



The City of
WORCESTER



City Manager Edward M. Augustus, Jr.'s
Executive Office of Economic Development

Emergency Solutions Grant

Program Guidelines

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1. Introduction

1.1 In accordance with federal regulations set forth in 24 CFR 576, including but not limited to 24 CFR 576.400(e), the following ESG Program Guidelines (“Guidelines”) for the provision of Emergency Solutions Grant (“ESG”) assistance are adopted for all ESG funded contracts between the City of Worcester and its sub-recipient agencies. Notwithstanding any provision to the contrary, these Guidelines are intended solely for the convenience of the City’s sub-recipients, and not to limit or alter the requirements of applicable federal, state or local laws, regulations or ordinances (collectively “Law”). Additionally, these Guidelines do not limit or alter the requirements of any contract between the City and any sub-recipient. In all instances, the sub-recipient shall comply fully with the requirements of the applicable contract, as well as applicable Law and the grant agreement between HUD and the City (“Grant Agreement”). In the event of any conflict between these Guidelines and said Law or Grant Agreement requirements, the applicable Law and the requirements of the Grant Agreement shall prevail over these Guidelines.

1.2 The ESG program rules in 24 Code of Federal Regulation (CFR) Part 576 provide general standards for eligible housing activities such as client eligibility, housing quality standards, etc. Other applicable CFRs are:

- Lead-based paint poisoning notification requirements, 24 CFR Part 35, Lead- Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846)
- Smoke alarm requirements, Section 31 of the Federal Fire Prevention and Control Act of 1974; and
- • Equal Access In Accordance With an Individual’s Gender Identity in Community Planning and Development Programs, 24 CFR Part 5
- 2 CFR Part 200

1.3 The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents; (5) rapidly re-house homeless individuals and families; and (6) prevent families and individuals from becoming homeless.

1.4 ESG sub-recipients are required, to the full extent possible, to coordinate ESG activities with other programs targeted towards homeless individuals and families, as well as mainstream housing, health, social services, employment, education and youth programs for which homeless and at-risk families and individuals may be eligible. Agencies with which Sub-recipients shall coordinate may include, for example, the Continuum of Care, HUD-Veteran Affairs Supportive Housing, Education for Homeless Children and Youth, Health Care for the Homeless, Runaway and Homeless Youth, Homeless Veterans

Reintegration, Section 8, Public Housing, HOME Investment Partnership, the Workforce Investment Act, and Temporary Assistance For Needy Families programs.

2. Minimum Program Eligibility Criteria

2.1 The sub-recipient shall conduct an initial evaluation to determine the eligibility of each individual or family for ESG assistance and the types of assistance needed to regain stability in permanent housing.

2.2 ESG assistance is open to individuals and families from the City of Worcester who meet the definitions of either being homeless or at-risk of homelessness. All participants must meet the required income eligibility criteria as follows:

- For Rapid Re-Housing assistance, there is no income restriction for households at initial evaluation. However, at re-evaluation – not less than annually – household income must be below 30% AMI.
- For Homelessness Prevention assistance, households must have an income below 30% AMI at initial evaluation, and have no other housing options, financial resources, or support networks. At re-evaluation - not less than quarterly - the household must have an annual income below 30% AMI.
- The 30% AMI limit does not apply to program participants who are being served under the Emergency Shelter or Street Outreach components.

2.3 Prior to providing services with ESG funds, sub-recipients shall evaluate and clearly document each household's income. The sub-recipient shall determine the level of funding for each program participant through an initial intake assessment prior to providing services with ESG funds. Participants are not eligible if they are already receiving the same type of financial assistance (i.e., prevention, re-housing, or stabilization) during the same time period from another federal or state source. When the participant's income or other circumstances change (e.g. changes in household composition), the sub-recipient shall re-evaluate the participant's eligibility and the amount and types of assistance the participant needs.

2.4 The sub-recipient shall verify and document at the time of intake an individual's/family's homeless status. The priority for verification is as follows: third party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third party documentation shall not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers and intake worker observations are acceptable evidence of third-party documentation if the database retains an auditable history of all entries, including the person who entered the data, the date of entry, changes made and if the database prevents overrides or changes of dates.

2.5 HMIS participation is a mandatory ESG requirement except for domestic violence and legal assistance providers as set forth in 24 CFR 576.107. All clients receiving ESG assistance must be reported in an approved HMIS system.

3. Limits of Funding Assistance

3.1 For both prevention and rapid re-housing activities, sub-recipients shall provide participants with a fixed amount of financial assistance, up to a maximum of \$4,000 per household per 24 months. ESG sub-recipients may exercise reasonable discretion within this maximum and in accordance with other applicable regulations regarding the amount of rental and utilities assistance provided, as well as the share that participants are required to pay, based on the financial needs of the individual. Agencies may request a waiver to the \$4,000 maximum per household limit in writing to the City of Worcester under hardship circumstances only. Approval of this waiver is solely at the discretion of the City.

3.2 Within this limit and applying the criteria set forth above, sub-recipients may make the assistance available in various forms, including assistance for one-time costs such as first and last month's rent and/or security deposit or in the form of monthly rent supplements. Program participants receiving project-based rental assistance must have a lease for a period not less than one year, regardless of the length of the rental assistance.

3.3 Sub-recipients, depending on the resources available for prevention and applying the criteria set forth above, shall determine the extent and type of assistance that will best assist households maintain their tenancies. However, sub-recipients using ESG funds may not authorize any assistance to households other than immediate emergency shelter prior to obtaining all required documentation as specified in the HUD ESG Regulations located at 24 CFR 576.

3.4 Standards for determining the share of rent and utilities that each program participant must pay, if any, will be based on the following:

- Current Fair Market Rent (FMR) limits per 24 CFR 576.106 (d) when rental assistance is provided (only clients receiving security deposit assistance and/or assistance with rental arrears assistance are exempt from this requirement under homeless prevention contracts); and
- Rent reasonableness, which takes the neighborhood rental prices into account;

3.5 The Sub-recipient is also required to comply with the following when providing rental assistance:

- Minimum habitability standards;
- Visual lead paint inspections; and

- Rental assistance agreement and lease between property manager and tenants as well as owner of property and agency.

3.6 The sub-recipient is expressly prohibited from providing rental assistance to a client if that client is already receiving rental assistance from another public source for the same time period (with the exception of a one-time payment of up to 6 months of rental arrears).

4. **Definitions of Selected Terms**

4.1 As set forth in 24 CFR 576.2, the McKinney-Vento Act defines “homeless” as :

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) 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; (ii) An individual or family living in a supervised publicly 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 (iii) 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;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney–Vento Homeless Assistance Act (42 U.S.C. 11434a); (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately

preceding the date of application for homeless assistance; (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

(i) 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 a 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; (ii) Has no other residence; and (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

4.2 As set forth in 24 CFR 576.2, the term "At-Risk of Homelessness" is defined as:

(1) An individual or family who:

(i) Has an annual income below 30 percent of median family income for the area, as determined by HUD; and (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and (iii) Meets one of the following conditions:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 725(2) of the McKinney–Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

5. Eligible Activities

5.1 Emergency Solution Grant funding can be used for five program activities as set forth in 24 CFR 576.100(a): street outreach, emergency shelter, homelessness prevention, rapid re- housing assistance, and HMIS. These activities are further detailed in Sections 6 through 9, below.

6. Street Outreach

6.1 Street outreach, as set forth in 24 CFR 576.101, consists of the 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.

6.2 Eligible Street Outreach Activities (in accordance with federal regulations Part 576 Emergency Solutions Grants Programs, Subpart B) include:

1. Engagement;
2. Emergency Health Services

3. Emergency Mental Health Services; and

4. Transportation

5. Services for Special Populations

7. Emergency Shelter

7.1 The Emergency Shelter component of ESG, as set forth in 24 CFR 576.102, may be used to provide essential services to homeless families and individuals in emergency shelters, to renovate buildings to be used as emergency shelter for homeless families and individuals, and to operate emergency shelters.

7.2. Emergency Shelter Services are essential services to emergency shelter residents. These services may include case management, childcare, employment assistance, life skills, behavioral health services. Individuals and families must be verified as literally homeless or fleeing/attempting to flee domestic violence. There is no income threshold at intake for this activity. ESG funds may be used to provide essential services to homeless individuals and families residing in emergency shelters. An emergency shelter is any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

7.2.1 Emergency Shelter Services, in accordance with federal regulations Part 576 Emergency Solutions Grants Programs, Subpart B include:

1. Case management
2. Child care
3. Education services
4. Employment assistance and job training
5. Outpatient health services
6. Legal services
7. Life skills training
8. Mental health services
9. Substance abuse treatment services
10. Transportation.
11. Services for special populations

7.2.2 Where the recipient or sub-recipient uses ESG funds solely for essential services or shelter operations, the recipient or sub-recipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The recipient or sub-recipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with

children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the recipient or sub-recipient originally provided the services or shelter.

7.2.3 Sub-recipients must comply with all requirements contained within Attachment E, Shelter Support Recordkeeping and Reporting Requirements.

7.3 Shelter Rehabilitation, Renovation and Conversion, as set forth in 24 CFR 576.102(a)(2) includes labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.

7.3.1 If such activity is included as an eligible cost in Attachments B and C of the particular contract between the ESG sub-recipient and the City, then ESG funds may be used for costs of renovating buildings to be used as emergency shelter for homeless families and individuals or to convert a building for use as an emergency shelter. Eligible costs include labor, materials, tools and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government or private nonprofit organization. For the purposes of this Section, the sub-recipient may also be referred to as "lessee". Sub-recipient may not use ESG funds for rehabilitation or renovation of structures that will be used for inherently religious activities. ESG funds may pay for rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and religious activities, the amount of ESG funds used may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms used as a principal place of worship are ineligible for funded improvements paid by ESG. To the full extent applicable, sub-recipient shall further comply with any and all requirements particular to faith-based organizations, including but not limited to 24 CFR 5.109.

7.3.2 Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of three (3) or ten (10) years ("minimum use period"), depending on the type of renovation and the value of the building. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. If the rehabilitation cost of the shelter exceeds 75% of the value of the building before rehabilitation (e.g. major rehabilitation) the minimum period of use is ten (10) years. If the cost to convert a building into an emergency shelter exceeds 75% of the value of the building after conversion, the minimum period of use is ten (10) years. In all other cases where ESG funds are used for renovation, the minimum period of use is three (3) years. The minimum period of use of ten (10) years, required for rehabilitation and conversion must be enforced by a recorded deed or use restriction.

7.3.3 Any building renovated, converted or rehabbed using ESG funds must meet local government regulations, including building code and sanitary code.

7.3.4 Grant amounts may not be used for acquisition or construction of an emergency shelter for the homeless.

7.4 Emergency Shelter Operations, as set forth in 24 CFR 576.102(a)(3), are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual. There is no income threshold at intake for this activity.

7.4.1 The age of a child under age 18 shall not be a basis for denying any family's admission to an emergency shelter that uses ESG funding or services and provides shelter to families with children under age 18.

7.4.2 Sub-recipients shall comply with all requirements Shelter Support Recordkeeping and Reporting Requirements, including as set forth in Attachment E.

7.4.3 Where the sub-recipient uses ESG funds solely for essential services or shelter operations, the sub-recipient shall provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The sub-recipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the recipient or sub-recipient originally provided the services or shelter.

7.4.4 Shelter Support recipients shall comply with the Shelter Support Recordkeeping and Reporting Requirements including as set forth in Attachment F.

8. Homeless Prevention

8.1 Homeless Prevention Assistance, as set forth in 24 CFR 576.103, may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the "homeless" definition in Section 576.2.

