for Medicaid, TANF, or other specified federal benefits), AAAs are expected to partner with and accept applications for services from local Departments of Social Services (DSS) and local Community Action Agencies (CAA), in addition to applications taken directly or through funded service providers.

AAAs and subcontracted providers will follow service standards for Housing and Home Improvement funded by the Home and Community Care Block Grant, except as follows:

1. Eligible older adults and their families do not have to live in counties funded for HCCBG HHI.
2. No waiver requests or approvals will be allowed to modify the SFRF allowable expenditures as outlined in Attachment B.
3. Certain prohibited activities under the HCCBG HHI program, i.e., rent, utility bills, security deposits, and taxes, are allowable under SFRF HHI as outlined in Attachment B.

4. The 20% cap on HCCBG expenditures for basic household furnishings and home appliances is not applicable to SFRF HHI services.
5. As noted above, there is no requirement to solicit consumer contributions for SFRF HHI.

Tracking and Reporting Requirements

SFRF clients will be registered in ARMS using the DAAS-101 Client Registration Form. Providers will enter the same client information required for Housing and Home Improvement Services funded by the Home and Community Care Block Grant.

Data collected through ARMS will be made available through a series of standard reports. Although additional data will be available, Key Performance Indicators for the project will include (1) number of households assisted through payments, repairs, and home improvements and (2) number of payments, repairs, or improvements provided. Both measures will be disaggregated by gender, age, ~~household size~~ household status (e.g., lives alone or lives with others), functional status/risk level, race/ethnicity, language preference, income above or at/below Federal Poverty Level, region, county, and provider. Certain outcome measures, e.g., households prevented from experiencing out-of-home placement or loss of housing, will be collected through the use of Excel tracking spreadsheets.

ARMS Service Codes for Tracking Allocations and Expenditures

SFRF HHI allocations in ARMS will use the following service codes for reporting non-unit reimbursement requests on a monthly basis. See Attachment B for more information about allowable expenditures under each service code. Eligible older adults may receive up to \$20,000 in SFRF HHI services across all categories of allowable expenditures, but see Att. B for any limitations indicated for specific expenditure categories.

SERVICE CODE	TITLE	DESCRIPTION	MAX
640	SFRF Housing and Home Improvement	Home improvements and repairs necessary for eligible older adults aged 60 and older to remain in their homes.	Months: 12 Units: n/a
650	SFRF Housing and Home Improvement Financial Assistance	Financial assistance to eligible individuals aged 60 and over and their families to cover the cost of acute needs.	Months: see Att. B Units: n/a
660	SFRF Housing and Home Improvement Non-Client Expenses	Staffing costs and mileage for direct service providers related to the provision of SFRF HHI services	Months: n/a Units: n/a

SERVICE CODE	TITLE	DESCRIPTION	MAX
<u>670</u>	<u>Administrative Costs</u>	<u>Reasonable, customary, and justifiable expenses for agency overhead during the project period not to exceed the capped amount per AAA region</u>	<u>Months: 12</u> <u>Units: N/A</u>

The following Site-Route-Worker (S/R/W) codes will be used to report types of SFRF HHI assistance provided by client. Although the S/R/W codes outlined below for SFRF HHI are different from the SRW codes for HCCBG HHI, the reporting requirements are the same.

SRW Code	Type of Assistance	Service Title
641	Security enhancements	SFRF Housing and Home Improvement
642	Minor home repairs	
643	Mobility and accessibility improvements	
644	Basic household furnishings and home appliance repair, replacement, or purchase	
645	Major repairs and improvements	
651	<u>Rental</u> security deposit	SFRF Housing and Home Improvement Financial Assistance
652	Rent/mortgage arrears/ <u>assistance</u>	
653	Utility arrears/assistance	
654	Utility deposit/reconnection fee	
655	Landlord incentives	
656	Pet deposit	
657	Hotel/motel	
658	Property tax	
659	Transportation	
661	Staffing – direct service providers	SFRF Housing and Home Improvement Non-Client Expenses
662	Mileage – direct service providers	

Changes to Attachment B include the following adjustments:

A. SFRF SERVICE CODE 640 – ALLOWABLE HOUSING REPAIRS AND HOME IMPROVEMENT EXPENSES

1. Adjustments were made to which items were included in each category. Please review the updated Attachment B. Updates are not highlighted in red text in Attachment B.
2. Addition of the following types of repairs and improvements to the following reimbursable expenses categories:

- **Minor home repairs:** ceiling repairs, insulation, exterior siding repairs, electrical work, plumbing, well pump or water main, sump pump (installation and repairs); mold remediation; targeted treatment for common pest control of bed bugs, termites, and rodents.
- **Mobility and accessibility improvements:** sidewalk repair; installation/repair of interior or exterior steps or stairs and handrails, including wood or concrete
- **Major repairs and improvements:** Tree removal for danger of falling on house; mold remediation, targeted treatments for common pest control, ~~exterior siding damaged or missing leaving the home open to infestation of bees, and deterioration of inner structure.~~

(Note that the following repairs and improvements have been moved from Major Repairs to other categories: repair of ceilings and decks (replacement of ceiling/decks remains in Major Home Repairs), interior/exterior steps or stairs and handrails, electrical work, insulation, plumbing, well pump or water main.)

