

FY 2026 Continuum of Care Competition and Youth Homelessness Demonstration Program Grants NOFO

Special YHDP Activities

YHDP Renewal and YHDP Replacement including YHDP Reallocation projects may submit applications that include the following special YHDP activities, which are ineligible under the CoC Program, subject to the conditions specified in this section:

- a. Recipients may carry out the activities below with written notice to the Director of HUD's Office of Special Needs Assistance Programs (SNAPS), subject to the requirements governing grant agreement amendments at 24 CFR 578.105. HUD will consider the inclusion of these activities in the project application as notification to the Director of SNAPS.
 - 1) Housing projects may have leases for a minimum term of 1 month plus 1 day under rental assistance budget line items.
 - 2) Projects may use leasing, sponsor-based rental assistance, and project-based rental assistance in RRH projects.
 - 3) In addition to the eligible costs listed in 24 CFR 578.59(a), recipients may use project administration funds to support costs of involving youth with lived experience in project implementation, execution, and improvement.
 - 4) Recipient may use project administrative funds to attend conferences and trainings that are not HUD-sponsored or HUD-approved, provided that the subject matter is relevant to youth homelessness.
 - 5) Projects may employ youth who are receiving services, or housing assistance, from the recipient organization. Recipients that use this special YHDP activity must maintain documentation that discloses the nature of work that the youth performs, and that the youth is not in a position that creates a conflict of interest.
 - 6) Recipients of YHDP may utilize the following housing standards for transitional housing and Rapid Rehousing units. Recipients implementing this special YHDP activity may also establish standards that exceed or add to these minimum standards and must keep documentation of what standards are applied to the units and proof that the units complied with the standards before assistance is provided. (a) Structure and materials. The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents. (b) Space and security. Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep. (c) Interior air quality. Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents. (d) Water supply. The water supply must be free from contamination. (e) Sanitary facilities. Residents must have access to sufficient sanitary

facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste. (f) Thermal environment. The housing must have any necessary heating/cooling facilities in proper operating condition. (g) Illumination and electricity. The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure. (h) Food preparation. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner. (i) Sanitary conditions. The housing must be maintained in a sanitary condition. (j) Fire safety. i. There must be a second means of exiting the building in the event of fire or other emergency. ii. Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person. iii. The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

- 7) Recipients may provide moving expenses to a program participant more than once.
- 8) Recipients may provide payments of up to \$500 per month for families that provide housing under a host home and kinship care model to offset the increased costs associated with having youth housed in the unit.
- 9) YHDP recipients may continue providing supportive services to program participants for up to 12 months after the program participant exits homelessness, transitional housing or after the end of housing assistance.
- 10) Projects using grant leasing funds may pay above the Fair Market Rent (FMR) for individual units as long as the amount paid is consistent with the reasonable rent standards at 24 CFR 578.51(g).
- 11) Recipients may use grant funds for the following if they are necessary to assist program participants to obtain and maintain housing. Recipients and subrecipients must maintain records establishing how it was determined that paying the costs was necessary for the program participant to obtain and retain housing and must also conduct an annual assessment of the needs of the program participants and adjust costs accordingly: (a) Security deposits for units in an amount not to exceed 2 months of rent. (b) The costs to pay for any damage to housing due to the action of program participants, which may be paid while the youth continues to reside in the unit. The total costs paid for damage per program participant may not exceed the cost of 2 months' rent. (c) The costs of providing household cleaning supplies to program participants. (d) Housing start-up

expenses for program participants, including furniture, pots and pans, linens, toiletries, and other household goods, not to exceed \$500 in value per program participant. (e) The one-time cost of purchasing a cellular phone and service for program participant use, provided access to a cellular phone is necessary to obtain or maintain housing and the costs of the phone and services are reasonable per 2 CFR 200.404. (f) The cost of internet in program participants' units if the costs of the service is reasonable per 2 CFR 200.404. (g) Payment of rental arrears consisting of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears. (h) Payment of utility arrears of up to 6 months per utility. (i) Up to 3 months of utilities for a program participant, based on the utility costs schedule for the unit size and location. (j) In addition to transportation costs eligible in 24 CFR 578.53(e)(15), recipients may pay gas and mileage costs for a program participant's personal vehicle for trips to and from medical care, employment, childcare, or other services eligible under this section. (k) Legal fees, including court fees, bail bonds, and required courses and equipment. (l) Program participant's past driving fines and fees that are blocking a young person from being able to obtain or renew a driver's license and impacting their ability to obtain or maintain housing. Additionally, recipients may pay for program participants' costs for insurance and registration for personal vehicles, if the personal vehicle is necessary to reach medical care, employment, childcare, or other services eligible under this section.

