



**STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
HOUSING DIVISION**

**EMERGENCY SOLUTIONS GRANT PROGRAM  
(ESG)**

**PROGRAM GUIDELINES**

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# EMERGENCY SOLUTIONS GRANT PROGRAM GUIDELINES

## PURPOSE

The Emergency Solutions Grant's (ESG) Program Guidelines Manual serves as a tool for sub-recipients of ESG funding to understand what is required of HUD and the Housing Division in order to manage the ESG program. Specific details regarding program regulations and what is expected of sub-recipients in managing the ESG grant can be found in the ESG Policies and Procedures Manual. This Manual is a guide for ESG program staff to ensure eligibility criteria of client is documented and all aspects of the program are met.

## BACKGROUND

The new Emergency Solutions Grant was created when the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act was signed into law on May 20, 2009. The HEARTH Act amended and reauthorized the McKinney-Vento Homeless Assistance Act, and included major revisions to the existing Emergency Shelter Grant Program.

The ESG program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. HUD has changed the program's focus from addressing the needs of homeless in emergency or transitional shelters to assisting people to regain stability in permanent housing.

## ELIGIBLE ACTIVITIES

The following is a summary of activities that may be provided through the ESG program. Sub-recipient staff must ensure that the sub-recipient was awarded funds from the Division for an eligible activity before assistance can be provided to a program participant.

### A. STREET OUTREACH

1. ***Eligible Program Participants:*** Unsheltered individuals and families, meaning those who qualify under paragraph (1)(i) of the definition of "homelessness".
2. ***Overview of Eligible Activities:*** The costs of essential services related to street outreach are eligible costs under the ESG program. The eligible costs for street outreach activities differ from the eligible costs for essential services related to emergency shelter, ***as they are limited to those necessary to provide emergency care on the street.*** Services charged to this activity must only include costs of providing assistance to eligible participants residing on the street or in parks, abandoned buildings, bus stations, camp grounds, and other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities is also available.
3. ***Eligible Costs:*** ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing or critical services; and provide urgent non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing or an appropriate health facility. For the purpose of this section, "unsheltered homeless" means individuals and families who qualify as homeless under the new definitions. Eligible costs consist of the following:
  - a. **Engagement**-the costs to locate, identify, and build relationships with unsheltered homeless people and engage them for the purposes of providing immediate

support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.

- b. Case Management-includes the cost of assessing housing and service needs; arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participants. Includes using the centralized or coordinated assessment system developed by the local Continuum of Care as mandated by HUD; conducting initial evaluation including verifying and documenting eligibility, counseling, developing; securing and coordinating services, etc.
- c. Emergency Health Services-includes costs for direct outpatient treatment of medical conditions provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living. ***Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.*** Eligible treatment consists of accessing a program participant's health problems and developing a treatment plan; assisting participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.
- d. Emergency Mental Health Services-includes costs for direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living. ***Funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.*** Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring out positive resolution of the problem or improved individual or family functioning or circumstances. Eligible treatment consists of crisis intervention, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.
- e. Transportation-Includes transportation costs by outreach workers, social workers, medical professionals, or other service providers, provided that this travel takes place during the provisions of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include:
  - i. The cost of a program participant's travel on public transportation;
  - ii. Of service workers use their own vehicles, mileage allowance for service workers to visit program participants;
  - iii. The cost of purchasing or leasing a vehicle for the sub-recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and
  - iv. Travel costs of sub-recipient staff to accompany or assist the program participants to use public transportation.
- f. Services for Special Population-funds may be used to provide services for homeless youth, victim services, and services for people living the HIV/AIDs, so long as the costs of providing these services are eligible under program regulations. The term "victim services" means services that assist program

participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers, DV shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault or stalking.

## B. EMERGENCY SHELTER

1. ***Eligible Program Participants:*** Individuals and families who are homeless as defined by HUD.
2. ***Overview of Eligible Activities:*** ESG funds may be used to provide essential services to persons in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Staff costs related to carrying out emergency shelter activities is also eligible.
3. ***Eligible Activities Include:***
  - a. Essential Services:
    - i. *Case Management*-the cost of assessing, arranging, coordinating and monitoring the delivery of individualized services to meet the needs of the program participant. Component services and activities consist of:
      - Using the centralized or coordinated assessment system developed by the local Continuum of Care as mandated by program regulations
      - Conducting the initial evaluation
      - Counseling
      - Developing, securing, and coordinating services and obtaining Federal, state and local benefits
      - Monitoring and evaluating program participant progress
      - Providing information and referrals to other programs
      - Providing ongoing risk assessment and safety planning with domestic violence, dating violence, sexual assault and stalking victims
      - Developing an individualized housing and service plan, including planning a path to permanent housing stability.
    - ii. *Child Care*-The cost of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities are eligible. Children must be under the age of 13 unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates.
    - iii. *Education Service*- When necessary for program participants to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language (ESL) and GED. Component services of activities are screening, assessment and testing, individual or group instruction, tutoring, provision of books, supplies, and instructional material, counseling and referral to community resources.
    - iv. *Employment Assistance and Job Training*-The costs of employment assistance and job training programs are eligible including:
      - Classroom

- Online
  - Computer instruction
  - On the job instruction
  - Services that assist the individuals in securing employment, acquiring learning skills, and/or increasing earning potential
  - Cost of providing reasonable stipends to program participants in employment assistance and job training programs
  - Learning skills including those skills that that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates
  - Services that assist individuals in securing employment including:
    - ❖ Employment screening, assessment or testing
    - ❖ Structured job skills and job-seeking skills
    - ❖ Special training and tutoring, including literacy training and prevocational training
    - ❖ Books and instructional material
    - ❖ Counseling or job coaching
    - ❖ Referral to community resources
- v. *Outpatient Health Service*-Costs for direct outpatient treatment of medical conditions provided by licensed medical professionals. ***Funds may be used only for these services to the extent that other appropriate health services are unavailable within a community.*** Eligible treatment consists of:
- Assessing a program participant’s health problems
  - Developing a treatment plan
  - Assisting participants to understand health needs
  - Providing directly or assisting participants to obtain appropriate medical treatment
  - Preventive medical care
  - Health maintenance service, including emergency medical services
  - Providing medications and follow-up services; and
  - Providing preventive and non-cosmetic dental care
- vi. *Legal Service*-Costs including hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association, and by persons under the supervision of the licensed attorney, regarding matters that interfere with participants ability to obtain and retain housing. ***Funds may only be used for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.*** Eligible subject matters are:
- Child support
  - Guardianship
  - Paternity,
  - Emancipation
  - Legal separation
  - Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking
  - Appeal of veterans and public benefit claim denials
  - Resolution of outstanding criminal warrants

Component services or activities may include client intake, preparation of cases for trial, provisions of legal advice, representation at hearings, and

counseling. Fees based on the actual service performed (i.e. fee for services) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub-recipient is a legal services provider and performs the services itself, the eligible costs are the sub-recipient's employee's salaries and other costs necessary to perform the service.

