



Effective August 16, 2024

Administrative Plan on the Uses of Strategic Prevention Initiative (SPI) and Enhanced Diversion (ED) Funding

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1. Summary

This administrative plan is for contracted Diversion providers. EOHLC-contracted Diversion services include the provision of Strategic Prevention Initiative (SPI) and Enhanced Diversion (ED) funds. **This guidance supersedes earlier released memos about SPI and ED funds** and aims to provide further clarity for FY25 SPI and ED funds, including required documentation, approval process, and clearly eligible uses.



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2. Definitions

Strategic Prevention Initiative (SPI)

SPI funds provide flexible financial assistance to support families that are not EA eligible but are at risk of homelessness within 30 days and meet HomeBASE eligibility income guidelines. SPI provides flexible financial assistance to families to **rapidly rehouse into new housing and avoid EA shelter** through a contracted Diversion provider.

Enhanced Diversion (ED)

ED funds provide a flexible financial benefit for families **to rapidly rehouse and avoid EA shelter** entry at the front door, where additional funds exceeding the allowances under the HomeBASE program through a contracted Diversion provider are necessary.

Eligible Family

An eligible family for SPI is at risk of homelessness within 30 days and meets HomeBASE eligibility income guidelines, as specified in section B of the [HomeBASE Administrative Plan](#). An eligible family for ED follows the same definition as an eligible family for HomeBASE, as specified in section B of the HomeBASE Administrative Plan.

As with HomeBASE, to be considered eligible for ED funds, a family must have been determined fully eligible for EA Family Shelter under all applicable EA regulations and EOHLC guidance, including both current and future Housing Stabilization Notices that further interpret or clarify the regulations.

3. SPI and ED Allowable Uses

SPI funds must be used to prevent a family from becoming homeless within 30 days, assisting with costs that exceed the allowances under the RAFT program or other community resources. SPI Can only be used in conjunction with RAFT if a family has exhausted its RAFT funds.

ED funds must be used to help a family divert from shelter to stable housing, or to keep a family in stable housing to avoid shelter entry.

EOHLC interprets the parameters of both funds broadly and encourages providers to use SPI and ED flexibly and creatively. Expenses specifically listed in the Moving Expenses and Unit



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Expenses sections below are clearly related to helping a family avoid shelter or maintain stable housing. Providers do not need prior approval from EOHLC to use SPI and ED funds to cover expenses that are specifically listed below in these categories, and for which the total expenditure for the family is \$9,000 or less. If the expense is not clearly in one of the listed categories below but it does aid a family in avoiding EA shelter, then the provider should speak to their EOHLC Diversion Coordinator to obtain approval for SPI or ED to cover the expense.

Expenses Which Do Not Require Prior EOHLC Approval

SPI and ED expenses that **do not** require prior EOHLC approval because they are clearly allowable and related to helping a family avoid shelter are listed below. A provider must retain records and relevant documentation of these expenses for their own records and for invoicing EOHLC. Failure to present documentation of an expense upon request will factor negatively into a provider's performance evaluation. There is no spending limit per family, but prior approval of any amounts over \$9,000 is required. A provider can incur a total of \$9,000 of expenses per family for the categories written below without receiving prior approval from EOHLC. Providers are expected to verify funding levels and availability internally before approving any expenses.

For uses of SPI and ED funds that are not listed below, or which exceed \$9,000 per family, please refer to the next section.

Moving Expenses

SPI and ED can cover moving expenses both in and out of state. Expenses which do not require prior approval from EOHLC are:

- Renting a moving truck
- Cost of Moving Related Travel Expenses, including:
 - Gas or gas voucher
 - Plane, bus, or train ticket
- Transportation expenses, such as a bus or train ticket, or a carshare or taxi fare
- Auto related expenses, including:
 - Vehicle repair
 - Vehicle registration
 - Costs of getting a driver's license
- Fees for a storage unit
- Furniture, up to \$2,500



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Required documentation:

For payments in this category, providers are expected to keep an invoice or receipt on file to confirm payment date, payee, and amount. Providers will also need to keep a record of the payee's W-9. Providers should be prepared to share documentation with EOHLC upon request.