8.2 This assistance, referred to as "homelessness prevention", may be provided to individuals and families who meet the criteria under the "at risk of homelessness" definition, or who meet the criteria in paragraph (2), (3), or (4) of the "homeless" definition in 24 CFR Section 576.2 and have an annual income

below 30 percent of median family income for the area, as determined by HUD. At re-evaluation - not less than once every three months - the participant must have an annual income below 30% AMI.

8.3 The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements in 24 CFR Section 576.105, the short-term and medium-term rental assistance requirements in 24 CFR Section 576.106, and the written standards and procedures established under 24 CFR Section 576.400.

8.4 Eligible Homelessness Prevention activities (in accordance with federal regulations Part 576 Emergency Solutions Grants Programs, Subpart B) include:

- Financial assistance costs
 - o Rental application fees
 - o Security deposits equal to no more than 2 months' rent
 - o Last month's rent
 - This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
 - o Utility deposits
 - o Utility payments (up to 24 months including 6 months arrearage per service)
 - A partial payment of a utility bill counts as one month.
 - This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments.
 - Eligible utility services are gas, electric, water, and sewage.
 - o Moving costs
 - o Temporary storage fees for up to 3 months (no storage fees in arrears)
 - o Note: Late payment penalties are NOT an eligible ESG expense. The recipient or sub-recipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.
- Service costs

o Housing search and placement

o Housing stability case management - See Section 10 for eligible activities and requirements

o Mediation *Must be between the program participant and the owner or person(s) with whom the program participant is living, provided the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.*

o Legal services *Must include landlord/tenant matters, and services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.*

o Credit repair/Counseling Services

- Short-term (3 months) and medium-term rental assistance (up to 24 months)
- Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

8.5 Housing/stabilization services must occur at least monthly for 12 months. Prevention assistance will be targeted to families at imminent risk of eviction. Sub-recipients will use standard intake/assessment forms intended to determine eligibility and also to highlight other strengths and/or challenges for the household. Prevention services may also be secondarily targeted toward housed individuals for the purposes of eviction prevention. These services would focus on intervention and/or financial assistance as needed to prevent an imminent episode of homelessness.

8.6 The amount of assistance should reflect the cost for the individual or family to stay in place, moves, or establish a new tenancy, up to a maximum of \$4,000 per household within 24 months during any three year period. Agencies may request a waiver to the \$4,000 maximum per household limit in writing to the City of Worcester under hardship circumstances only. Approval of this waiver is solely at the discretion of the City. This assistance may be in the form of short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance. Participants must not be receiving the same type of financial assistance (i.e. prevention, re-housing, or stabilization) during the same time period from another Federal or State source. Providers must re-evaluate participants' eligibility and the types and amounts of prevention assistance needed not less than once every three months. Except as provided for housing stability case management, no program participant may receive more than 24 months of assistance in a three-year period.

8.7 Sub-recipients must conduct an initial eligibility intake and assessment to determine eligibility and level of need. Re-evaluations of each program participants' eligibility as well as types and amounts of

assistance the program participant needs must be conducted on a QUARTERLY BASIS for participants receiving rapid re-housing assistance. At a minimum, the re-evaluation must establish that:

- The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

Additionally, when notified of a relevant change to the program participant's income or other circumstances that effect the participant's need for assistance under ESG, the recipient or sub-recipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

8.8 All assisted units must be documented by a lease. Project-based rental assistance leases must have an initial term of not less than one year. Rental agreements between the sub-recipient and the property owner must set forth terms under which assistance will be provided by the sub-recipient to the owner on behalf of the participating household. The written lease must include the tenant's name, address of the unit, term of tenancy, and move in date, rent amount, who is responsible for the utilities and must be signed by both parties and dated. The Sub-recipient must have a copy of the signed lease prior to authorizing any payments to the property owner.

8.9 The lease is not the Rental Assistance Agreement (RA). The RA must be between the Sub-recipient and the property owner and must document the terms of assistance, including requirement the property owner submit to the sub-recipient a copy of any notice to the tenant that could lead to an eviction. The RA is required to be executed before any payment is made to the property owner.

8.10 Assisted units must be at or below Fair Market Rent (FMR) for area and unit size for rent and utilities.

8.11 The sub-recipient shall document "rent reasonableness" using the form in Attachment D. Rent reasonableness shows that the rent of the unit is reasonable in relation to comparable units and provides documented data for units comparable in size, location and rent amounts.

8.12 Sub-recipients must comply with all Homeless Prevention Recordkeeping and Reporting Requirements, including as set forth in Attachment D.

9. Rapid Re-Housing

9.1 Rapid Re-Housing Assistance, as set forth in 24 CFR 576.104, may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

9.2 This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet homeless definition. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in Section 576.105, the short- and medium-term rental assistance requirements in Section 576.106, and the written standards and procedures established under Section 576.400.

9.3 For Rapid Re-Housing, an income assessment is not required at initial evaluation. However, at annual re-evaluation, the client's income must be below 30% AMI.

9.4 Eligible Rapid Re-housing Assistance activities (in accordance with federal regulations

Part 576 Emergency Solutions Grants Programs, Subpart B) include:

- Financial assistance costs
 - o Rental application fees
 - o Security deposits equal to no more than 2 months' rent
 - o Last month's rent - This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
 - o Utility deposits
 - o Utility payments (up to 24 months including 6 months arrearage per service)
 - A partial payment of a utility bill counts as one month.
 - This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments.
 - Eligible utility services are gas, electric, water, and sewage.
 - o Moving costs
 - o Temporary storage fees for up to 3 months (no storage fees in arrears)

Note: Late payment penalties are NOT an eligible ESG expense. The recipient or sub-recipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

- Service costs
 - o Housing search and placement
 - o Housing stability case management – See Section 10 for eligible activities and requirements
 - o Mediation - Must be between the program participant and the owner or person(s) with whom the program participant is living, provided the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
 - o Legal services -Must include landlord/tenant matters, and services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
 - o Credit repair/Counseling Services

- Short-term (3 months) and medium-term rental assistance (up to 24 months)

- Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

9.5 Rapid Re-Housing services can only be provided for 30 days and only while homeless. ESG funds may be used to provide housing relocation and stabilization services and short and/or medium term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance may be provided to program participants who meet the criteria of the homeless definition and live in an emergency shelter or other place described in the homeless definition. Rapid Re- housing assistance will be targeted to persons living in an emergency shelter or a place not meant for human habitation, which:

- Does not include Transitional Shelter Programs or Transitional Housing;
- Is a shelter where the shelter guest does not have to meet specific criteria other than being homeless with no place else to go;
- Is a shelter where the guests do not have to sign an occupancy agreement or program participation agreement to access the shelter;

- Is a shelter where the average length of stay is less than 90 days.

9.6 The amount of assistance should reflect the cost for the individual or family to stay in place, moves, or establish a new tenancy, up to a maximum of \$4,000 per household within 24 months during any three year period. Agencies may request a waiver to the \$4,000 maximum per household limit in writing to the City of Worcester under hardship circumstances only. Approval of this waiver is solely at the discretion of the City. This assistance may be in the form of short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance. Participants must not be receiving the same type of financial assistance (i.e. prevention, re-housing, or stabilization) during the same time period from another Federal or State source. Providers must re-evaluate participants' eligibility and the types and amounts of prevention assistance needed not less than once every three months. Except as provided for housing stability case management, no program participant may receive more than 24 months of assistance in a three-year period.

9.7 Sub-recipients must conduct an initial eligibility intake and assessment to determine eligibility and level of need. Re-evaluations of each program participants' eligibility as well as types and amounts of assistance the program participant needs must be conducted not less than ANNUALLY for participants receiving rapid re-housing assistance. At a minimum, the re-evaluation must establish that:

- The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

Additionally, when notified of a relevant change to the program participant's income or other circumstances that affect the participant's need for assistance under ESG, the sub-recipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

9.8 All assisted units must be documented by a lease. Project-based rental assistance leases must have an initial term of not less than one year. Rental agreements between the sub-recipient and the property owner must set forth terms under which assistance will be provided by the sub-recipient to the owner on behalf of the participating household. The written lease must include the tenant's name, address of the unit, term of tenancy, move in date, rent amount, who is responsible for the utilities and must be signed by both parties and dated. The Sub-recipient must have a copy of the signed lease prior to authorizing any payments to the property owner.

9.9 The lease is not the Rental Assistance Agreement (RA). The RA must be between the Sub-recipient and the property owner and must document the terms of assistance, including requirement that the

property owner submit to the Sub-recipient a copy of any notice to the tenant that could lead to an eviction. The RA is required to be executed before any payment is made to the property owner.

9.10 Assisted units must be at or below Fair Market Rent (FMR) for area and unit size for rent and utilities.

9.11 The sub-recipient shall document "rent reasonableness" using the form in Attachment D. Rent reasonableness shows that the unit rent is reasonable in relation to comparable units and provides documented data for units comparable in size, location and rent amounts.

9.12 Sub-recipients must comply with all Rapid Re-Housing Recordkeeping and Reporting Requirements, set forth in Attachment E.

10. Housing Stability Case Management

10.1 ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This 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 and activities consist of:

- a. Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
- b. Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;
- c. Counseling;
- d. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- e. Monitoring and evaluating program participant progress;
- f. Providing information and referrals to other providers;
- g. Developing an individualized housing and service plan, including planning a path to permanent housing stability; and

h. Conducting re-evaluations required under § 576.401(b).

10.2 While providing homelessness prevention or rapid re-housing assistance to a program participant, the recipient or sub-recipient must:

- Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; and
- Develop a 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.

10.3 The recipient or sub-recipient is exempt from the requirement under paragraph (e)(1)(i) of this section if the Violence Against Women Act of 1994 (42 U.S.C. 13701 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) prohibits that recipient or sub-recipient from making its shelter or housing conditional on the participant's acceptance of services.

11. Housing Information Management System (HMIS)

11.1 In accordance with regulations set forth at 576 CRF 107, the sub-recipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:

- Purchasing or leasing computer hardware
- Purchasing software or software licenses
- Purchasing or leasing equipment, including telephones, fax machines, and furniture
- Obtaining technical support
- Leasing office space
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying salaries for operating HMIS, including:
 - o Completing data entry
 - o Monitoring and reviewing data quality
 - o Completing data analysis
 - o Reporting to the HMIS Lead
 - o Training staff on using the HMIS or comparable database
 - o Implementing and complying with HMIS requirements
- Cost of staff to travel to and attend HUD–sponsored and HUD–approved training on HMIS and programs authorized by Title IV of the McKinney–Vento Homeless Assistance Act
- Costs to conduct intake
- Participation fees charged by the HMIS Lead.

11.2 If the recipient is the HMIS lead agency, as designated by the Continuum of Care, it may also use ESG funds to pay the costs of:

- Hosting and maintaining HMIS software or data
- Backing up, recovering, or repairing HMIS software or data
- Upgrading, customizing, and enhancing the HMIS
- Integrating and warehousing data, including development of a data warehouse for use in aggregating data from sub-recipients using multiple software system
- Administering the system
- Reporting to providers, the Continuum of Care, and HUD
- Conducting training on using the system or a comparable database, including traveling to the training

11.3 If the sub-recipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (i.e., longitudinal data) 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.