Note: Legal services for immigration and citizenship matters and issues relating to mortgages are INELIGIBLE. Retainer fee arrangements and contingency fee arrangements are also ineligible.

vii. *Life Skills Training*-Costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, DV, substance abuse, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation and parenting

viii. *Mental Health Services*-Costs include direct outpatient treatment by licensed professionals of mental health conditions. ***Funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.*** Mental health services are the application of therapeutic process to personal, family, situational or occupational problems in order to bring about positive resolution of the problem or improved functioning or circumstances. Problem areas may include:

- Family and marital relationships
- Parent-child problems
- Symptom management

Eligible treatment consists of crisis intervention, therapy sessions, prescription of psychotropic medications, or explanations about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

ix. *Substance Abuse Treatment Service*-Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. ***Funds may only be used for these services to the extent that other appropriate substance abuse treatments services are unavailable or inaccessible within a community.*** Eligible treatment consists of:

- Client intake and assessment
- Outpatient treatment for up to 30 days
- Group and individual counseling and drug testing

**Note: Inpatient detoxification and other inpatient drug or alcohol treatments are INELIGIBLE**

x. *Transportation*-Costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following:

- The cost of a program participant’s travel on public transportation
- If service workers use their own vehicles, mileage allowance for service workers to visit program participants
- The cost of purchasing or leasing a vehicle for the sub-recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance of the vehicle, and
- The travel costs of sub-recipient staff to accompany or assist program participants to use public transportation.

**NOTE: Funds may no longer be used to provide fuel vouchers, bus tickets, or other transportation activities unless it directly involves participation in other ESG-funded activities.**

*xi. Services for Special Populations*-Funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDs, so long as the cost of providing these services are eligible. The term “victim services” means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning these issues.

**b. Shelter Operations**

*i. Costs of maintenance including:*

- Minor or routine repairs
- Rent
- Food
- Security
- Fuel
- Equipment
- Telephone/cell phone service
- Internet expense
- Furnishings
- Office supplies
- Insurance
- Utilities, and
- Other supplies necessary for the operation of the shelter(s).

***Where no appropriate emergency shelter is available for a homeless individual or family, eligible costs may also include a hotel or motel voucher.***

**c. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970:** Provided if persons are misplaced by a project assisted with ESG funds. See regulations for further details.

**C. HOMELESS PREVENTION AND RAPID RE-HOUSING**

**1. *Eligible Program Participants:***

a. Homeless Prevention: Individuals and families who are at ***imminent risk, or at risk of homelessness***, meaning those who qualify under paragraph (2) and (3) of the homeless definition or those who qualify as at risk of homelessness. Individuals and families **must have an income below 30% of Area Median**

**Income** upon entry into the program; and are lacking sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition. Program participants must meet the threshold requirements reflected in part 572.2 (1) (iii)

- b. Rapid Re-Housing: Individuals and families who are ***literally homeless***, meaning those who qualify under paragraph (1) or (4) of the definition of homeless.

**NOTE: Case files must demonstrate that the client has no other resources available to them. Statements must be obtained by program participants and verified by case managers before assistance begins.**

- 2. ***Overview of Eligible Activities:*** Short- (up to 3 months) and medium-term (4-24 months) rental assistance and housing relocation and stabilization services. Staff salaries related to carrying out rapid re-housing and homelessness prevention activities are also eligible.

- a. ***Financial Assistance***

- i. ESG funds may be used to provide homeless prevention and/or rapid re-housing rental assistance and must be used to provide assistance in **permanent housing. *Living in a motel is not considered to be living in permanent housing and therefore is an ineligible expense under this program.***
- ii. There must be a lease between the program participant and the housing owner in place prior to assistance. The lease must be in the name of the program participant.
- iii. There must be a formal Rental Assistance Agreement or MOU between the sub-recipient (the agency providing the service) and the housing owner (landlord). Program staff must verify that the landlord is willing to accept the terms of the Rental Assistance Agreement prior to approving a client for assistance. Processing of habitability standards and lead-based paint inspections should not be completed if the landlord does not approve of the terms of the Agreement and the client should be assisted with moving into a different eligible unit.
- iv. **Use with other subsidies.** Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance through other public sources. Rental assistance also may not be provided to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act during the period of time covered by the URA payments.

- b. ***Housing Relocation and Stabilization Services:***

- i. Financial Assistance includes: rental application fees, security deposits, utility deposits, last month's rent, utility payments, and moving costs (everything BUT rental assistance). ***Storage fees in arrears are not eligible. (Refer to 576.105(a)(6) for details)***
- ii. Services: Housing search and placement, housing stability case management, mediation, legal services, and credit repair.



- iii. **Use with other subsidies.** Financial assistance under Housing Relocation and Stabilization Services cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments

D. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) DATA COLLECTION

1. *Eligible Costs:*

- a. Staff costs of contributing data to the HMIS designated by the Continuum of Care, including time to complete data entry, monitoring and reviewing data quality, completing data analysis, reporting to HMIS Lead, training staff on using HMIS or comparable database approved by the Division, and implementing complying with HMIS requirements. Costs may also include staff travel costs to conduct intake, and paying any participation fees charged by the HMIS Lead.
- b. If the sub-recipient is a Victim Services Provider or Legal Services Provider, ESG funds may be used to establish and operate a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

Note: All program participants who receive assistance with ESG funds must be entered into the HMIS database or comparable database within 10 days of assistance. Program staff must ensure that data entered into the HMIS database meets the data quality standards set forth by the Continuum of Care.