Unit Expenses

SPI and ED can cover rent or landlord-related payments that are not being covered by another program, such as HomeBASE, RAFT, or the voucher program. Units for which SPI or ED is used must comply with the inspection requirements of any other funds that the family is using to support rental payment. At a minimum, units within the state of Massachusetts must comply with the state sanitary code and buildings built before 1978 with children under the age of six moving into them must provide a letter of lead compliance (LOC).

Expenses which do not require prior approval from EOHLC are:

- First month's rent (this must be non-duplicative with HomeBASE and cannot be used if a family is using a voucher to rent the unit)
- Last month's rent (this must be non-duplicative with HomeBASE and cannot be used if a family is using a voucher to rent the unit)
- Security deposit (this must be non-duplicative with HomeBASE)
- Landlord bonus payment equal to up-to one month's rent **OR** a "Holding Payment" to secure units prior to lease signing, equal to up-to one month's rent. Holding payments cannot be paid in addition to the landlord bonus but can constitute an advance payment of the landlord bonus. Additional guidance on these payments can be found in the [HomeBASE Administrative Plan](#) section 2(3).

Required documentation:

For payments made in this category, providers are expected to keep an invoice or receipt on file to confirm payment date, payee, and amount. Providers will also need to keep a record of the payee's W-9. Providers should be prepared to share documentation with EOHLC upon request. For funds used to secure units built prior to 1978 for the move in of families with children under the age of six, providers must also keep a copy of the letter of lead compliance (LOC) on file.

If providers make holding payments on units that fall through for any reason, they must notify EOHLC in writing in the event they are not able to recover the payment.

\$9,000 per-family limitation without EOHLC approval

Providers can use SPI or ED to help a family avoid shelter without receiving prior approval



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from EOHLC if the funds are used for the clearly-eligible specific activities listed above. The Provider may spend up to \$9,000 total per family on the eligible expenses without receiving approval from EOHLC. For family expenses in excess of \$9,000, request approval from EOHLC using the process outlined below.

Invoicing process for uses not requiring prior approval

Providers must submit monthly invoices to EOHLC by the 10th of each month. These invoices must include the information required as outlined in the SPI and ED forms. Providers must collect and hold in their records payee information for expenses, to be supplied to EOHLC on request. Providers are responsible for providing clear documentation in invoices for monthly uses of SPI and ED that are allowable and do not need prior EOHLC approval.

Expenses Which Require Prior EOHLC Approval

For unit expenses and moving expenses that are not listed above, expenses that exceed the \$9,000 per-family limit, or other rehousing related expenses not listed in this document, Diversion providers should contact the EOHLC Diversion Coordinator assigned to work with you for SPI and ED. Providers are expected to verify funding levels and availability internally before requesting EOHLC approval.

Common expenses requiring EOHLC pre-approval

Key types of expenses that require prior approval from EOHLC include, but are not limited to:

- Unit expenses and moving expenses not listed above;
- Non-rental expenses in excess of \$9,000 per-family, excluding first and last month's rent if required for obtaining a new lease;
- Unit repairs in the event of inspection issues;
- Vacancy payments for providers who are in master leasing agreements, and;
- Rental arrearages. When requesting this expense, providers must provide a notice of hardship. This expense is approved only in rare and extenuating circumstances.

Required documentation:

For payments in this category, providers are expected to keep an invoice or receipt on file to confirm payment date, payee, and amount. Providers will also need to keep a record of the payee's W-9. Provider will need to retain a written record of EOHLC approval. Providers should be prepared to share documentation with EOHLC upon request. Other specific documentation requirements are noted in the expense type.