11.4 Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

12. Ineligible ESG Activities

Ineligible costs include, but are not limited to:

- Assistance where other resources are available
- Recruitment or ongoing staff training
- Depreciation
- Costs associated with the organization rather than the facility (e.g. advertisements, pamphlets about the organization, surveys, etc.)
- Public relations
- Acquisition or new construction of an emergency shelter for the homeless
- Costs associated with the organization rather than the specific program renovation, rehabilitation, or conversion of structures used exclusively for religious purposes or which will otherwise promote religious interests except through the creation or utilization of a wholly secular entity
- Any costs associated with advertisements, pamphlets, surveys, etc.
- Staff training, entertainment, conferences or retreats
- Public relations or fundraising

- Recipient bad debts/late fees
- Program participant mortgage assistance/payments and any issues related to mortgages
- Recipient mortgage/debt service
- Indirect costs
- Legal services for immigration and citizenship matters
- Retainer fee arrangements and contingency fee arrangements
- Substance abuse treatments services for inpatient detoxification and other inpatient drug or alcohol treatment
- Payment of temporary storage fees in arrears
- Late payment penalties
- Purchase of office space
- Sub-recipient post due taxes or late fees
- Repayment of utility or security deposits to the sub-recipient not tracked as program income
- Construction or rehabilitation
- Credit card or other consumer debt
- Car repairs
- Program participant travel costs
- Medical or dental care and medicines
- Clothing and grooming
- Home furnishings
- Pet care
- Entertainment activities
- Work or education related materials
- Indirect costs
- Cash assistance to program participants
- Develop discharge planning programs in mainstream institutions such as hospitals, jails or prisons
- Funds issued directly to program participants
- Program fees
- Fees charged to the program applicant or participant

13. Case Management Requirements

13.1 In accordance with 576 CRF 576.401(e), while providing homelessness prevention or rapid re-housing assistance to a program participant, the sub-recipient must:

- A. Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; and
- B. Develop a 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.

13.2 The sub-recipient is exempt from the requirement under paragraph (e)(1)(i) of this section if the Violence Against Women Act of 1994 (42 U.S.C. 13701 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) prohibits that recipient or sub-recipient from making its shelter or housing conditional on the participant's acceptance of services.

13.3 Case managers shall help connect households with appropriate services and financial assistance through other public and private homeless assistance and mainstream programs. Case managers shall keep clear and concise case notes documenting the meetings including their goals and outcomes.

14. Habitability Standards and Lead Based Paint Requirements

14.1 In accordance with 24 CFR 576.403, all units in which program participants receiving assistance live must meet HUD Habitability Standards. Sub-recipients are required to complete the Emergency Solutions Grant Housing Shelter and Housing Standard Inspection Checklist (also known as the "Habitability Checklist") for all participants receiving financial assistance for their housing units. This checklist can be found in Attachment C. The only exception to this requirement is in cases where only security deposits assistance and/or rental arrearage assistance is being provided.

14.2 All assisted units must meet federal lead paint requirements if the unit was constructed before 1978 and if a child under 6 and/or a pregnant woman is or will be residing in the unit. Sub-recipients must document these inspections using the Habitability Checklist, which also addresses lead paint standards. The unit must meet ALL standards on the checklist or MAY NOT be used. The inspection must include, at a minimum:

- Verification of age of structure;
- Visual assessment and confirmation that paint surfaces are not chipping, cracking or peeling using the Habitability Checklist.; and
- Verification that the unit has been de-leaded or paint encapsulated from a Massachusetts approved de-leading vendor.

14.3 Sub-recipients are highly encouraged to complete an online tutorial on completing lead based paint visual inspections which takes approximately 20 minutes to complete and is located at: <http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>. If any sub-recipients already

had a Habitability Checklist in place, they just need to make sure that the lead based paint assessment is included.

14.4 The habitability and visual lead inspections are not required to be completed by certified inspectors.

14.5 If a HUD approved inspection for Section 8 has been recently completed for the unit, a copy of that inspection report in the client's file is sufficient because the regulations governing Section 8 inspections are more stringent than those governing ESG inspections.

14.6 A lead-free certification for a unit can also be used to satisfy the lead paint requirement.

14.7 Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips and dust can pose serious health hazards. HUD requires Project Sponsors to give all ESG clients the lead-based paint pamphlet entitled Protect Your Family from Lead in Your Home. The client's case file should include documentation that a copy of the pamphlet was given to the client. The pamphlet was developed by the Environmental Protection Agency in response to concern about lead-based paint hazards in the home. Copies of the pamphlet are available at the following website address:

English version: <http://www.epa.gov/lead/pubs/leadpdf.pdf>

Spanish version: <http://www.epa.gov/lead/pubs/pyfcameraspan.pdf>

15. Termination of Assistance

15.1 In accordance with 24 CFR 576.402, if a program participant violates program requirements, the sub-recipient may terminate the assistance in accordance with a formal process established by the sub-recipient. That process must recognize 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 program participant's assistance is terminated only in the most severe cases. Sub-recipient may terminate assistance to a program participant if the rules of the program are violated. The termination must be preceded by a due process to include, at a minimum:

- Written notification and clear statement of reasons for termination from the program;
- Opportunity to appeal to a third party; and
- Prompt appeal response

Termination shall only happen in the most severe of cases and shall be clearly documented in the program participant's file.

15.2 With regard to program participants receiving rental assistance or housing relocation and stabilization services, to terminate such assistance or services, the required formal process, at a minimum, must consist of:

- (1) Written notice to the program participant containing a clear statement of the reasons for termination;
- (2) A review of the decision, in which the program 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; and
- (3) Prompt written notice of the final decision to the program participant.

15.3 Termination under this section does not bar the sub-recipient from providing further assistance at a later date to the same family or individual.

16. General Recordkeeping and Reporting Requirements

16.1 The sub-recipient must have policies and procedures in place to ensure that ESG funds are used in accordance with the regulatory requirements. In addition, sufficient records must be established and maintained to enable the City and HUD to determine whether ESG requirements are being met.

16.2 In general, all clients receiving ESG assistance must have the following documentation included, but not limited to, in their case file:

- (i) Documentation of Homeless or At-risk Homeless Status (additional details regarding this documentation are provided below);
- (ii) Documentation of income (third-party verification whenever possible, if not- self declaration of income forms will suffice);
- (iii) In the form of case notes, evidence of at least an initial in-person consultation with a case manager including a needs assessment and formulation of a long-term plan for housing stability;
- (iv) HMIS Intake form at program entry;
- (v) Quarterly or annual re-evaluations, depending on program component; and
- (vi) HMIS Exit form upon program completion.

16.3 All sub-recipients are required to use the forms included in Attachment C.

16.4 All clients provided with ESG assistance in the form of direct financial support (i.e., first last month's rent, security deposits, moving costs, rental arrearages, utility arrearages or medium-term rental subsidies) must also have the following documentation included in their case file:

- (i) Lease or Rental Agreement;
- (ii) Rent Reasonableness Checklist;
- (iii) Housing Habitability Standards Checklist; and

16.5 All program participants receiving Housing Relocation and Stabilization Services (i.e., General Case Management, Housing Search and Placement, Outreach and Engagement) must have case files with detailed case notes indicating the developments and progress made as a result of the ESG funded services, including clear documentation of the monthly stabilization meetings.

16.6 Sub-recipients administering Shelter Support, Homeless Prevention and Rapid Re-housing activities shall use the State Department of Housing and Community Development (DHCD) reporting and recordkeeping requirements contained in Attachments F, G and H respectively as a guide for maintaining client files.

17. Documentation of Homeless Status

17.1 The sub-recipient must maintain and follow written intake procedures to ensure compliance with the homeless definition in § 576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

17.2 If the individual or family qualifies as homeless under paragraph (1)(i) or (ii) of the homeless definition in § 576.2, acceptable evidence includes a written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider, or a certification by the individual or head of household seeking assistance.

17.3 If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition in § 576.2, because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in paragraph (b)(1) of this section and one of the following:

- Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; or
- Where the evidence in paragraph (b)(2)(i) of this section is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in paragraph (b)(2)(i) and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less.

17.4 If the individual or family qualifies as homeless under paragraph (2) of the homeless definition in § 576.2, because the individual or family will imminently lose their housing, the evidence must include:

- A court order resulting from an eviction action that requires the individual or family to leave their residence within 14 days after the date of their application for homeless assistance; or the equivalent notice under applicable state law, a Notice to Quit, or a Notice to Terminate issued under state law;
 - o For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or
 - o An oral statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either: (I) be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or (II) if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of household seeking assistance that his or her statement was true and complete;

- Certification by the individual or head of household that no subsequent residence has been identified and
- Certification or other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.

17.5 If the individual or family qualifies as homeless under paragraph (3) of the homeless definition in § 576.2, because the individual or family does not otherwise qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute or section 725(2) of the McKinney–Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the evidence must include:

- o For paragraph (3)(i) of the homeless definition in § 576.2, certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or subtitle B of title VII of the McKinney–Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), as applicable;
- o For paragraph (3)(ii) of the homeless definition in § 576.2, referral by a housing or service provider, written observation by an outreach worker, or certification by the homeless individual or head of household seeking assistance;
- o For paragraph (3)(iii) of the homeless definition in § 576.2, certification by the individual or head of household and any available supporting documentation that the individual or family moved two or more times during the 60–day period immediately preceding the date of application for homeless assistance, including: recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or, where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records. Where a move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and

17.6 For paragraph (3)(iv) of the homeless definition in § 576.2, written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff-recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who

is licensed by the state to diagnose and treat that condition); employment records; department of corrections records; literacy, English proficiency tests; or other reasonable documentation of the conditions required under paragraph (3)(iv) of the homeless definition.

17.7 If the individual or family qualifies under paragraph (4) of the homeless definition in § 576.2, because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other housing. If the individual or family is receiving shelter or services provided by a victim service provider, the oral statement must be documented by either a certification by the individual or head of household; or a certification by the intake worker. Otherwise, the oral statement that the individual or head of household seeking assistance has not identified a subsequent residence and lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain housing must be documented by a certification by the individual or head of household that the oral statement is true and complete, and, where the safety of the individual or family would not be jeopardized, the domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening condition must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The written referral or observation need only include the minimum amount of information necessary to document that the individual or family is fleeing, or attempting to flee domestic violence, dating violence, sexual assault, and stalking.

18. Documentation of At-Risk of Homelessness Status

18.1 For each individual or family who receives Emergency Solutions Grant (ESG) homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the recipient or sub-recipient. The evidence must also include:

18.2 If the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in § 576.2:

- The documentation specified under this section for determining annual income;

- The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of “at risk of homelessness” in § 576.2;
- The most reliable evidence available to show that the program participant does not have sufficient resources or support networks; e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition. Acceptable evidence includes:
 - o Source documents (e.g., notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);
 - o To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, public administrator, relative) or the written certification by the recipient's or sub-recipient's intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under paragraph (1)(ii) of the definition of “at risk of homelessness” in § 576.2; or
 - o To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or 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:

- o Source documents that evidence one or more of the conditions under paragraph (1)(iii) of the definition (e.g., eviction notice, notice of termination from employment, bank statement);
- o To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, owner, primary leaseholder, public administrator, hotel or motel manager) or the written certification by the recipient's or sub-recipient's intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition of “at risk of homelessness”; or

o To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or 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 recipient's or sub-recipient's intake staff describing the efforts taken to obtain the required evidence; or

18.3 If the program 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 administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C.2011 et seq.), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or subtitle B of title VII of the McKinney–Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), as applicable.

19. Additional Recordkeeping Requirements

19.1 In addition to evidence of homeless status or “at risk of homelessness” status, as applicable, records must be kept for each program participant that document:

- The services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;
- Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions at § 576.101 through § 576.106, the provision on determining eligibility and amount and type of assistance at § 576.401(a) and (b), and the provision on using appropriate assistance and services at § 576.401(d) and (e); and
- Where applicable, compliance with the termination of assistance requirement in § 576.402.

19.2 The sub-recipient must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the Continuum of Care(s) in accordance with the requirements established by HUD.

19.3 The records 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.

19.4 The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.

19.5 The records must include documentation of compliance with the shelter and housing standards in § 576.403, including habitability checklists.

19.6 The sub-recipient must keep records of the participation in HMIS or a comparable database by all projects of the recipient and its sub-recipients.

19.7 The sub-recipient must keep records of the source and use of contributions made to satisfy the matching requirement 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.