- 2. **Restrictions:** Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under HMIS.

E. ADMINISTRATION

- 1. **Cap:** The Division may use up to 7.5% of the annual ESG allocation for administrative costs related to planning and execution of ESG activities. This does not include state and overhead costs directly related to carrying out eligible activities. A reasonable portion of allowable administrative costs must be shared with units of general local governments that carry out ESG activities, and may be shared with local non-profit organizations that carry out ESG activities.

2. *Eligible Costs:*

- a. Costs of overall program management, coordination, monitoring and evaluation, including:
  - i. Salaries, wages, and related costs of sub-recipient staff engaged in program administration. In charging costs to this category, the sub-recipient may either include the entire salary, wages and related costs allocable to the program of each persons whose **primary** responsibility with regard to the program involve program administration assignments, or the pro rata share of the salary, wages and related costs of each person whose job includes **any** program administration assignments. Agencies may use only one of these methods for each fiscal year grant.
- b. Program administration costs including:
  - i. Preparing program budgets and schedules, and amendments to those budgets and schedules;

- ii. Developing systems for assuring compliance with program requirements;
  - iii. Developing interagency agreements and agreements with sub-recipients and contractors to carry out program activities;
  - iv. Monitoring program activities for progress and compliance with program requirements;
  - v. Preparing reports and other documents directly related to the program for submission to the Division or HUD;
  - vi. Coordinating the resolution of audit and monitoring findings;
  - vii. Evaluating program results against stated objectives; and
  - viii. Managing or supervising persons whose primary responsibilities with regard to the program includes such assignments such as those described in this section.
- c. Travel costs incurred for monitoring of sub-recipients;
  - d. Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services;
  - e. Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space; and
  - f. Costs of providing training on ESG requirements and attending *HUD-sponsored* ESG trainings

#### F. INELIGIBLE ACTIVITIES

Emergency Solutions Grant funds may not be used for activities other than those listed above. For example, grant amounts may not be used for:

- a. Acquisition or construction of an emergency shelter for the homeless;
- b. Mortgage assistance

### PROGRAM REQUIREMENTS

#### A. MATCHING REQUIREMENTS

Sub-recipients must contribute matching funds or in-kind services to help meet the matching requirement. Unless approved in writing in advance, sub-recipients must match 100% of the ESG allocation.

1. ***Eligible sources:*** Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local and private sources. However, the following requirements apply to matching contributions from a Federal source of funds:
  - a. The sub-recipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds;
  - b. If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirements under this section;
2. ***Recognition of matching contributions:***

- a. In order to meet the matching requirement, the matching contributions must meet all requirements that apply to the ESG funds provided by HUD, except for expenditures in 576.100;
- b. The matching contributions must be provided after the date that HUD signs the grant agreement with the Division;
- c. To count toward the required match for the sub-recipient's fiscal year, cash contributions must be expended within the deadline in 576.203 and noncash contributions must be made within the expenditure deadline in 576.203;
- d. Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant;
- e. Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirements of this section; and
- f. **Match contribution must be summarized on the ESG Reimbursement Request form.**

**3. *Eligible types of matching contributions:***

- a. Cash contributions: Cash expended for allowable costs, as defined in OMB Circulars A-87 and A-122 of the sub-recipient;
- b. Noncash contributions: The value of any real property, equipment, goods, or services contributed to the sub-recipient's ESG program, provided that if the sub-recipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the purchase value of any donated building.

**4. *Calculating the amount of noncash contributions:***

- a. To determine the value of any donated material or building, or of any lease, the sub-recipient must use a method reasonably calculated to establish the fair market value;
- b. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the sub-recipients organization. If the sub-recipient does not have employees performing similar work, the rates must be consistent with those ordinarily by other employers for similar work in the same labor market;
- c. Some noncash contributions are real property, equipment, goods, or services that, if the sub-recipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the sub-recipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions;

**5. *Costs paid by program income:***

- a. Costs paid by program income shall count toward meeting the matching requirements, provided the costs are eligible ESG costs that supplement the ESG program. **ALL ESG FUNDS EITHER PAID BACK BY THE PROGRAM PARTICIPANT OR THE LANDLORD/UTILITY COMPANY MUST BE TRACKED AND REPORTED TO THE DIVISION.**

**B. AREA-WIDE SYSTEMS OF COORDINATION REQUIREMENTS**

1. The Division and all sub-recipients must consult with each Continuum of Care that serves the sub-recipient's jurisdiction during the allocation phase each program year, including developing performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds. In addition collaboration in developing funding, policies and procedures for administration and operation of HMIS. Agencies requesting ESG funding must demonstrate such collaboration and document that proposed activities will assist the CoC in meeting identified outcomes.
2. The Division and all sub-recipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the CoC or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness in that area. The programs include, but are not limited to:
  - a. Shelter Plus Care Program
  - b. Supportive Housing Program
  - c. Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals
  - d. HUD-Veteran Affairs Supportive Housing Program (HUD VASH)
  - e. Education for Homeless Children and Youth Grants for State and Local Activities
  - f. Grants for the benefit of homeless individuals
  - g. Healthcare for the Homeless
  - h. Programs for Runaway and Homeless Youth
  - i. Projects for Assistance in Transition from Homelessness
  - j. Services in Supportive Housing Grants
  - k. Emergency Food and Shelter Program
  - l. Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Programs
  - m. Homeless Veterans Reintegration Program
  - n. Domiciliary Care for Homeless Veterans Program
  - o. VA Homeless Providers Grant and Per Diem Program
  - p. Health Care for Homeless Veterans Programs
  - q. Homeless Veterans Dental Program
  - r. Supportive Services for Veteran Families Program
  - s. Veteran Justice Outreach Initiative

Applicants must document how these and other programs will be used in collaboration with proposed ESG-funded activities.

3. Once the CoC has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the CoC's area must participate in that assessment system. Acceptance of an ESG award means the sub-recipient agrees to participate and/or utilize the centralized assessment or coordinated assessment system implemented by the local CoC.