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4. SPI and ED Approval and Invoicing Process

Approval

For the allowable moving or unit expenses outlined above that are less than \$9,000, providers may submit these expenses without prior approval through a monthly invoice to EOHLC. For all other expenses and any expense greater than \$9,000, EOHLC Diversion Coordinators must provide written approval of the expense before it is made, and the written approval must be attached to the provider's monthly invoice.

Use of SPI and ED with other housing assistance: Diversion Providers may use SPI to cover expenses for families who are using other housing assistance programs, such as RAFT and may use ED to cover expenses for families who are using other housing assistance programs, such as HomeBASE or a voucher. In this event, SPI and ED may not be used to cover the same expense as those covered by RAFT, the voucher or HomeBASE. Diversion Providers are responsible for ensuring that SPI and ED funds do not duplicate expenses made by RAFT, HomeBASE or a voucher. See attachment 1 for more details on how to use ED with HomeBASE.

Invoicing Process

Providers must submit monthly invoices to EOHLC by the 10th of each month. These invoices must include the information required as outlined in the SPI and ED invoice form. Providers must collect and hold in their records payee information for expenses, to be supplied to EOHLC on request.

Quick Reference: Criteria for SPI and ED Expense Approval

1. Is it on the list of pre-approved expenses and within the limit of \$9,000?
 - a. If so, then providers can use funds for this purpose without pre-approval from EOHLC, they must keep the receipts in case of audit risk and document in invoice.
2. Is this on the list of pre-approved and above the limit of \$9,000?
 - a. **If so, Providers:** Submit a request to EOHLC for approval.
 - b. **If so, EOHLC Diversion Coordinator:** Use discretion to approve or deny.
3. Is this not on the list of pre-approved expenses and within the limit of \$9,000?
 - a. **If so, Providers:** Submit a request to EOHLC for approval.
 - b. **If so, EOHLC Diversion Coordinator:** Use discretion to approve or deny. Otherwise, elevate the expense request for additional review if it is not clearly related to the list of



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approved expenses or to a family's rehousing.

4. Is this not on the list of pre-approved expenses and above the limit of \$9000?
 - a. **If so, Providers:** Submit a request to EOHLC for approval.
 - b. **If so, EOHLC Diversion Coordinator:** Use discretion to approve or deny. Otherwise, elevate the expense request for additional review if it is not clearly related to the list of approved expenses or to a family's rehousing.

5. Attachment 1: Examples of Allowable Ways to combine ED with HomeBASE

Please note that ED and HomeBASE may **NOT be used to cover the exact same cost twice** (i.e. landlord bonus paid from HomeBASE as well as a landlord bonus paid from SPI for the same family and same unit lease-up). However, ED may be used to cover a similar allowable expense under the HomeBASE program, to stretch and offset the HomeBASE benefit. Example:

Example of allowed pairing:

ED Covered Expenses:

First month rent, last month rent, security deposit, moving truck and utility arrears.

HomeBASE Covered Expenses:

Furniture, landlord bonus, broker fee, and rental stipends.

Example of pairing that **would not be allowed** (with overlapping expenses covered):

ED Covered Expenses:

First month rent, last month rent, security deposit, moving truck and utility arrears.

HomeBASE Covered Expenses:

Furniture, **first month rent, last month rent, security deposit**, landlord bonus, broker fee, and rental stipends.

Quick refresher on allowable expenses under the HomeBASE Program:

- First month rent
- Last month rent
- Security deposit
- Broker fee
- Bonus payment to landlord or unit holding fee (equal to one-month rent)
- Monthly rental stipend (*only in MA and not for subsidized rents*)
- Relocation out of state
- Furniture (*up to \$2,500*)
- Moving expenses
- Utility and rental arrears (*up to \$5,000*)
- Education or training activities to further economic stability (*as approved by EOHLC case by case*)

If there is a cost that will support a family to successfully avoid shelter, but falls outside this list of allowable HomeBASE expenses, please consult your Diversion Coordinator and EOHLC will determine if an exception can be made.