19.8 The sub-recipient must document its compliance with the homeless participation requirements under § 576.405.

19.9 The sub-recipient must develop and implement written procedures to ensure:

- All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;
- The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
- The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or sub-recipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

19.10 The confidentiality procedures of the recipient and its sub-recipients must be in writing and must be maintained in accordance with this section.

A. General Requirements

All information about the applicant/client is confidential. Disclose information only for the purpose of determining program eligibility, providing benefits, or investigating possible violation of federal, state and local regulation(s) associated with ESG delivery and never in a setting where members of the public can hear the conversation.

Sub-recipient must have policies and procedures that ensure all client information and records are secure and confidentially maintained. Sub-recipient' officers, employees and agents must be aware of and comply with sub-recipient' confidentiality policies and procedures.

B. Electronic Confidentiality

Electronic collection of client information requires procedures for ensuring confidentiality. The following guidelines apply to the use of a computer:

- The computer terminal(s) used must be located in a secure location, limiting access to only those persons who have a legitimate interest in and are responsible in viewing client records.
- The computer monitor must be cleared (or a screen saver activated) immediately after accessing a client record.
- The computer terminal must be on a "locked" mode or turned off if the terminal is unattended.
- Access to the HMIS program shall be given to authorize staff persons and only insofar as access is necessary for performing the work required for the ESG program.

C. Victims of Domestic Violence

Sub-recipient must implement procedures to ensure confidentiality of records pertaining to any individual who is provided family violence prevention or treatment services. Victim information cannot be disclosed to any third party without consent of the victim.

Victim service providers are prohibited from entering data in HMIS; however, they are required to maintain comparable databases of their own design which provide aggregate information and data consistent with HMIS data collection requirements. Projects serving survivors of domestic violence where the recipient is not a victim services provider are required to enter data in their HMIS.

Sub-recipient must instruct all staff that the address of a domestic violence provider's shelter location will not be made public without permission of the provider.

D. Release of Information

Client information (including identifying the person is a client) should not be released without written authorization from the client. A Release of Information form must be completed by the applicant at the time of intake.

Client refusal to provide such authorization cannot be the basis for denying program services to otherwise eligible clients.

Release forms must be time-limited and specific as to with whom and what information will be shared.

19.11 For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination.

- Annual income. For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:
 - o Income evaluation form containing the minimum requirements specified by HUD and completed by the recipient or sub-recipient; and
 - o 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 (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement);
 - o To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or 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
 - o To the extent that source documents and third party verification 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.

20. Match Requirements

20.1 In accordance with 24 CFR 576.201, a sub-recipient is required to make matching contributions to supplement its ESG program in an amount that equals the amount of ESG funds provided by the City.

20.2 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:

(i) 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.

(ii) 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.

20.3 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 the expenditure limits in Section 576.100.

20.4 The matching contributions must be provided after the date that HUD signs the grant agreement and must be expended within the expenditure deadline for the grant.

20.5 Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.

20.6 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 requirement of this section.

20.7 The matching requirement may be met by one or both of the following:

(i) Cash contributions. Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), of the sub-recipient;

(ii) 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. To determine the value of any donated material or building, or of any lease, the recipient must use a method reasonably calculated to establish the fair market value. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or sub-recipient's organization. If the recipient or sub-recipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the

same labor market. Some noncash contributions are real property, equipment, goods, or services that, if the recipient or 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 recipient or 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.

21. Monitoring/Administration

21.1 Procurement

- It is the policy of the City of Worcester to promote open and full competition in the solicitation of goods and services.
- The procurement plan shall be consistent with the original guidance from the funding source and affiliated oversight agencies responsible for the procurement, and other state and/or federal source(s) requirements.
- City of Worcester staff shall develop a procurement timeline. In determining procurement timelines, primary consideration is given to balancing the conflicting needs of delivering services as soon as possible, adequate time for proposal reviews, and fair proposal preparation time frames for bidders. City of Worcester staff will oversee procurement scheduling to ensure this balance is fair and reasonable.
- The City of Worcester shall make informed decisions for its ESG funding allocation with local input by an ESG Advisory Committee comprised of community experts in the field of housing/homelessness services. Applicants who apply for ESG grant funding are then scored based on their capacity to meet local community needs as well as:
 - adequate financial resources being available
 - ability to meet program outcomes and specifications at reasonable cost
 - technical skills necessary to perform the work
 - consumer convenience, preferences and demands
 - demographics of consumers to be served
 - satisfactory past performance; if past performance data is not available as in the case of new programming, satisfactory demonstration of the ability to meet program outcomes and specifications at a reasonable cost
- Each procurement process targets resources in accordance with the City of Worcester's Five Year Consolidated Plan (2015-2020), updated annually through the Annual Action Plan process. All precautions are taken to ensure the absence of conflict of interest, and that determinations of awards

are made impartially. Reviews are completed on all procurements for compliance with relevant federal and state laws, regulations and policies.

21.2 Project Sponsor Oversight

- The City of Worcester must comply with all applicable state and federal policies, standards, and guidelines as specified in the grant agreement between HUD and the City, and the contract between the City and Sub-Recipients; and is responsible for ensuring efficient, effective, and proper implementation of the ESG program in its geographic area of responsibility.
- The City of Worcester will ensure that Project Sponsors properly manage ESG funds in compliance with the monitoring standards established as part of the City of Worcester CDBG Policies and Procedures and HUD regulations. The City of Worcester must assure that Project Sponsors develop local ESG policies as needed. These local policies should not conflict with guidance provided by the City of Worcester or the ESG regulations (24 CFR Part 576) as developed and amended by HUD.

Organizational - The provision of any type or amount of ESG assistance may not be conditioned on an individual's or household's acceptance or occupancy of emergency shelter or housing owned by sub-recipient or an affiliated organization. A sub-recipient is prohibited from conducting a participant's intake assessment to determine program eligibility if the participant resides in housing where the sub-recipient has ownership interest. Sub-recipient would need to find another independent organization that is also an ESG grantee to do the intake assessment and ensure that all program participants are eligible even if the sub-recipient has a waiver of the conflict of interest requirements. Conflict of interest waivers regarding rent assistance and rental agreement requirements can only be approved by HUD. If a sub-recipient wishes to apply for a waiver, they should contact the sub-recipient homeless program coordinator or manager for guidance in submission of a waiver request which must be approved by City of Worcester who will then submit to HUD. See 24 CFR 576.404(a).

Sub-recipient must keep records to show compliance with ESG program organizational conflicts-of-interest requirements.

Individual - For the procurement of goods and services, sub-recipient must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) or 24 CFR 84.42 (for private nonprofit organizations). Persons for whom the Conflict of Interest requirements apply include any person who is an employee, agent, consultant, officer, or elected or appointed official of the sub-recipient agency. No person who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in

a position to participate in a decision-making process or gain inside information with regard to activities assisted under the Program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one year period following his or her tenure.

Upon the written request from the City of Worcester, HUD may grant an exception to the provisions of this paragraph on a case-by-case basis. Sub-recipients wishing an exception must submit requests to City of Worcester for review and forwarding to HUD. There is no guarantee that an exception will be approved.

- As the Responsible Entity for the jurisdiction served under ESG Grant funds, the City of Worcester is responsible for completing Environmental Reviews to assure compliance with the National Environmental Policies Act (NEPA) under 24 CFR Part 58.
- When monitoring sub-recipients, the City shall be reviewing, at a minimum, the following:
 - Proper policies and procedures for determining and documenting participant eligibility, administering financial assistance and providing services to participants.
 - Proper and consistent use of all required forms in Attachment C.
 - Proper documentation of participant eligibility including homeless/at risk of homelessness status and income eligibility.
 - Proper documentation of assessed need including proper intake assessments and proof of lack of other resources available to participants.
 - Activity-specific documentation including clear, detailed case notes that include referrals and services provided, rental documentation, utility records, writ of summary process and complaint, etc.
 - Data collection/HMIS data sets
 - Staff time records including detailed, signed ESG time tracked using time and effort logs.
 - Financial documentation including back-up documentation for all program expenditures that can be specifically tied to the ESG grant.
 - 100% of the award must be matched with documented cash or leveraged resources clearly tracked with appropriate back-up.
 - Lease documents, copies of checks paid to landlords and Habitability Checklists for all assisted units.

21.3 City of Worcester Staff

The City is responsible for managing the day-to-day operations of its Entitlement Programs and ensuring that entitlement funds are used in keeping with program requirements. Implementation of entitlement activities by sub-recipients will be monitored in accordance with the City of Worcester's CDBG Policies and Procedures Manual.

The ESG Program Coordinator for the City of Worcester's Executive Office of Economic Development is responsible for coordinating all ESG sub-recipient activities including but not limited to: the execution of grant agreements; intake and processing of reimbursement requests; desk and on-site monitoring; and general technical assistance.

The ESG Program Coordinator may be reached by phone or e-mail to answer questions relating to program oversight:

Direct Tel: 508-799-1400 x 31407

455 Main Street, 4th Floor

Worcester MA 01608

ESG Financial Assistance & Housing Unit Documentation Checklist

ESG Participant(s) Name _____

| In File (Always Applicable) | <i>Documentation</i> |
|--------------------------------|--|
| <input type="checkbox"/> | HOUSEHOLD MEMBER IDENTIFICATION – Verification of each household member’s identity, per requirement/standard set by ESG grantee. |
| <input type="checkbox"/> | ESG FINANCIAL ASSISTANCE NOT USED FOR SAME COST TYPE AND SAME PERIOD AS OTHER FEDERAL, STATE, LOCAL PROGRAM ASSISTANCE – ESG staff assessment with participant to identify if other federal, state, local program is assisting with same cost type for same period. |

| Applicable | In File | ESG FINANCIAL ASSISTANCE – Documentation showing eligible use of ESG Financial Assistance. NOTE: indicate where documentation is kept if not in participant case file (e.g., “supporting documentation for expenses kept in accounts payable file”). |
|---|--------------------------|--|
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | RENTAL ASSISTANCE <input type="checkbox"/> Supporting documentation for expense (e.g., eviction letter, court documents, bill/invoice, etc.) <input type="checkbox"/> Rental arrears – supporting documentation <input type="checkbox"/> Current/ongoing rental assistance – supporting documentation <input type="checkbox"/> Rental application fees – supporting documentation <input type="checkbox"/> Other ESG eligible fees/penalties (see ESG guidance/FAQs) – supporting documentation -- AND -- <input type="checkbox"/> Copy of rental lease or occupancy agreement for unit assisted with ESG <input type="checkbox"/> Rental arrears – copy of lease or occupancy agreement <input type="checkbox"/> Current/ongoing rental assistance – copy of lease or occupancy agreement -- AND -- <input type="checkbox"/> Documentation indicating arrears assistance not greater than 6 months total -- AND -- <input type="checkbox"/> Documentation indicating total assistance (including arrears) not greater than 18 months total |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | UTILITY PAYMENT <input type="checkbox"/> Supporting documentation for expense (e.g., shut-off notice, print-out from utility company, bill/invoice, etc.) <input type="checkbox"/> Utility arrears – supporting documentation <input type="checkbox"/> Current/ongoing utility assistance – supporting documentation <input type="checkbox"/> Other ESG eligible fees/penalties (see ESG guidance/FAQs) – supporting documentation -- AND -- <input type="checkbox"/> If utility not in ESG participant name, other documentation indicating ESG participant responsibility for utility -- AND -- <input type="checkbox"/> Documentation indicating arrears assistance not greater than 6 months total -- AND -- |