Note: *A victim service provider may choose not to use the CoC's centralized or coordinated assessment system.*

## C. WRITTEN STANDARDS REQUIREMENTS

1. Each sub-recipient must establish and consistently apply Written Standards for providing ESG assistance that include Standards developed by the local Continuum of Care and the Division. These Standards must be made available to the public by utilizing the sub-recipient's and the Division's websites. Program staff must also be made aware of the sub-recipients Standards to ensure program participants are screened for eligibility based on the criteria identified in the Standards. Refer to the ESG Policies and Procedures Manual for guidance on the formatting of a sub-recipient's Written Standards.
2. Sub-recipients are also required to include in the Written Standards procedures implemented by the sub-recipient that will ensure all persons inquiring about assistance are screened for not only ESG-funded assistance, but also other housing programs and services offered within the agency or the community. Applicants should not be orally screened for eligibility by staff unfamiliar with all resources that the potential client may be eligible to receive.

## D. PARTICIPATION IN HMIS REQUIREMENTS

Participation in HMIS: The Division must ensure that all person served and all activities assisted under the ESG program be entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. If the sub-recipient is a victim services provider or legal services provider, it may use a comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.

The Division must also ensure that sub-recipients are utilizing the proper HMIS forms provided by Bitfocus, Inc. Program staff are to regularly download forms, notices and desk signage to ensure the most up-to-date documents are provided to the public.

***The Division may require that victim services providers and legal services provider contract with Division's HMIS contractor is the system can be used as a comparable database on an agency's local server.***

## E. PROGRAM PARTICIPANT ELGIBILITY REQUIREMENTS

Program staff are required to document the ***eligibility or ineligibility*** of all program participants. The Division has created a case file checklist which must be placed in every file to ensure the program participate meets all required aspects of the program. Case files shall be maintained in the order reflected on the form.

Program staff must make notations on the checklist as documents are obtained and placed in the client file. ***Even clients deemed ineligible for assistance must be documented as ineligible and files maintained for review during monitoring visits.***

Program staff must follow these guidelines and procedures to ensure clients are deemed eligible for assistance:

1. Written Standards: Program participants must meet the eligibility requirements set forth in the sub-recipients Written Standards. Program staff must be familiar with these Standards when determining the eligibility of a client.
2. Evaluation and eligibility steps of program participant:
  - a. ***Evaluations***-There must be an initial evaluation to determine participant eligibility for ESG assistance and the amount and types of assistance to regain

stability in permanent housing. They must be conducted in accordance with the centralized or coordinated assessment system required by HUD and documented in the case file. ***Files must include Division forms that will demonstrate the client's eligibility based on the following criteria: income; need; homeless or at-risk of homeless status, etc.***

- b. ***Re-evaluation***-Each sub-recipient must re-evaluate the participant's eligibility and types and amounts of assistance the participant needs ***not less than one time every 3 months for participants receiving homelessness prevention assistance, and not less than annually for participants receiving rapid re-housing assistance.*** At a minimum, each re-evaluation of eligibility must establish that:
- i. The participant does not have an annual income that exceeds 30% of area median income for the area, as determined by HUD; ***and***
  - ii. The participant still lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

The sub-recipient may require each participant receiving homelessness prevention or rapid re-housing assistance to notify the agency regarding the changes in the participant's income or other circumstances (e.g. changes in household composition) that affect the participant's need for assistance under ESG. When notified of a relevant change, the agency must re-evaluate the participant's eligibility and amount and types of assistance the participant needs.

- c. ***Annual Income***-When determining annual income of a participant, the sub-recipient must use the standard for calculating annual income under 24 CFR 5.609.
- d. ***Connecting program participants to mainstream and other resources:*** Sub-recipients must assist each participant, and document in the case notes, steps taken to obtain:
- i. Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and
  - ii. Other Federal, state, local and private assistance available to assist the participant in obtaining housing stability, including:
    - Medicaid
    - Supplemental Nutrition Assistance Program
    - Women, Infants and Children (WIC)
    - Federal-State Unemployment Insurance Program
    - Social Security Disability Insurance
    - Supplemental Security Income
    - Child and Adult Care Food Program
    - Other assistance available under the programs listed in 576.400(c)
- e. ***Housing stability case management***- While providing homelessness prevention or rapid re-housing assistance to a participant, the sub-recipient must:
- i. Require the participant meet with a case manager not less than once per month to assist the participant in ensuring long-term housing stability; and
  - ii. Develop a plan to assist the participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the participant's current or expected income and expenses; other public or private assistance for which the participant will be eligible and

likely to receive, and the relative affordability of available housing in the area.

- iii. ***Utilize the “Goals” function in the HMIS system to track and report progress in meeting the plans and goals established by the case manager and the program participant upon entry into the program.***

***NOTE: The sub-recipient is exempt from this requirement if the agency is a victim services provider since the Violence Against Women’s Act of 1994 and Family Violence Prevention and Services Act prohibits the agency from making its shelter or housing conditional on the participants acceptance of services.***

f. ***Terminating Assistance:***

- i. In general, if a participant violates program requirements, the agency may terminate the assistance in accordance with a formal process established by the sub-recipient that recognizes the rights of individuals affected. The sub-recipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination ***so that a participant’s assistance is terminated only in the most severe cases.***
  - ii. The sub-recipient must develop a formal termination process in order to terminate a program participant receiving rental assistance or housing relocation and stabilization services. At a minimum the process must consist of:
    - Written notice to the participant containing a clear statement of the reasons for termination;
    - A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision;
    - Prompt written notice of the final decision to the program participant;
  - iii. The formal process must be outlined in the sub-recipients formal grievance procedures and be provided to program participants upon entry into an ESG-funded program or activity; and
  - iv. Termination from an ESG-funded program or activity does not bar the sub-recipient from providing further assistance at a later date to the same individual or family.
- g. ***Rent Reasonableness-*** Rental assistance may not be provided for a housing unit unless the rent ***plus utilities*** does not exceed the Fair Market Rent (FMR) established by HUD for the area in which the program participant receives assistance ***and*** the unit complies with the Rent Reasonableness standards established under 24 CFR 982.507.

Sub-recipients must document in the program participant’s file using the Rent Reasonableness checklist that the housing unit is both reasonable and within the established FMR. This is to ensure the program participant can remain in housing once the ESG assistance has ended.