3. Deletion of the requirement that the AAAs must first utilize insurance available; payment of insurance deductibles is allowed for allowable housing repairs and home improvement expenses.
4. Clarified that deposits and initial payments are allowed.

B. SFRF SERVICE CODE 650 – FINANCIAL ASSISTANCE

1. Security Deposit was updated to clarify that this item is a Rental Security Deposit not to exceed two months of rent.
2. Assistance added to Rental/Mortgage Arrears to support someone becoming housed
3. Clarified payment should be made to vendors.

C. Addition of IV. SFRF SERVICE CODE 670 – ADMINISTRATIVE EXPENSES to track capped administrative expenditures

All of the changes outlined above are reflected in the updated Attachment B attached.

Should you have any questions or need additional guidance regarding the contents of this letter, please contact ~~me at~~ Joyce.Massey-smith@dhhs.nc.gov or 919-855-3401 and Jill Simmerman Lawrence at Jill.Simmerman@dhhs.nc.gov or 919-631-7945.

ATTACHMENT A – CHANGE NOTICE
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APPLICATIONS CLOSED



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ATTACHMENT B – Change Notice

State Fiscal Recovery Funds (SFRF) – Housing and Home Improvement (HHI) – List of Reimbursable Expenses

Note: Eligible older adults and their families may receive up to \$20,000 in SFRF HHI benefits across all categories of allowable expenditures. There may be limits on individual types of assistance as outlined below.

All services provided must be supported by documentation, e.g., estimates, invoices, copies of method of payment, and other confirmation of services provided.

I. SFRF SERVICE CODE 640 – ALLOWABLE HOUSING REPAIRS AND HOME IMPROVEMENT EXPENSES

Reimbursable Expense Categories	Types of repairs and improvements	Limits and Notes
Security enhancements	<ul style="list-style-type: none">• Doorknobs, installed with reliable lock and key and/or dead bolts• Windows fitted with reliable locks• Emergency response systems installed• Smoke detectors, radon, carbon monoxide and other gas detectors installed	<ul style="list-style-type: none">• Repairs to existing locks allowed where appropriate• Maintenance for emergency response systems and detectors limited to 12 months• Deposits or initial payments are allowable.
Minor home repairs	<ul style="list-style-type: none">• Repair or replacement of primary bathroom sink, shower/tub, or commode (includes faucets for sinks, tubs, and showers)• Repair or replacement of kitchen sink (includes faucets/sprayers/water lines/drains)• Doorways widened, frames repairs• Floors, walls, or ceilings repairs (includes molding)• Insulation• Doors or windows repaired or replaced	<ul style="list-style-type: none">• Plumbing and/or repairs to existing plumbing to connect allowable repairs is an allowable expense• Deposits or initial payments are allowable.

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Reimbursable Expense Categories	Types of repairs and improvements	Limits and Notes
	<ul style="list-style-type: none"> • Shingles, rain strips, valley, vent and skylight flashing, and roofing felt replaced • Waterproofing of home foundation to address health and safety needs • Replace damaged or missing exterior siding. • Electrical work (general repair/improvement or health-related upgrade) • Plumbing (general repair/improvement) • Well pump or water main (includes meter, hook-up to public water system, whole-house filter) • Sump pump (installation/repair) 	
Mobility and accessibility improvements	<ul style="list-style-type: none"> • Installation of accessible shower, tub, or commode • Grab bar or handrail installation with solid blocking as needed • Thresholds modified • Ramps built and installed within or adjacent to the home • Wheelchair lifts and stair lifts • Repair of a porch or deck to address safe access • Sidewalk repair • Installation/repair of interior or exterior steps (includes wood/concrete) or stairs and handrails 	<ul style="list-style-type: none"> • Wheelchair and stair lifts must be prescribed by physician • Maintenance for lift systems limited to 12 months • Deposits or initial payments are allowable.
Basic household furnishings and home appliance repair, replacement or purchase	<ul style="list-style-type: none"> • Chair(s) • Stove • Bed/mattress/box springs • Hot water heater • Refrigerator • Washing machine, clothes dryer • Heating or cooling unit (including whole house systems) 	<ul style="list-style-type: none"> • Connectors, plumbing, electrical wiring and connections, cement slabs necessary for installation and operation are covered expenses • Deposits or initial payments are allowable.
Major repairs and improvements	<ul style="list-style-type: none"> • Driveway repair (mobility need-related) • Roof replacement (includes all components) • Replace ceilings(s) • Replace deck or porch • Well replacement • Repair or replacement of septic systems 	<ul style="list-style-type: none"> • Deposits or initial payments are allowable.