| Applicable | In File | ESG FINANCIAL ASSISTANCE – Documentation showing eligible use of ESG Financial Assistance. NOTE: indicate where documentation is kept if not in participant case file (e.g., “supporting documentation for expenses kept in accounts payable file”). |
|---|--------------------------|--|
| | | <input type="checkbox"/> Documentation indicating total assistance (including arrears) not greater than 18 months total |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | SECURITY DEPOSIT <input type="checkbox"/> Supporting documentation for expense (e.g., current lease, letter from landlord, bill/invoice, etc.) |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | MOVING COSTS <input type="checkbox"/> Supporting documentation for expense (e.g., bill/invoice, etc.) -- AND -- <input type="checkbox"/> Supporting documentation that vendor had best/most reasonable cost (e.g., newspaper ads, quotes, etc.) -- AND (for storage costs)-- <input type="checkbox"/> Documentation indicating assistance not greater than three months or until participant is in housing, which ever occurs sooner |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | HOUSING VOUCHER <input type="checkbox"/> Supporting documentation for expense (e.g., bill/invoice, etc.) -- AND -- <input type="checkbox"/> Supporting documentation that vendor had best/most reasonable cost (e.g., newspaper ads, quotes, etc.) -- AND -- <input type="checkbox"/> Documentation indicating no appropriate shelter bed(s) available (e.g., ESG staff description of attempt to secure placement in emergency shelter and lack of available, appropriate bed(s)) |
| Notes: | | |
| | | |
| | | |

| Applicable | In File | HOUSING UNIT - Documentation showing ESG assistance used for eligible housing unit. |
|---|--------------------------|--|
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | RENT REASONABLENESS – If receiving ESG Financial Assistance (current/ongoing rent or security deposit) AND staying in current unit or moving to new housing unit. <input type="checkbox"/> Documentation indicating rent charged for unit is comparable with unassisted units with similar amenities. |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | HABITABILITY STANDARDS INSPECTION – If receiving ESG Financial Assistance (any type) AND moving to new housing unit. <input type="checkbox"/> Documentation indicating unit meets HUD Habitability Standards for ESG (or higher standard if set by grantee, e.g. Housing Quality Standards (HQS)). |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | LEAD-BASED PAINT INSPECTION – If receiving ESG Financial Assistance (any type) AND staying in current housing unit or moving to new housing unit AND unit built before 1978 AND child under 6 years old or pregnant woman in household. <input type="checkbox"/> Documentation indicating unit passed lead-based paint inspection. |
| Notes: | | |
| | | |
| | | |

| Applicable | In File | HOUSING UNIT - Documentation showing ESG assistance used for eligible housing unit. |
|------------|---------|--|
| | | |

ESG Housing Options and Resources Eligibility

“But For” Certification

Applicant Name:

This document is to certify that the above named applicant or household has explored all re-housing options and all available resources. The case manager also certifies that a comprehensive assessment was completed and that the findings are such that the above named applicant or household would remain homeless **but** for ESG RRH assistance. (See attached assessment)

Client Certification

Under penalty of perjury I, _____ affirm the following statements to be true.

- a. I affirm that I have explored all housing options, (family, friends, public housing, and private housing), and that I have not been able to secure housing.
- b. I affirm that I have accurately reported my family composition and total family income.
- c. I affirm that my household lacks the financial resources and support networks needed to obtain immediate housing (i.e. startup costs, etc.).
- d. I affirm that I am not receiving financial assistance for the same reason that I am applying for ESG funds.
- e. I affirm that I would re-main homeless **but** for ESG assistance.

Applicant’s Signature

Date:

Case Manager Certification

Under penalty of perjury I, _____ affirm the following statements to be true.

- a. Upon completion of assessment, I affirm that the above named applicant has proven that they have explored all housing options and have not been successful with securing housing.
- b. Upon completion of assessment, I affirm that the above named applicant/household lacks the financial resources and support networks needed to obtain immediate housing.
- c. I certify that I have completed a thorough assessment, including alternative housing options, income and asset verifications and homeless verifications, and believe that the above named applicant or household would re-main homeless **but** the ESG assistance.

Case Manager’s Signature

Date:

ESG Income Eligibility Calculation Worksheet

To be eligible for ESG Homelessness Prevention, households must be at or below 30% of the Area Median Income (and meet other ESG eligibility requirements, as outlined in the Notice). Households receiving Rapid Re-housing services must be at or below 30% of the Area Median Income(AMI) at recertification. A copy of this worksheet must be kept in the client's file.

| Household Member Number | Household Member Name | | Age of Household Member | | |
|--|--|--|-------------------------|-----------------------------|--|
| 1 | Jane Smith | | 50 | | |
| 2 | Bob Smith | | 16 | | |
| 3 | Joe Smith | | 19 | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| Total Household Members (Household size) | | | 3 | | |
| 30% of Area Median Income (AMI) for Household Size | | | \$ 26,450 | | |
| Household Member Number/Name | Sources of Household Income | Gross Documented Current Income Amount | Frequency of Income | Number of Payments per Year | Annual Gross Income (gross income amount X # of payments per year) |
| 1/Jane Smith | Earned Income (for ADULT household members only) | \$ 120 | Weekly | 52 | \$ 6,240 |
| 3/Joe Smith | Earned Income (for ADULT household members only) | \$ 400 | Bi-Weekly | 26 | \$ 10,400 |
| | Earned Income (for ADULT household members only) | \$ - | | | \$ - |
| | Self-employment/business income | \$ - | | | \$ - |
| | Self-employment/business income | \$ - | | | \$ - |
| | Interest & Dividend Income | \$ - | | | \$ - |
| | Interest & Dividend Income | \$ - | | | \$ - |
| | Pension/Retirement Income | \$ - | | | \$ - |
| | Pension/Retirement Income | \$ - | | | \$ - |
| | Unemployment & Disability Income | \$ - | | | \$ - |
| | Unemployment & Disability Income | \$ - | | | \$ - |
| | TANF/Public Assistance | \$ - | | | \$ - |
| | TANF/Public Assistance | \$ - | | | \$ - |
| 1/Jane Smith | Alimony, Child Support and Foster Care Income | \$ 250 | Monthly | 12 | \$ 3,000 |
| | Alimony, Child Support and Foster Care Income | \$ - | | | \$ - |
| | Armed Forces Income | \$ - | | | \$ - |
| | Armed Forces Income | \$ - | | | \$ - |
| | Other (specify): | \$ - | | | \$ - |
| | Other (specify): | \$ - | | | \$ - |
| Total Annual Gross Income from all Sources | | | | | \$ 19,640 |
| 30% of Area Median Income for Household Size: | | | | | \$ 26,450 |
| Variance (If income less than AMI, then household is income eligible) | | | | | \$ (6,810) |
| Is the household at or below 30% Area Median Income? | | | | | YES-Income Eligible |

Emergency Solutions Grants Program (ESG)

VERIFICATION OF INCOME

ESG Applicant(s) Name: _____

Instructions for Employer/Payment Source Representative: This is to certify the income received by the above named individual for purposes of participating in the ESG program. This information will be used only to determine the eligibility status and level of benefit of the household. **Complete only the selected section below that includes an authorization to release information.**

Please return this form to:

Name & Title: _____ Phone: _____
Address: _____ Fax: _____
Email: _____

Employment Income

ESG Applicant Release: I hereby authorize the release of the following employment information.

ESG Applicant Signature: _____ Date: _____

Employer representative to complete this section:

The person named above is employed by _____ since _____. He/she is paid \$ _____ on a _____ basis and is currently working an average of _____ hours per _____.

Additional compensation please specify (if any): _____

Probability of continued employment: _____

Authorized Employer Representative Signature: _____ Date: _____

Name, Title: _____

Address and Phone: _____

Payments and/or Benefit Income (complete one form for each distinct source of income for person named above)

CIRCLE ONE: Social Security/SSI Pension/Retirement TANF
Public Assistance Unemployment Compensation Workers Compensation
Alimony Payments Foster Care Payments Child Support Payments
Armed Forces Income

Other (pls. specify): _____

ESG Applicant Release: I hereby authorize the release of the following payment and/or benefit information.

ESG Applicant Signature: _____ Date: _____

Payment source representative to complete this section:

Payments or benefits in the amount of \$ _____ are paid on a _____ basis. The expected duration of the payments or benefits is _____.

Authorized Payment Source Representative Signature: _____ Date: _____

Name, Title: _____

Address and Phone: _____

SELF-DECLARATION OF INCOME

Applicant Name: _____

***This form should only be used if third party verification of income is unavailable. ESG providers are expected to have exhausted all alternative options for verifying income prior to use of a self-declaration of income.**

This is to certify the income status for the above named individual. Income includes but is not limited to:

- The full amount of gross income earned before taxes and deductions.
- The net income earned from the operation of a business, i.e., total revenue minus business operating expenses. This also includes any withdrawals of cash from the business or profession for your personal use.
- Monthly interest and dividend income credited to an applicant's bank account and available for use.
- The monthly payment amount received from Social Security, annuities, retirement funds, pensions, disability and other similar types of periodic payments.
- Any monthly payments in lieu of earnings, such as unemployment, disability compensation, SSI, SSDI, and worker's compensation.
- Monthly income from government agencies excluding amounts designated for shelter, and utilities, WIC, food stamps, and childcare.
- Alimony, child support and foster care payments received from organizations or from persons not residing in the dwelling.
- All basic pay, special day and allowances of a member of the Armed Forces excluding special pay for exposure to hostile fire.

Check only one box and complete only that section

I certify, under penalty of perjury, that I currently receive the following income:

Source: _____ Amount: _____ Frequency: _____
Source: _____ Amount: _____ Frequency: _____
Source: _____ Amount: _____ Frequency: _____

Applicant Signature: _____ Date: _____

I certify, under penalty of perjury, that I do not have any income from any source at this time.

Applicant Signature: _____ Date: _____

Staff Verification

I understand that third-party verification is the preferred method of certifying income for HPRP assistance. I understand self declaration is only permitted when I have attempted to but cannot obtain third party verification.

Documentation of attempt made for third-party verification:

Staff Signature: _____ Date: _____

EMERGENCY SOLUTIONS GRANTS (ESG) PROGRAM

SELF-DECLARATION OF HOUSING STATUS

ESG Applicant Name: _____

Household without dependent children (complete one form for each adult in the household)

Household with dependent children (complete one form for household)

Number of persons in the household: _____

This is to certify that the above named individual or head of household is currently homeless or at-risk of homelessness, based on the following and other indicated information and the signed declaration by the applicant.

Check only one:

I [and my children] am/are currently homeless and living on the street (i.e. a car, park, abandoned building, bus station, airport, or camp ground).

I [and my children] am/are the victim(s) of domestic violence and am/are fleeing from abuse.

I [and my children] am/are being evicted from the housing we are presently staying in and must leave this housing within the next _____ days.

I [and my children] am/are at risk of being evicted from the housing we are presently staying in.

I certify that the information above and any other information I have provided in applying for ESG assistance is true, accurate and complete.

ESG Applicant Signature: _____ Date: _____

ESG Staff Certification

I understand that third-party verification is the preferred method of certifying homelessness or risk for homelessness for an individual who is applying for ESG assistance. I understand self declaration is only permitted when I have attempted to but cannot obtain third party verification.

Documentation of attempt made for third-party verification:

ESG Staff Signature: _____ Date: _____

Notice of Ineligibility for ESG Homelessness Prevention Assistance

Date: _____ Name: _____

Address, City and Zip: _____

Your household does not meet the minimum eligibility or qualification standards for ESG assistance for the reason(s) stated below. If you disagree with this decision, you have the right to an informal review (See below).

- Incomplete Documentation;** household failed to provide all required supporting documentation. Missing documentation was _____
- Over Income;** total household income exceeds program eligibility income limits. Maximum household income for your household is \$_____ and your income is \$_____
- Does not meet ESG guidelines for at risk of homelessness;** household does not have a writ of summary process and complaint
- No members of the household meet the additional criteria for ESG services;** history of homelessness, history of domestic violence, household member with disability
- Property Owner not willing to Participate;** household’s landlord refused to accept RAFT payments offered by Agency on behalf of the household.
- Receiving other benefits;** household is receiving other benefits of the same type at the same time
- Does not have sufficient financial resources to maintain the housing based on current income.**
- Other;** _____

Administrative Review: If you disagree with this decision, you have the right to request a review.