- h. ***Threshold criteria:*** For households to qualify as “at risk of homelessness”, individuals or families must meet two threshold criteria and must exhibit one or more specified risk factors as follows:
  - i. Threshold Criteria (Must meet both)

- The household must have income BELOW 30% of area median income for the geographic area; and
  - The household has insufficient resources or support networks such as family, friends, faith-based or other social networks immediately available to prevent the household from moving into an emergency shelter or other location described in paragraph 1 of the new HUD homeless definitions.
- ii. Risk Factor Criteria (Must meet at least one)
- Household has moved frequently (defined as 2 or more times during the 60 days immediately preceding the application for assistance) because of economic reasons;
  - Household is living in the home of another because of economic hardship;
  - Household has been notified that their right to occupy their current housing or living situation will be terminated within 21 days;
  - Lives in a hotel or motel that is not paid for by Federal, state or local government programs for low-income individuals or by charitable organizations;
  - Lives in severely overcrowded housing (lives in SRO or efficiency apartment unit in which more than 2 persons reside or another type of housing in which there resides more than 1.5 persons per room);
  - Is exiting a public institution or system of care, such as a health care facility, mental health facility, foster care, or other youth facility, or correction program or institution; or  
Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as defined in the Division's Consolidated Plan.
- iii. Other "at risk of homelessness" criteria
- "At risk of homelessness" also includes any children or youth who are defined as "homeless" under other Federal statutes, but are not defined as homeless under this program, and shall include the parent, parents, or guardian of such children or youth. All may receive homelessness prevention assistance as long as the parent, parents, or guardian are living with those children or youth.

## F. SHELTER AND HOUSING STANDARD REQUIREMENTS

The following steps must be taken to ensure the rental unit or shelter meets the housing standards as defined by HUD:

1. ***Lead-based paint remediation and disclosure:*** The Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1995, and the implementing regulations in 24 CFR part 35, subparts A,B,H,J,K,M and R apply to all shelters assisted under the ESG program and all permanent housing occupied by program participants. Lead-Based Paint worksheets, and other documentation that shows the unit meets the lead-based paint requirements must be maintained in either the shelter records or the program participant's case file if receiving ESG rental assistance;
2. ***Minimum standards for emergency shelters:*** Any building for which ESG funds are used for conversion, major rehabilitation, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety, sanitation and privacy standards. Any emergency shelter that receives assistance



for shelter operations must also meet the following minimum safety, sanitation and privacy standards:

- a. Structure and materials: The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. Any renovation, including major rehabilitation and conversion, carried out with ESG assistance must use Energy Star and WaterSense products and appliances;
- b. Access: The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act and 28 CFR part 35, where applicable;
- c. Space and Security: Except where the shelter is intended for day use only, the shelter must provide each participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings;
- d. Interior air quality: Each room or space within the shelter 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;
- e. Water supply: The shelter's water supply must be free of contamination;
- f. Sanitary facilities: Each participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste;
- g. Thermal environment: The shelter must have any necessary heating/cooling facilities in proper operating condition;
- h. Illumination and electricity: The shelter 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 shelter;
- i. Food preparation: Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner;
- j. Sanitary conditions: The shelter must be maintained in a sanitary manner;
- k. Fire safety: There must be at least one working smoke detector in each occupied unit in the shelter. Where possible, smoke detection must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

***Note: Emergency shelters or other homeless facilities must be inspected for compliance with these requirements before being awarded an ESG allocation, or annually if awards last more than 12 months.***

3. ***Minimum standards for homeless prevention rental assistance***: All units assisted with ESG funds must meet the minimum habitability standards provided in this section, regardless if the assistance is for clients currently residing in the unit. **Inspections are required no matter the type of assistance (rental assistance, security deposit, or case management only)**. Documentation that the unit has met the standards must be placed in the program participant's file:
  - a. Structure and materials: The structures must be structurally sound to protect residents from elements and not pose any threat to the health and safety of all 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.

***If a sub-recipient provides assistance to a program participant who resides in a unit that cannot meet the minimum standards reflected above, every effort should be made to assist the program participant in relocating to a more appropriate unit.***

- 4. ***Minimum standards for permanent housing provided as part of rapid re-housing assistance***: Program participants receiving ESG-funded rapid re-housing assistance, including housing relocation and stabilization services (security deposit, utility assistance, and/or case management only) must ensure the unit selected by the program participant meets the minimum requirements. If the client is expected to receive Section 8 assistance at some point, the unit must meet the housing standards requirements of the local Public Housing Authority (PHA). Sub-recipients must contact the local PHA for a copy of their housing standards checklist. Copies of completed checklists shall be maintained in program participant files for review by Division staff.

If the program participant is not expected to apply for Section 8 rental assistance the unit must meet the minimum habitability standards to ensure that program participants are not placed into sub-standard units.

## PERFORMANCE MEASURES AND PRIORITIES

1. **Planning Strategies:** The HEARTH Act refocuses homelessness-related strategies on the ultimate goal of reducing and ending homelessness and aligns them with the Continuum of Care planning strategies and performance measures, such as shortening the period of time that persons experience homelessness, and helping persons who were recently homeless avoid becoming homeless again. The change under the HEARTH Act also emphasizes the priorities of the Federal Strategic Plan to Prevent and End Homelessness (FSP), which are:

- End chronic homelessness in 5 years
- Prevent/end homelessness among Veterans in 5 years
- Prevent/end homelessness for families, youth, and children in 10 years
- Set path to ending all homelessness

Programs should be designed to ensure the success of the Division, the local Continuum of Care and HUD in their efforts to meet these goals.

2. **Performance Measures:** The Division must ensure that programs and activities funded through the ESG program meet certain Performance Measures as set by the local Continuum of Care and HUD. The following is an example of the types of Measures that the Division and its sub-recipients will be required to meet in order to demonstrate success of the ESG program:

- Reducing the average length of time a person is homeless
- Reducing returns to homelessness
- Improving access to permanent housing
- Improving program coverage
- Reducing the number of homeless individuals and families
- Reducing the number of chronically homeless individuals and families
- Improving employment rate and income amounts of program participants
- Reducing first time homelessness
- Preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs

***Although the Division understands many sub-recipients have chosen to provide 1-time emergency rent or utility assistance to prevent homelessness in the past, sub-recipients receiving ESG funds must now implement programs that will ensure the ongoing housing stability of program participants.***

3. **Critical Need Priority:** HUD strongly encourages each jurisdiction to focus ESG funding on rapidly re-housing individuals and families living on the streets or in emergency shelters into permanent housing. While both rapid re-housing and homelessness prevention are eligible activities, only rapid re-housing assistance targets those individuals and families living on the streets or in emergency shelters. Effective rapid re-housing programs help people transition out of the homeless assistance system as quickly as possible, decreasing the number of persons who are homeless within a community.