Reimbursable Expense Categories	Types of repairs and improvements	Limits and Notes
	<ul style="list-style-type: none"> • Tree removal for home safety • Mold remediation • Targeted treatments for common pest control of bed bugs, termites, and rodents 	

II. SFRF SERVICE CODE 650 – FINANCIAL ASSISTANCE

Reimbursable Expense	Pre-Approved Payment Caps and Utility Allowances	Supporting Documentation Requirements	Notes
Rental Security Deposit	<ul style="list-style-type: none"> • Not to exceed two months of rent 	<ul style="list-style-type: none"> • Documentation of amount owed • Copy of payment method/check 	<ul style="list-style-type: none"> • Allowable only in connection with expenses necessary for recipient to remain in their home or become housed. • Payments should be made to the vendor.
Rent /Mortgage Arrears /Assistance	<ul style="list-style-type: none"> • Not to exceed three months 	<ul style="list-style-type: none"> • Statement of amount in arrears • Copy of payment method/check 	<ul style="list-style-type: none"> • Allowable only in connection with expenses necessary for recipient to remain in their home or become housed. • Canceled checks and other documentation must be kept on file in case of audit. • Payments should be made to the vendor.
Utility Arrears /Assistance	<ul style="list-style-type: none"> • Not to exceed three months 	<ul style="list-style-type: none"> • Documentation of amount owed • Copy of payment method/check 	<ul style="list-style-type: none"> • Allowable only in connection with expenses necessary for recipient to remain in their home or become housed. • Canceled checks and other documentation must be kept on file in case of audit. • Payments should be made to the vendor.
Utility Deposit/ Reconnection fee		<ul style="list-style-type: none"> • Invoice, bill, letter from utility company • Copy of payment method/check 	<ul style="list-style-type: none"> • Allowable only for initial service connection or reconnection such that payment necessary for recipient to remain in their home may be made • If receipt does not specify payment is for a deposit, provide a note to file stating as such. • Payments should be made to the vendor.

Reimbursable Expense	Pre-Approved Payment Caps and Utility Allowances	Supporting Documentation Requirements	Notes
Landlord Incentives	<ul style="list-style-type: none"> • Cleaning/maintenance • Damage repairs • Limited to three times the monthly rent in total incentives per household 	<ul style="list-style-type: none"> • Invoice, bill, or other documentation noting the amount of signing bonus • Copy of payment method/check • Signed assurance from landlord that eviction will not be sought and lease will not be terminated for a period of at least one year 	<ul style="list-style-type: none"> • Cleaning/maintenance allowed for the unit and appliances in the unit • Damage repairs allowable if cost exceeds the amount paid for security deposit • Damage repairs allowable only to salvage tenancy and avoid eviction/move-out • Payments should be made to the vendor.
Pet Deposit	<ul style="list-style-type: none"> • \$250 per pet • 2 pet limit 	<ul style="list-style-type: none"> • Executed lease with pet deposit amount • Copy of payment method/check 	<ul style="list-style-type: none"> • Payments should be made to the vendor.
Hotel/Motel	<ul style="list-style-type: none"> • No appropriate emergency shelter is available • \$7,500 limit 	<ul style="list-style-type: none"> • Copy of receipt/bill • Copy of payment method/check • Copy of schedule of repairs and estimated days to accomplish 	<ul style="list-style-type: none"> • Must be receiving Housing & Home Improvement assistance • Limited to the total number of nights the home must be vacated to effect major repairs or the assistance cap, whichever is less • Payments should be made directly to the hotel/motel.
Property Tax	<ul style="list-style-type: none"> • Payment of local and county property tax in arrears or current year 	<ul style="list-style-type: none"> • Copy of bill(s) • Copy of payment method/check • Documentation of income/economic need 	<ul style="list-style-type: none"> • Assistance limited to two years in arrears and/or current year • Payments should be made to the government entity or the government's designated entity.
Transportation	<ul style="list-style-type: none"> • \$500 cap per household • Can be multiple expenditures that add up to cap 	<ul style="list-style-type: none"> • Copy of receipt(s)/bill(s)/invoice(s) • Copy of payment method/check 	<ul style="list-style-type: none"> • Transportation over the \$500 cap must be pre-approved by Division of Aging • Transportation must be necessary in connection with Housing & Home Improvement services provided to the household • Must be used for transportation within NC DHHS policy guidance.

III. SFRF SERVICE CODE 660 - DIRECT SERVICE STAFFING AND NON-CLIENT RELATED EXPENSES

SFRF Housing and Home Improvement Services includes staffing costs for direct services providers.

Reimbursable Expense	Supporting Documentation Requirements	Notes
Staffing – direct service providers	<ul style="list-style-type: none"> • Paystubs • Timesheets 	<ul style="list-style-type: none"> • Costs must be included in estimate and itemized on invoice
Mileage – direct service providers	<ul style="list-style-type: none"> • ESG mileage log or other type of mileage documentation • Copy of payment method/check 	<ul style="list-style-type: none"> • Costs must be included in estimate and itemized on invoice

IV. SFRF SERVICE CODE 670 – ADMINISTRATIVE EXPENSES

Overhead expenses that enable the administration of the SFRF Housing and Home Improvement Services.

Reimbursable Expense	Preapproved Cap	Notes
Administrative costs	<ul style="list-style-type: none"> • Costs may not exceed the capped amount per AAA region 	<ul style="list-style-type: none"> • Reasonable, customary, and justifiable expenses for agency overhead during the project period