To request a review, you must send a written request **specifically** stating why you believe our determination is incorrect. This **written request** must be mailed or hand delivered within 10 calendar days of the notice of ineligibility and addressed to: *ESG Agency address*.

You may submit additional documentation or written arguments with your request for review. Reviews will be performed by a supervisor who is familiar with the program but unfamiliar with your particular case. Administrative Review is different from a hearing, no testimony will be taken so you must submit any additional documentation (i.e. increased income, etc.), and the explanation of your circumstance or legal argument with your request to have this information included in this review.

A written ESG review will be conducted within 15 calendar days of your request for a review. You will be notified at the address you provided and a written finding will be placed in your file. There is no appeal to the City of Worcester pending this finding.

RENT REASONABLENESS CHECKLIST AND CERTIFICATION

| | Proposed Unit | Unit #1 | Unit #2 | Unit #3 |
|--|---------------|---------|---------|---------|
| Address | | | | |
| Number of Bedrooms | | | | |
| Square Feet | | | | |
| Type of Unit/Construction | | | | |
| Housing Condition | | | | |
| Location/Accessibility | | | | |
| Amenities Unit: Site: Neighborhood: | | | | |
| Age in Years | | | | |
| Utilities (type) | | | | |
| Unit Rent Utility Allowance Gross Rent | | | | |
| Handicap Accessible? | | | | |

CERTIFICATION:

A. Compliance with Payment Standard

_____ + _____ = _____
 Proposed Contract Rent Utility Allowance Proposed Gross Rent

Approved rent does not exceed applicable Payment Standard of

\$_____.

B. Rent Reasonableness

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit [] is [] is not reasonable.

| | | |
|-------|------------|-------|
| Name: | Signature: | Date: |
|-------|------------|-------|

ESG-RRHLLANDLORD ACKNOWLEDGEMENT FORM

Date: _____

This is to confirm that _____ will rent an
(Tenant's Name)

apartment from me at _____

_____ for a monthly rent amount of:

\$ _____. The start date for this tenancy will be: _____.

Number of Bedrooms _____ Year Constructed _____, (Prior to 1978) attached De-Lead Certification

Square Feet _____ Handicap Accessible Yes No

Type of House/Apartment: Elevator/High-Rise

Single Family Detached Semi Detached/Row House Manufactured Home Garden Walkup

Who is responsible for Utilities and Appliances? (Please Check One).

| Utility | Landlord will pay | Tenant will pay |
|--------------|-------------------|-----------------|
| Heating | | |
| Hot Water | | |
| Gas | | |
| Trash | | |
| Electric | | |
| Stove | | |
| Refrigerator | | |

Rent Reasonable: Under Funding regulations, the program required that the landlord certify that the rent charged to the above named tenant is not more than the rent charged for other unassisted comparable units.

| Address and Unit Number | Square Feet | # of Bedrooms | Handicap Accessible | Year Constructed | Date Rented | Rental Amount |
|-------------------------|-------------|---------------|---------------------|------------------|-------------|---------------|
| | | | Y N | | | \$ |
| | | | Y N | | | \$ |
| | | | Y N | | | \$ |

Shallow Subsidy: If the tenant will be receiving short-term help towards his or her rent, I acknowledge receipt of the attached Shallow Subsidy Agreement. I understand a copy of this agreement is being provided to me for informational purposes only. It is not a guarantee of a subsidy. If a subsidy is put into place, it will be effective for up to 12 months. I understand that if the tenancy should end before the 12 months is up; the subsidy will also end at that time. I also understand that the subsidy is contingent upon the tenant's compliance with the program. I understand that this agreement is also contingent upon the unit's compliance with HUD habitability standards. I do agree to notify the case manager/contact identified below if tenant fails to remit rental payment within five (5) days of due date.

Landlord Contact Information: Address _____

Phone: _____ Fax: _____

Check Payable To: _____

Sincerely,

Signature _____ Date _____

(Landlord Signature)

ESG Housing Habitability Standards and Lead-Based Paint Inspection Checklist

The new ESG Shelter and Housing Standards are described in Section 576.403 of the ESG Interim Rule. These habitability standards **apply any time ESG funds are used to assist an ESG participant retain or move into a housing unit.** Inspections must be conducted upon initial assistance and then on an annual basis for the term of ESG assistance. In contrast to the Housing Quality Standards (HQS), the habitability standards **do not require a certified inspector.** This checklist also addresses the ESG requirement on determining that a unit is in compliance with federal laws regarding lead based paint if the unit where an ESG participant household is residing/intends to reside was constructed prior to 1978 **and** the household includes a pregnant woman or a child under the age of 6. The ESG grantee must conduct the inspections using this form to document compliance.

Instructions: Mark each statement as 'A' for approved or 'D' for deficient. The property must meet all standards before ESG funds are authorized. The checklist must be kept in the ESG Participant's record.

| Approved or Deficient | Element |
|-----------------------------|--|
| | 1. <i>Structure and materials:</i> The structures must be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the residents from hazards. |
| | 2. <i>Access:</i> Structures must provide alternate means of egress in case of fire. |
| | 3. <i>Space and security:</i> Each resident must be afforded adequate space and security for themselves and their belongings. Each resident must be provided with an acceptable place to sleep. |
| | 4. <i>Interior air quality:</i> Every room or space must be provided with natural or mechanical ventilation. Structures must be free of pollutants in the air at levels that threaten the health of residents. |
| | 5. <i>Water Supply:</i> The water supply must be free from contamination. |
| | 6. <i>Sanitary Facilities:</i> Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste. |
| | 7. <i>Thermal environment:</i> The housing must have adequate heating and/or cooling facilities in proper operating condition. |
| | 8. <i>Illumination and electricity:</i> The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. Sufficient electrical sources must be provided to permit use of essential electrical appliances while assuring safety from fire. |

| | |
|--|---|
| | 9. <i>Food preparation and refuse disposal:</i> All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner. |
| | 10. <i>Sanitary condition:</i> The housing and any equipment must be maintained in sanitary condition. |
| | <p>11. <i>Fire safety:</i> Both conditions below must be met to meet this standard.</p> <p>b. 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.</p> <p>a. 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, day care centers, hallways, stairwells, and other common areas.</p> |
| | <p>12. Required in buildings constructed prior to 1978 and where an ESG participant household intends to reside and the household includes a child under the age of 6.</p> <p>Visual assessment means looking for, as applicable: (1) Deteriorated paint (chipping, loose, crumbling); (2) Visible surface paint dust, debris and residue as part of a risk assessment or clearance examination; and (3) The completion or failure of a hazard reduction measure.</p> <p>The <input type="checkbox"/> unit or non DHCD funded shelter has no observable loose, chipping, or deteriorated paint; or</p> <p>The landlord presented a report from a licensed inspector showing the site is lead free, or the lead has been <input type="checkbox"/> removed or encapsulated as required under MA state law. (If so, check this box)</p> |

CERTIFICATION STATEMENT

I certify that I am not a HUD certified inspector and I have evaluated the property located at the address below to the best of my ability and find the following:

Property meets all of the above standards.

Property does not meet all of the above standards.

Therefore, I make the following determination:

Property is approved.

Property is not approved.

ESG Participant Head of Household Name: Street

Address:

Apartment:

City:

State:

Zip:

Evaluator's Signature: _____

Date: _____

Please Print Evaluator Name: _____

Exec. Dir. Initials: _____

DRAFT

Emergency Solutions Grants (ESG) Performance Report

| | |
|--|----------------------|
| Project Sponsor: | Project Name: |
| Sponsor Address: City: State: Zip Code | |
| Contact Person: Email | Telephone # |
| Report for Period Ending: <input type="checkbox"/> June 30 th due July 15 th <input type="checkbox"/> September 30 th due October 15 th | |
| <input type="checkbox"/> December 30 th due January 15 th <input type="checkbox"/> March 31 st due April 15 th | |

ESG Activity: Emergency

Shelter

Street Outreach

Homeless Prevention

Rapid Re-Housing

HMIS

ES

Day Shelter

Health Care Provider

Substance Abuse Program

Housing Search Program

Scattered Site

Legal Services

Mediation Services

Employment Services

HIV/AIDS Services

Child Care Services

Hotel/Motel/SRO/Group Home

Domestic Violence Services

Other _____

Accomplishment Narrative: Describe your ESG funded program's accomplishment for the year. (No more than 250 words)

Number Served:

| | | | | |
|--|-----------------------------------|------------------------------|--------------------------------|--------------------|
| A. Number Proposed to be Served on Scope of Work. | Number of singles not in families | Number of adults in families | Number of children in families | Number of families |
| Annually | | | | |
| B. Number Served for the Program Year. | Number of singles not in families | Number of adults in families | Number of children in families | Number of families |
| Annually | | | | |

| | | |
|---|-----------------------|--------------------|
| | Number of individuals | Number of families |
| C. Number on the first day of the program year. | | |

| | | |
|---|--|--|
| D. Number entering program during the program year. | | |
| E. Number who exited the program during the program year. | | |

| F. Number of Single Individuals Served | Male | Female | Total |
|--|------|--------|-------|
| Unaccompanied under 18 | | | |
| Adults 18 to 25 | | | |
| Adults over 25 | | | |
| Total | | | |

| G. Families Served | Total |
|---------------------------------------|-------|
| Two parent households with children | |
| Family households with no children | |
| Single parent household with children | |
| Households with all children | |
| Total | |

Population Served: (total persons served)

A. Race:

Hispanic

(Please indicate if this person is of Hispanic/Latino origin)

| | | |
|---|--|--|
| American Indian/Alaskan Native | | |
| Asian | | |
| Black/African American | | |
| Native Hawaiian/Other Pacific Islander | | |
| White | | |
| American Indian/Alaskan Native & White | | |
| Asian & White | | |
| Black/African American & White | | |
| American Indian/Alaskan Native & Black/African American | | |
| Other Multi-Racial | | |

B. Subpopulations Served: (only one category per persons served)

| | |
|---|--|
| Chronically Homeless (emergency shelter only) | |
| Severely Mentally ill | |
| Chronic Substance Abuse | |
| Other Disability | |
| Persons with HIV/AIDS and related diseases | |
| Veterans | |
| Elderly | |
| Domestic violence | |
| Other (please specify) | |

Reasons for service request (households served –includes individuals not in families and families served)

| | |
|--|--|
| Eviction proceedings | |
| Loss of or sudden reduction in family income | |

| | |
|---------------------------------------|--|
| Divorce | |
| Change in Family Composition | |
| Unable to pay/rent/mortgage/utilities | |
| Argument with family /friends | |
| Family Violence | |
| Prison/Jail | |
| Welfare time Limits | |
| Physical/Mental Disability | |
| Alcohol/Drug Abuse | |
| Other : | |

v. Destination at Exit: (households served –includes individuals not in families and families served)

| | |
|---|--|
| Transitional housing | |
| Permanent housing | |
| Emergency shelter | |
| Institution (hospital, inpatient substance abuse treatment facility, jail/prison) | |
| Retained Tenancy/Housing | |
| Other (please specify) | |
| Unknown/disappeared | |

vi. Services Provided (total served):