Rapid re-housing also ensures that emergency shelter resources are used to serve individuals and families with the most urgent housing crisis. In contrast, the success of homelessness prevention activities are much more difficult to measure and the prevention assistance is harder to strategically target. These difficulties increase the risk that the use

of ESG funds for homelessness prevention assistance will be inefficient at demonstrably preventing people from going to the streets or shelters. As public and nonprofit resources become increasingly strained, rapid re-housing should be given the highest priority under ESG to help ensure that existing resources-both within and outside the homeless assistance system-are used as efficiently as possible to help those most in need

4. ***Additional Priorities:*** To help the Division achieve the goals and priorities reflected above, sub-recipients should use ESG funds to design and implement programs that will:
  - Broaden existing homelessness prevention activities;
  - Emphasize Rapid Re-Housing programs;
  - Help program participants to quickly regain or obtain stability in permanent housing after experiencing a housing crises or homelessness;
  - Enhance alignment of ESG regulations with other Federal, state and local programs to provide better services and care; and
  - Support more coordinated and effective data collection procedures that include timely data entry of program participants served with ESG funds into HMIS, and higher standards of data quality.
5. Program participants are not to be exited from ESG-funded programs and activities unless the sub-recipient can demonstrate improved and/or steady household income necessary to ensure that the household stability, or are terminated in accordance with the formal process established by the sub-recipient.

## **RECORDKEEPING REQUIREMENTS**

### **1. *Recordkeeping Requirements***

Sub-recipients must ensure that the following items are available:

- a. **Policies and Procedures:** Policies and procedures must be established in writing and implemented by the program staff to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the Division and HUD to determine whether ESG requirements are being met, including the agency procedures for compliance with all federal regulations and program requirements.
- b. **Written Standards:** Written standards must be established and implemented by sub-recipients that details established criteria for providing ESG assistance and shall be included as part of the sub-recipient's Policies and Procedures.
- c. **Client File Recordkeeping:** Files of clients served with ESG funds shall be maintained in the order reflected in Exh.10-ESG Client File Checklist. Items required to be placed in the file shall be checked off (N/A entered if "Not Applicable"); signed by the case worker; and verified by a 2<sup>nd</sup> level of review. This will ensure that all required documents reflecting client eligibility are obtained and retained in every file.
- d. **Staff Certification:** The ESG Staff Certification Form must be completed by both sub-recipient staff and staff supervisor for each client upon entry into the ESG program, and at each recertification.
- e. **Initial Evaluations:** Programs staff must conduct an initial evaluation to determine the eligibility of each individual and family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in

accordance with the centralized or coordinated assessment requirements set forth under 576.400(d) and the written standards established under 576.400(e).

- f. Re-evaluations for homeless prevention and rapid re-housing assistance: Program staff must re-evaluate the program participant's eligibility and the types and amounts of assistance the program participant needs not less than once every 3 months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance. The intent of the recertification rule is to ensure programs are fully evaluating households that are receiving ongoing financial assistance and/or other ESG assistance to ensure the household remains eligible and needs continued assistance to prevent homelessness or a *The recertification process must be completed prior to payment of the 4<sup>th</sup> month of assistance for prevention clients and 13<sup>th</sup> month of assistance for rapid re-housing assistance.*
- g. Written third party: Verification in writing from a third party (e.g. individual employer, Social Security Administration, welfare office, emergency shelter provider, etc.), either directly to sub-recipient staff or via the applicant **is most preferred**. Third party verification of income, such as a deposit slip showing SSI benefits, might show income after deductions have been made; grantees must document gross income, pre-deductions. Written third party documentation may include completion of a standardized form, such as a verification of income statement.
- h. Oral third party: Verification from a third party (e.g. individual employer, Social Security Administration, welfare office, etc.) provided by the third party over the telephone or in-person directly to sub-recipient staff. Oral third party verification is acceptable only if written third party verification cannot be obtained. Sub-recipient staff must document reasons why third party written verification could not be obtained in the program participant file.
- i. Applicant self declaration: An affidavit of income and housing status as reported by the program participant is allowable, but is only acceptable if written or verbal third party verification cannot be obtained. Self-declaration of housing status (e.g., eviction) should be rare. Sub-recipient staff must document reasons why third party written or oral verification could not be obtained in the program participant file.
- j. At risk of homelessness status: For each individual and family who receives ESG homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the participant's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the sub-recipient. The evidence must also include:
  - The participant's certification on a form specified by HUD that the participant has insufficient financial resources and support networks (family, friends, faith-based or other social networks) immediately available to attain housing stability;
  - The most reliable evidence available to show that the participant does not have sufficient resources or support networks immediately available to prevent them from moving into an emergency shelter or other place described in paragraph (1) of the "homeless" definition. Acceptable evidence includes:
    - a. Source documents (notices of termination from employment, unemployment compensation

statement, bank statements, health-care bill showing arrears, utility bill showing arrears, etc);