12) Recipients of housing projects (RRH, TH, TH-RRH, and PSH) may use YHDP funds to pay for owner incentive and retention payments before occupancy of the unit, or at any point thereafter, provided that the overall amount paid with program funds per unit occupied by the program participant does not exceed three times the rent charged for the unit. These payments may include signing bonuses (a payment offered to an owner as an incentive for leasing a unit to be occupied by a program participant), repairs to bring the unit into compliance with program requirements, or holding fees to reserve a unit for an individual or family experiencing homelessness. Owner incentive and retention payments may not be paid for units owned by the project recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure.

13) Recipients of Transitional Housing projects may use Single Room Occupancy (SRO) units to house youth. SRO units are subject to regulations at 24 CFR 982.602 and 24 CFR 982.605. Fair Market Rent (FMR) and utility costs for SROs are calculated as 75% of the zero-bedroom FMR and utility costs, respectively.

14) Rental Assistance may be administered by nonprofit providers, Tribes, and TDHEs, in addition to the organizations listed in 24 CFR 578.51(b).

b. YHDP Exceptions. Under the conditions specified below, recipients may make use of the following built-in exceptions to this NOFO's requirements, subject to approval by the Director of SNAPS and requirements governing grant agreement amendments at 24 CFR 578.105. To

expedite grant agreement processing, applicants should include as much information as possible as part of their project application to demonstrate they meet the conditions specified below.

- 1) Projects may provide up to 36 months of leasing or rental assistance in TH or RRH projects to program participants if the recipient demonstrates: (1) the method it will use to determine which youth need rental assistance beyond 24 months and (2) the services and resources that will be offered to ensure youth are able to sustain their housing at the end of the 36 months of assistance.
 - 2) Projects may continue providing supportive services to program participants for up to 24 months after a program participant exits homelessness, transitional housing or after housing assistance ends if the recipient demonstrates: (1) the proposed length of extended services to be provided; (2) the method it will use to determine whether services are still necessary; and (3) how those services will result in self-sufficiency and ensure stable housing for program participants.
 - 3) Projects may continue providing supportive services to program participants for up to 36 months after program participants exit homelessness, if the services are in connection with housing assistance, such as the Foster Youth to Independence initiative, or if the recipient can demonstrate that extended supportive services ensures continuity of caseworkers for program participants.
 - 4) Rental assistance may be combined with leasing or operating funds in the same unit, provided that the recipient submits a project plan that includes safeguards to ensure that no part of the project would receive a double subsidy.
 - 5) Projects may provide payments of up to \$1,000 per month for families that provide housing under a host home and kinship care model, provided that the recipient can show that the additional cost is necessary to recruit hosts to the program.
 - 6) For YHDP Renewal projects only, YHDP recipients may pay for short-term (up to three months) emergency lodging in motels or shelters as the transitional housing component in a Joint transitional housing-rapid rehousing (TH-RRH) project, provided that the recipient can demonstrate that use of the hotel or motel room is accessible to supportive services.
- c. Innovative Activities. In addition to the specific activities authorized above or in 24 CFR part 578, other innovative activities to reduce youth homelessness may be carried out in a YHDP project, subject to approval by the Director of SNAPS and requirements governing grant agreement amendments at 24 CFR 578.105. Requests to carry out YHDP innovative activities are permitted to be requested in any YHDP application. YHDP Replacement applicant must demonstrate to HUD that the activity meets the following criteria; and to expedite grant agreement processing, must include as much information as possible as part of their project application. YHDP Renewal or YHDP Replacement applications requesting to carry out Innovative Special YHDP Activities must demonstrate the following:

- 1) The activity is approved by both the Youth Action Board (YAB) and the CoC lead. For purposes of this section, a YAB is defined as a group of at least 4 youth – aged 24 or younger - with voting power on policy decisions of the CoC (particularly on policies that relate to preventing and ending youth homelessness, and where at least two-thirds of the members have lived experience/expertise of homelessness. The YAB must be a formal committee of the CoC. The YAB should be representative of the youth and young adult population experiencing homelessness in the community;
- 2) That activity will be testing or likely to achieve a positive outcome in at least one of the four core outcomes for youth experiencing homelessness (stable housing, permanent connections, education/employment, and well-being);
- 3) The activity is cost-effective; and
- 4) The activity is not in conflict with fair housing, civil rights, or environmental regulations.