A. Homeless Assistance: (Please indicate total number served for the program year)

| | Adults | Children |
|--|--------|----------|
| Outreach | | |
| Life Skills | | |
| Needs Assessments | | |
| Child Care | | |
| Transportation | | |
| Job Training | | |
| Assistance in obtaining income support | | |
| Legal Services | | |
| Food Pantry | | |
| Case Management | | |
| Client Advocacy | | |
| Nutritional Services | | |
| Alcohol/Drug Abuse Treatment | | |
| Job Placement | | |
| Housing Search | | |
| Rapid Re-Housing | | |
| Day Services | | |
| Medical/Mental Health Services | | |
| Other (please indicate) | | |

B. Homeless Prevention: (Please indicate total number served for the program year)

| | Adults | Children |
|---|--------|----------|
| Rental Assistance | | |
| Short Term Subsidies to defray rent and utility arrearages | | |
| Security deposits or first month rent to enable them to move into permanent housing | | |
| Utility Assistance | | |
| Mediation Services for landlord/tenant disputes | | |
| Legal services in eviction proceedings | | |
| Diversion from Shelter | | |
| Stabilization Services | | |
| Tenancy Preservation | | |
| Other (please indicate) | | |

Outcomes: (Using the projected numbers on the Scope of Work document, please indicate the progress for each goal achieved during the program year)

Outcomes:

A. Rapid-Re-Housing/Emergency Shelter: (households served –includes individuals not in families and families served during the contract period)

| | % | # |
|---|---|---|
| Reduction of the number of households in shelter | | |
| Reduction in average length of shelter stay | | |
| Rapidly Re-Housed those entering the shelter system | | |
| Placed into permanent affordable housing | | |
| Provided stabilization services for those exiting shelter to permanent Housing | | |
| Linked program participants to asset development resources that resulted in an increase in income (education, job training, employment, mainstream resources) | | |

B. Street Outreach (households served –includes individuals not in families and families served during the contract period)

| | % | # |
|---|---|---|
| Reduced the Number of Unsheltered single adults in the Boston CoC | | |
| Placed Unsheltered single adults into any type of housing | | |
| Unsheltered Adults received a service for an identified physical or mental health condition for which they were not receiving services at program entry | | |

C. Homeless Prevention: (households served –includes individuals not in families and families served during the contract period)

| | % | # |
|---|---|---|
| Diverted from Shelter | | |
| Tenancies preserved | | |
| Evictions prevented | | |
| Provided stabilization Services for households at imminent risk of becoming homeless | | |
| Linked program participants to asset development resources that resulted in an increase in income (education, job training, employment, mainstream resources) | | |
| Provided Landlord-Tenant mediation | | |
| Provided Financial Assistance | | |

VIII. Financial:
ESG Expenditures – By Component Type

| Component Type | ESG Funds | Match | Match Source | Total Expenditures |
|-------------------------|-----------|-------|--------------|--------------------|
| Street Outreach | | | | |
| Emergency Shelter | | | | |
| Rapid Re-Housing | | | | |
| Homelessness Prevention | | | | |
| Total | | | | |

ESG Expenditures – By Service Type

| Expenditure Type | ESG Funds | Match | Match Source | Total Expenditures |
|-------------------------|-----------|-------|--------------|--------------------|
| Emergency Shelter | | | | |
| Day Shelter | | | | |
| Health Care | | | | |
| Substance Abuse Program | | | | |
| Housing Search | | | | |
| Street Outreach | | | | |
| Meal Services | | | | |
| Mental Health Services | | | | |
| Employment Search | | | | |
| Homeless Prevention | | | | |
| Rapid Re-Housing | | | | |
| Vouchers for Shelter | | | | |
| Rental Assistance | | | | |
| HIV/AIDS Services | | | | |
| Child Care | | | | |
| Financial Assistance | | | | |
| Stabilization Services | | | | |
| Moving Costs | | | | |
| Total | | | | |

SUB-RECIPIENT MONTHLY/ QUARTERLY TIMESHEET

| | | | | | | |
|--------------------|------------------|--------------------------|------------------|--------------------------|---|--------------------------|
| Please Select: | FISCAL YEAR 2016 | <input type="checkbox"/> | FISCAL YEAR 2017 | <input type="checkbox"/> | FISCAL YEAR 2018 | <input type="checkbox"/> |
| Please Select: | CDBG Program | <input type="checkbox"/> | HOME Program | <input type="checkbox"/> | ESG Program | <input type="checkbox"/> |
| ORGANIZATION NAME: | | | | | HOPWA | <input type="checkbox"/> |
| PROGRAM NAME: | | | | | CoC Program | <input type="checkbox"/> |
| REQUEST PERIOD: | TO: | | | | PERCENTAGE RATE: (According to Application) | 0.00% |

Sub-Recipient / Employee Time Sheet for Program Personnel

| EMPLOYEE NAME | ACTIVITY | DATE | PAY RATE | Day of Week (Week 1) | | | | | | | Total Number of Hours | Total Program Hours Worked | PROGRAM REIMBURSEABLE PAY |
|---------------------------------------|----------|------|----------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------|----------------------------|---------------------------|
| | | | | M | T | Wed. | Th. | Fri. | Sa. | Su. | | | |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| Total Number of Hours Worked - | | | | | | | | | | | 0.0 | 0.0 | \$0.00 |

| | |
|--|--------|
| Total Number of Hours | 0.0 |
| Total Number of Program Hours | 0.0 |
| Rate of Pay Per Hour | \$0.00 |
| Percentage Rate - According to Application | 0.0% |
| Total Pay Period 1 Amount | \$0.00 |

Sub-Recipient / Employee Time Sheet for Program Personnel

| EMPLOYEE NAME | ACTIVITY | DATE | PAY RATE | Day of Week (Week 2) | | | | | | | Total Number of Hours | Total Program Hours Worked | PROGRAM REIMBURSEABLE PAY |
|---------------------------------------|----------|------|----------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------|----------------------------|---------------------------|
| | | | | M | T | Wed. | Th. | Fri. | Sa. | Su. | | | |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| \$0.00 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | \$0.00 |
| Total Number of Hours Worked - | | | | | | | | | | | 0.0 | 0.0 | \$0.00 |

| | |
|--|--------|
| Total Number of Hours | 0.0 |
| Total Number of Program Hours | 0.0 |
| Rate of Pay Per Hour | \$0.00 |
| Percentage Rate - According to Application | 0.0% |
| Total Pay Period 2 Amount | \$0.00 |

| | | |
|--------------------------------------|------------------|-------------|
| Date & Signature of Staff Personnel | Signature: _____ | Date: _____ |
| Date & Signature of Staff Supervisor | Signature: _____ | Date: _____ |

*Note: Please be sure to attach the approved timesheets and pay stub together when submitting program reimbursements to the Executive Office of Economic Development for CDBG, HOME, ESG and/or HOPWA programs.

TIME AND EFFORT LOG

Employee's Name _____

Social Security # or Employee # _____ Pay Period Dates _____

| | Funding Source 1 | Funding Source 2 | Funding Source 3 | Funding Source 4 | TOTALS |
|--------|------------------|------------------|------------------|------------------|--------|
| DAY | | | | | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
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| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| TOTALS | | | | | |
| % | | | | | |

Employee's Signature/Date: _____

Supervisor's Signature/Date: _____



The City of
WORCESTER

Match Certification Emergency Solutions Grant Program

PROGRAM TYPE (check all that apply):

Emergency Shelter Street Outreach Homeless Prevention Rapid Re-Housing HMIS Administration

Sub-recipient Name _____ Project Name... _____

TOTAL GRANT AWARD: _____

Match Documentation

| Match Source | Match Amount | Documentation Description |
|--------------|--------------|---------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

The undersigned individuals do, by their respective oaths solemnly swear and affirm as follows:

- That the Staff Member completing this Match Certification has verified the eligibility of the match item(s) to which this certification relates;
- That the Staff Member has reviewed the Federal Guidelines regarding the match requirement listed on page two of ESG-229 from the HUD ESG Interim Rule; and,
- That the Staff Member has verified that the funds used to Match the ESG Program are not being used to match any other grant;
- That the Staff Member has collected valid documentation of Match for which this certification relates; and,
- That the Executive Director has reviewed the Match documentation to which this Match Certification relates, and has verified that all the representations made by the Staff Member in this Match Certification are true and correct.

The undersigned individuals affirm, by penalty of perjury, that all the statements made herein are true and correct.

Staff Signature _____ Date _____

Staff Print Name _____

Executive Director Signature _____ Date _____

Executive Director Print Name _____

§576.201 Matching requirement.

(a) The recipient must make matching contributions to supplement the recipient's ESG program in an amount that equals the recipient's fiscal year grant for ESG. This amount may include contributions to any project under the recipient's ESG program, including any subrecipient's ESG project, if the requirements in this section are met. The first \$100,000 of a State's fiscal year grant is not required to be matched, but the benefit of this exception must pass to the state's subrecipients that are least capable of providing matching contributions. The match requirements under this section do not apply if the recipient is a territory.

(b) To be recognized as match for ESG, each contribution must meet the requirements under 2 CFR 200.306, except that:

(1) Notwithstanding 2 CFR 200.306(b)(4), matching contributions are not subject to the expenditure limits in §576.100; and

(2) Notwithstanding 2 CFR 200.306(b)(5), the recipient may use funds from another Federal program as match for ESG, unless doing so would violate a specific statutory prohibition or the recipient or subrecipient counts ESG funds as match for that program.

(c) The recipient may count as match the value specified in 2 CFR 200.306(d) for any building the recipient or subrecipient donates for long-term use in the recipient's ESG program, provided that depreciation on the building is not counted as match or charged to any Federal award. If a third party donates a building to the recipient or subrecipient, the recipient may count as match either depreciation of the building and fair rental charges for the land for each year the building is used for the recipient's ESG program or, if the building is donated for long-term use in the recipient's ESG program, the fair market value of the capital assets, as specified in 2 CFR 200.306(h)(2), (i), and (j). To qualify as a donation for long-term use, the donation must be evidenced by a recorded deed or use restriction that is effective for at least 10 years after the donation date. If the donated building is renovated with ESG funds, the minimum period of use under §576.102(c) may increase the period for which the building must be used in the recipient's ESG program.

(d) *Eligible types of matching contributions.* The matching requirement may be met by one or both of the following:

(1) *Cash contributions.* Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), of the recipient or subrecipient.

(2) *Noncash contributions.* The value of any real property, equipment, goods, or services contributed to the recipient's or subrecipient's ESG program, provided that if the recipient or subrecipient 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.

(e) *Calculating the amount of noncash contributions.* (1) To determine the value of any donated material or building, or of any lease, the recipient must use a method reasonably calculated to establish the fair market value.

(2) Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

(3) Some noncash contributions are real property, equipment, goods, or services that, if the recipient or subrecipient 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 recipient or subrecipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

(f) *Costs paid by program income.* Costs paid by program income shall count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the recipient's ESG program.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015]

Please also refer to: 24 CFR Parts 91 and 576 [Docket No. FR-5474-I-01] RIN 2506-AC29

Homeless Emergency Assistance and Rapid Transition to Housing: Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments

Electronic Code of Federal Regulations

e-CFR data is current as of June 26, 2018

[Title 24](#) → [Subtitle B](#) → [Chapter V](#) → [Subchapter C](#) → [Part 576](#)

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Title 24: Housing and Urban Development

PART 576—EMERGENCY SOLUTIONS GRANTS PROGRAM

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Subpart F—Grant Administration

AUTHORITY: 12 U.S.C. 1701x, 1701 x-1; 42 U.S.C. 11371 *et seq.*, 42 U.S.C. 3535(d).

SOURCE: 76 FR 75974, Dec. 5, 2011, unless otherwise noted.

Subpart A—General Provisions

§576.1 Applicability and purpose.

This part implements the Emergency Solutions Grants (ESG) program authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

§576.2 Definitions.

At risk of homelessness means: (1) An individual or family who:

(i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;

(ii) Does not have sufficient resources or support networks, *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in this section; and

(iii) Meets one of the following conditions:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

Consolidated plan means a plan prepared in accordance with 24 CFR part 91. An *approved consolidated plan* means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.