- To the extent that source documents are unobtainable, a written statement by the relevant third party (former employer, public administrator, relative, etc.) or the written certification by the sub-recipient's intake staff of the oral verification by the relevant third party that meets one or both of the criteria under paragraph (1)(ii) of the definition of "at risk of homelessness" in 576.2; or
  - To the extent that source documentation and third-party verifications are unobtainable, a written statement by the sub-recipient's intake staff describing the efforts taken to obtain the required evidence; and
  - The most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in 576.2. Acceptable evidence includes:
    - a. Source documents that evidence one or more of the conditions under paragraph (1) (iii) of the definition (eviction notice, notice of termination from employment, bank statements, etc);
  - To the extent that source documents are unobtainable, a written statement by the relevant third party (former employer, owner, primary leaseholder, hotel/motel manager ,etc) or written certification by the sub-recipient's intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria in 576.2-definition of "at risk of homelessness"; or
  - To the extent that source documents and third-party verifications are unobtainable, a written statement by the sub-recipient's intake staff that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition or, if a visit is not practicable or relevant to the determination, a written statement by the sub-recipient's intake staff describing the efforts taken to obtain the required evidence; or
  - If the participant meets the criteria under paragraph (2) or (3) of the "at risk of homelessness" definition in 576.2, certification of the child or youth's homeless status by the agency or organization responsible for administrating assistance under the Runaway and Homeless Youth Act, the Head Start Act, subtitle N of the Violence Against Women's Act of 1994, section 33D of the Public Health Service Act, the Food and Nutrition Act of 2008, section 17 of the Child Nutrition Act of 1966, or subtitle B of the title VII of the McKinney-Vento Homeless Assistance Act, as applicable.
- ii. Documentation that sub-recipient staff has conducted re-evaluation of program participant's eligibility to continue to receive "at risk of homelessness' assistance not less than once every 3 months.
- k. Homeless status: For each individual and family who receives ESG rapid re-housing assistance, records must include the evidence relied upon to establish and verify the participant's "homeless" status. This evidence must include an intake

and certification form that meets HUD specifications and is completed by the sub-recipient. The evidence must include:

- i. Evidence that the program participant meets the criteria of the “homeless” definition in 576.2,
  - ii. Is an individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
    - An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park abandoned building, bus or train station, airport, or camping ground;
    - An individual or family living in a supervised publically or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by Federal, state or local government programs for low income individuals); or
    - An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution; or
    - Any individual or family who:
      - Who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence.
      - Has no other residence; and
      - Lacks the resources or support networks to obtain other permanent housing.
  - iii. Source documentation that documents homeless housing status must be maintain the program participant’s file.
  - iv. Documentation that sub-recipient staff has conducted re-evaluation of program participant’s eligibility to continue to receive “rapid re-housing” assistance not less than once a year.
- l. Annual Income: Program participant’s files must contain evidence that household income was BELOW 30% of area median income for the geographic area of assistance upon entry into an ESG-funded program. Sub-recipients must use the standard for calculating annual income as established in 24 CFR part 5.609.

Each program participant file who receives homelessness prevention or rapid re-housing assistance must contain the following documentation of annual income:

- i. Income evaluation form containing the minimum requirements specified by HUD and completed by the sub-recipient; and
- ii. Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (wage statements, unemployment compensation statements, public benefits statements, bank statements, etc)

- iii. To the extent that source documentation is unobtainable, a written statement by the relevant third party (employer, government benefits administrator, etc.) or the written certification by the sub-recipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available; or
- iv. To the extent that source documents and third party verifications are unobtainable, the written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation (**last resort method**)

m. Case Management:

- i. Sub-recipient staff must document initial evaluations of program participants requesting ESG assistance. Documentation must include evidence that demonstrates participant eligibility or ineligibility for program assistance;
- ii. Once a program participant is deemed eligible for ESG assistance, sub-recipient staff must document program participant's eligibility to regain stability in permanent housing. Evaluations must be conducted in accordance with the centralized or coordinated assessment required by HUD. While providing homelessness prevention or rapid re-housing assistance to a program participant, the sub-recipient must:
  - Require the participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability which shall be notated in the program participants file; and
  - Develop a written plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive, and the relative affordability of available housing in the area.
- iii. Case Management may consist of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability in permanent housing. Assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services consist of:
  - Using the centralized or coordinated assessment system to evaluate households applying for or receiving homeless prevention or rapid re-housing assistance;
  - Conducting the initial evaluation required, including verifying and documenting eligibility of households applying for assistance;
  - Counseling;
  - Developing, securing and coordinating services and obtaining Federal, state and local benefits;
- v. Monitoring and evaluating program participant progress;
- vi. Providing information and referrals to other providers;



- vii. Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- viii. Conducting re-evaluations:
  - Sub-recipient staff must re-evaluate the program participant's eligibility and types and amounts of assistance the participant needs not less than once every 3 months for program participants receiving homeless prevention assistance, and once a year for program participants receiving rapid re-housing assistance.
- ix. Sub-recipient staff must enter case management information in a program participant's case file **and** in the local Continuum of Care's HMIS.
- n. **HMIS Data Entry:** Sub-recipients must keep records of the participation in HMIS or a comparable database of all projects and activities served with ESG funds. Sub-recipients are required to upload certain documentation into HMIS for program participants receiving ESG assistance for desk review by the Divisions. Documents to be uploaded are:
  - i. Client application;
  - ii. Verifications of income or other source documentation;
  - iii. Certifications by sub-recipient intake staff of client eligibility, including evidence that the program participant met required risk criteria;
  - iv. Documentation of homeless or at risk of homelessness status;
  - v. Other documents as requested
- o. **Determination of ineligibility: For each participant determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination.**
- p. **Centralized and coordinated assessment systems and procedures:** The Division and sub-recipients must keep documentation evidencing the use of, and written intake procedures for, participation in the centralized or coordinated assessment system(s) develop by the Continuum's of Care. Sub-recipients must document that clients receiving assistance were screened in accordance to established intake procedures, and those provided assistance were determined to be most in need of services.
- q. **Rental assistance agreements and payments:** The records retained by the sub-recipients must include copies of all leases and rental assistance agreements for the provision of rental assistance documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.
- r. **Landlord MOU:** Records must included an executed MOU or Rental Agreement between the landlord and the sub-recipient agency. The Agreement must be executed prior to payment of any rental assistance.
- s. **Utility allowance:** Records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with rent restrictions.
- t. **Shelter and housing standards:** Records must include documentation of compliance with the shelter and housing standards in 576.403 and additional standards required by the Division, including inspection reports.
- u. **Emergency shelter facilities:** Su-recipients, must keep records of the emergency shelters assisted under the ESG program, including the amount and type of assistance provided to each emergency shelter. As applicable, the records must also include documentation of the value of the building before any rehabilitation

of an existing shelter or after the conversion of a building into an emergency shelter and copies of the recorded deed or use restrictions.

- v. Services and assistance provided: Sub-recipients must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provider under the State's ESG program, and the amounts spent on these services and assistance. Sub-recipients that are units of local government must keep records to demonstrate compliance with the Maintenance of Effort requirement, including records of the local government's annual budgets and sources of funding for street outreach and emergency shelter.
- w. Coordination with Continuum of Care's and other programs: Sub-recipients must document compliance with the requirements of 576.400 for consulting with the Continuum of Care's and coordinating and integrating ESG assistance with programs targeted towards homeless people and mainstream service and assistance programs.
- x. HMIS: The Division must keep records of participation in HMIS or a comparable database by all projects of sub-recipients. Sub-recipients will be required to upload certain documentation into HMIS for program participants receiving ESG assistance for desk review by Division staff. Documents to be uploaded include:
  - i. Client application
  - ii. Verifications/certifications of income or other source documentation
  - iii. Certifications by sub-recipient intake staff of client eligibility, including evidence that the program participant meets required risk criteria
  - iv. Documentation of assistance type (eviction notice, utility termination notice, etc.)
  - v. Documentation of homeless or at risk of homelessness statusOther documents as required
- y. Matching: Sub-recipients must keep records of the source and use of contributions made to satisfy the matching requirements in 576.201. the records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- z. Conflicts of Interest: Sub-recipients must keep records to show compliance with the organizational conflicts-of-interest requirements in 579.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements of 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions.
- aa. Homeless Participation: Not required for State recipients
- bb. Faith-based activities: Sub-recipients must document their compliance with the faith-based activities requirements under 576.406.
- cc. Other federal requirements: Sub-recipients must document their compliance with the Federal requirements in 576.407, as applicable, including:
  - i. Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under 576.407(a), including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds and affirmative outreach requirements of 576.407(b).



the building before renovation, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation; and

- iii. Where ESG funds are used to convert a building into an emergency shelter and the costs charged to the ESG grant for the conversion exceed 75% of the value of the building after conversion, records must be retained until 10 years after the date that ESG funds are first obligated for the conversion.

hh. Access to records:

- i. Notwithstanding, the confidentiality procedures established under this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, and the Division, must have the right of access to all books, documents, papers, or other records of examination, excerpts and transcripts. These rights of access are not limited to the required retention period but last as long as the records are retained;
- ii. Make available program participant records, along with any financial and program records, for review by the Division during periodic monitoring visits. Monitoring of sub-recipients may be conducted by the Division, local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, a contractor hired on behalf of the Division for the purposes of auditing programs funded through the State, or other authorized state or federal agency, to determine compliance with the requirements of each program. In lieu of a site visit the Division may request either copies of supporting documentation in order to conduct a Desk Audit review of a sub-recipient or access to HMIS for review of documentation uploaded to the system;
- iii. Make available copies of all monitoring letters from other federal, state or local grant funded programs if requested by the Division. Copies of any written responses addressing areas of concerns or findings shall be included. These copies shall be provided during monitoring review visits or more frequently if requested by Division staff;
- iv. Public rights: The Division must provide citizens, public agencies, and other interested parties with reasonable access (consistent with state and local laws regarding privacy and obligations of confidentiality, and the confidentiality requirements in this part) to records regarding any uses of ESG funds the Division received during the preceding 5 years.

## **PERFORMANCE REQUIREMENTS**

### Performance Reports:

Sub-recipients must collect and report data on use of ESG funds throughout the year, information on program participants, program performance, beneficiary data, collaboration efforts, and other important information at least annually.

At a minimum, sub-recipients shall provide:

1. An evaluation of the sub-recipient's progress in meeting specific objectives of providing services to homeless individuals and families, including an evaluation of the progress in meeting specific objectives for reducing and ending homelessness through:
  - a. Reaching out to homeless persons and assessing their needs;

- b. Addressing the emergency and transitional housing needs of homeless persons;
  - c. Helping homeless persons make the transition to permanent housing and independent living, including shortening the period of time households experience homelessness; facilitating access for homeless to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and
  - d. Helping low income households avoid becoming homeless, especially extremely low-income and those who are:
    - Likely to become homeless after being discharged; or
    - Receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs
2. Beneficiary data (race, ethnicity, housing status, income upon entry and exit, type of assistance provided, etc) of program participants receiving ESG assistance.
  3. Completed ESG Annual Reports, including Exhibit 13(c)-ESG Annual Report, the Performance Evaluation Report, and any other requested documentation which will help the Division to determine if programs and services provided met the goals and objectives of the local Continuum of Care and the Division.

## **OTHER FEDERAL REQUIREMENTS**

Sub-recipients must comply with applicable Federal requirements as reflected in 576.404, 576.406, 576.407 and 576.408 . Refer to the ESG Policies and Procedures manual for details regarding requirements.

## **FINANCIAL MANAGEMENT REQUIREMENTS**

### **A. GRANT EXPENDITURES**

1. Sub-recipients must draw down funds not less than once during each quarter. The Division and its sub-recipients, if applicable, shall make timely payments to each of its sub-recipients within 30 days after the date of receiving a complete payment request.
2. All grant funds must be expended within 24 months unless otherwise specified in the sub-recipient agreement.
3. Draw reimbursement requests must be submitted using the Exh.1-ESG Draw Reimbursement Request form, and shall include: 1) An HMIS report showing clients served during the grant period and amounts provided; 2) Time sheets reflected hours charged to ESG activities (if requesting salary expenditure reimbursements); 3) Information regarding match sources used; and 4) any additional documents as requested by the ESG Program Manager

### **B. CHANGES TO GRANT ALLOCATIONS**

1. Sub-recipients must submit in writing requests to amend approved ESG allocations. The request shall be submitted on sub-recipient letterhead and shall include a budget reflecting the amended allocations for each activity. Once the required documentation is received the Division will issue an amended ESG Award Notice for execution.

### **C. AUDIT REQUIREMENTS**

Refer to the ESG Policies and Procedures manual for details on annual audit requirements of the Division for sub-recipient of ESG grant funds.

## **MONITORING**

The Division is required to monitor sub-recipients for compliance with ESG regulations. Using techniques, guidelines and Federal regulations at 24 CFR Part 576 from HUD's Monitoring Guidance for the ESG Program, the Division has developed a process that includes the following components, to determine the type of monitoring to be conducted during the year. Refer to the ESG Policies and Procedures manual for specific information regarding monitoring of sub-recipients.