Continuum of Care means the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

Emergency shelter means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG.

Homeless means:

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) 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;

(ii) An individual or family living in a supervised publicly 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

(iii) 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;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

(i) 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 a 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;

(ii) Has no other residence; and

(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

Homeless Management Information System (HMIS) means the information system designated by the Continuum of Care to comply with the HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at-risk of homelessness.

Metropolitan city means a city that was classified as a metropolitan city under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available. This term includes the District of Columbia.

Private nonprofit organization means a private nonprofit organization that is a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. A private nonprofit organization does not include a governmental organization, such as a public housing agency or housing finance agency.

Program income shall have the meaning provided in 2 CFR 200.80. Program income includes any amount of a security or utility deposit returned to the recipient or subrecipient.

Program participant means an individual or family who is assisted under ESG program.

Program year means the consolidated program year established by the recipient under 24 CFR part 91.

Recipient means any State, territory, metropolitan city, or urban county, or in the case of reallocation, any unit of general purpose local government that is approved by HUD to assume financial responsibility and enters into a grant agreement with HUD to administer assistance under this part.

State means each of the several States and the Commonwealth of Puerto Rico.

Subrecipient means a unit of general purpose local government or private nonprofit organization to which a recipient makes available ESG funds.

Territory means each of the following: the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

Unit of general purpose local government means any city, county, town, township, parish, village, or other general purpose political subdivision of a State.

Urban county means a county that was classified as an urban county under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available.

Victim service provider means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. This term includes rape crisis centers, battered women's shelters, domestic violence transitional housing programs, and other programs.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015]

§576.3 Allocation of funding.

(a) *Territories.* HUD will set aside for allocation to the territories up to 0.2 percent, but not less than 0.1 percent, of the total amount of each appropriation under this part in any fiscal year. HUD will allocate this set-aside amount to each territory based on its proportionate share of the total population of all territories and its rate of compliance with the most recent expenditure deadline under §576.203.

(b) *States, metropolitan cities, and urban counties.* HUD will allocate the amounts that remain after the set-aside to territories under paragraph (a) of this section to States, metropolitan cities, and urban counties, as follows:

(1) HUD will provide that the percentage of the total amount available for allocation to each State, metropolitan city, or urban county is equal to the percentage of the total amount available under section 106 of the Housing and Community Development Act of 1974 for the prior fiscal year that was allocated to that State, metropolitan city, or urban county.

(2) Except as otherwise provided by law, if the amount a metropolitan city or urban county would be allocated under paragraph (b)(1) is less than 0.05 percent of the total fiscal year appropriation for ESG, that amount will be added to the allocation for the State in which the city or county is located.

(c) *Notification of allocation amount.* HUD will notify each State, metropolitan city, urban county, and territory that is eligible to receive an allocation under this section of the amount of its allocation.

Subpart B—Program Components and Eligible Activities

§576.100 General provisions and expenditure limits.

(a) ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The five program components and the eligible activities that may be funded under each are set forth in §576.101 through §576.107. Eligible administrative activities are set forth in §576.108.

(b) The total amount of the recipient's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of:

- (1) 60 percent of the recipient's fiscal year grant; or
- (2) The amount of Fiscal Year 2010 grant funds committed for homeless assistance activities.

(c) The total amount of ESG funds that may be used for administrative activities cannot exceed 7.5 percent of the recipient's fiscal year grant.

(d) Subject to the cost principles in 2 CFR part 200, subpart E, and other requirements in this part, employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing, and HMIS are eligible costs of those program components. These costs are not subject to the expenditure limit in paragraph (c) of this section.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015]

§576.101 Street outreach component.

(a) *Eligible costs.* Subject to the expenditure limit in §576.100(b), 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, nonfacility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term “unsheltered homeless people” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under §576.2. The eligible costs and requirements for essential services consist of:

(1) *Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.

(2) *Case management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under §576.400(d); conducting the initial evaluation required under §576.401(a), including

verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.

(3) *Emergency health services.* (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.

(ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

(iii) Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program 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.

(4) *Emergency mental health services.* (i) Eligible costs are the 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.

(ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.

(iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.

(iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

(5) *Transportation.* The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision 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 the following:

(i) The cost of a program participant's travel on public transportation;

(ii) If 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 recipient or subrecipient 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) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.

(6) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section. 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 domestic violence, dating violence, sexual assault, or stalking.

(b) *Minimum period of use.* The recipient or subrecipient must provide services to homeless individuals and families for at least the period during which ESG funds are provided.

(c) *Maintenance of effort.* (1) If the recipient or subrecipient is a unit of general purpose local government, its ESG funds cannot be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit.

(2) Upon the recipient's request, HUD will determine whether the unit of general purpose local government is in a severe financial deficit, based on the recipient's demonstration of each of the following:

(i) The average poverty rate in the unit of general purpose local government's jurisdiction was equal to or greater than 125 percent of the average national poverty rate, during the calendar year for which the most recent data are available, as determined according to information from the U.S. Census Bureau.

(ii) The average per-capita income in the unit of general purpose local government's jurisdiction was less than 75 percent of the average national per-capita income, during the calendar year for which the most recent data are available, as determined according to information from the Census Bureau.

(iii) The unit of general purpose local government has a current annual budget deficit that requires a reduction in funding for services for homeless people.

(iv) The unit of general purpose local government has taken all reasonable steps to prevent a reduction in funding of services for homeless people. Reasonable steps may include steps to increase revenue generation, steps to maximize cost savings, or steps to reduce expenditures in areas other than services for homeless people.

§576.102 Emergency shelter component.

(a) *General.* Subject to the expenditure limit in §576.100(b), ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.

(1) *Essential services.* ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows:

(i) *Case management.* The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of:

(A) Using the centralized or coordinated assessment system as required under §576.400(d);

(B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility;

(C) Counseling;

(D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;

(E) Monitoring and evaluating program participant progress;

(F) Providing information and referrals to other providers;

(G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and

(H) Developing an individualized housing and service plan, including planning a path to permanent housing stability.

(ii) *Child care.* The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The 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 in order for its costs to be eligible.

(iii) *Education services.* When necessary for the program participant 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, and General Educational Development (GED). Component services or 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, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills 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 consist of 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; and referral to community resources.

(v) *Outpatient health services.* Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and noncosmetic dental care.

(vi) *Legal services.* (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.

(B) Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.

(C) Eligible subject matters are child support, guardianship, paternity, emancipation, and 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, and the resolution of outstanding criminal warrants.

(D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.

(E) Fees based on the actual service performed (*i.e.*, fee for service) 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 subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.

(F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

(vii) *Life skills training.* The 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, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. 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.* (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions.

(B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.

(C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.

(D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the 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 services.* (A) 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.

(B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.

(C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

(x) *Transportation.* Eligible 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:

(A) The cost of a program participant's travel on public transportation;

(B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;

(C) The cost of purchasing or leasing a vehicle for the recipient or subrecipient 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

(D) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.

(xi) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. 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 domestic violence, dating violence, sexual assault, or stalking.

(2) *Renovation.* Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.

(3) *Shelter operations.* Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

(4) *Assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).* Eligible costs are the costs of providing URA assistance under §576.408, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds. Persons that receive URA assistance are not considered “program participants” for the purposes of this part, and relocation payments and other URA assistance are not considered “rental assistance” or “housing relocation and stabilization services” for the purposes of this part.

(b) *Prohibition against involuntary family separation.* The age, of a child under age 18 must not be used as a basis for denying any family’s admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18.

(c) *Minimum period of use.* (1) *Renovated buildings.* Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The “value of the building” is the reasonable monetary value assigned to the building, such as the value assigned by an independent real estate appraiser. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. A minimum period of use of 10 years, required for major rehabilitation and conversion, must be enforced by a recorded deed or use restriction.

(i) *Major rehabilitation.* If the rehabilitation cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years.

(ii) *Conversion.* If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the minimum period of use is 10 years.

(iii) *Renovation other than major rehabilitation or conversion.* In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years.

(2) *Essential services and shelter operations.* Where the recipient or subrecipient uses ESG funds solely for essential services or shelter operations, the recipient or subrecipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The recipient or subrecipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the recipient or subrecipient originally provided the services or shelter.

(d) *Maintenance of effort.* The maintenance of effort requirements under §576.101(c), which apply to the use of ESG funds for essential services related to street outreach, also apply for the use of such funds for essential services related to emergency shelter.

§576.103 Homelessness prevention component.

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in §576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in §576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements in §576.105, the short-term and medium-term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

§576.104 Rapid re-housing assistance component.

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the criteria under paragraph (1) of the “homeless” definition in §576.2 or who meet the criteria under paragraph (4) of the “homeless” definition and live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in §576.105, the short- and medium-term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

§576.105 Housing relocation and stabilization services.

(a) *Financial assistance costs.* Subject to the general conditions under §576.103 and §576.104, ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

(1) *Rental application fees.* ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.

(2) *Security deposits.* ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.

(3) *Last month's rent.* If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.

(4) *Utility deposits.* ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.

(5) *Utility payments.* ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.

(6) *Moving costs.* ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

(7) If a program participant receiving short- or medium-term rental assistance under §576.106 meets the conditions for an emergency transfer under 24 CFR 5.2005(e), ESG funds may be used to pay amounts owed for breaking a lease to effect an emergency transfer. These costs are not subject to the 24-month limit on rental assistance under §576.106.

(b) *Services costs.* Subject to the general restrictions under §576.103 and §576.104, ESG funds may be used to pay the costs of providing the following services:

(1) *Housing search and placement.* Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:

(i) Assessment of housing barriers, needs, and preferences;

(ii) Development of an action plan for locating housing;

(iii) Housing search;

(iv) Outreach to and negotiation with owners;

(v) Assistance with submitting rental applications and understanding leases;

(vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;

(vii) Assistance with obtaining utilities and making moving arrangements; and

(viii) Tenant counseling.

(2) *Housing stability case management.* ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This 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 and activities consist of:

(A) Using the centralized or coordinated assessment system as required under §576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;

(B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;

(C) Counseling;

(D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;

(E) Monitoring and evaluating program participant progress;

(F) Providing information and referrals to other providers;

(G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and

(H) Conducting re-evaluations required under §576.401(b).

(3) *Mediation.* ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

(4) *Legal services.* ESG funds may pay for legal services, as set forth in §576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

(5) *Credit repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

(c) *Maximum amounts and periods of assistance.* The recipient may set a maximum dollar amount that a program participant may receive for each type of financial assistance under paragraph (a) of this section. The recipient may also set a maximum period for which a program participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any program participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

(d) *Use with other subsidies.* Financial assistance under paragraph (a) of this section 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.

(e) *Housing counseling.* Housing counseling, as defined in §5.100, that is funded with or provided in connection with ESG funds must be carried out in accordance with §5.111. When recipients or subrecipients provide housing services to eligible persons that are incidental to a larger set of holistic case management services, these services do not meet the definition of housing counseling, as defined in §5.100, and therefore are not required to be carried out in accordance with the certification requirements of §5.111

[76 FR 75974, Dec. 5, 2011., as amended at 81 FR 80808, Nov. 16, 2016; 81 FR 90659, Dec. 14, 2016]

§576.106 Short-term and medium-term rental assistance.

(a) *General provisions.* Subject to the general conditions under §576.103 and §576.104, the recipient or subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

(1) Short-term rental assistance is assistance for up to 3 months of rent.

(2) Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.

(3) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

(4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.

(b) *Discretion to set caps and conditions.* Subject to the requirements of this section, the recipient may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The recipient may also require program participants to share in the costs of rent.

(c) *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 or operating assistance, through other public sources. Rental assistance may not be provided 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) *Rent restrictions.* (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

(2) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

(e) *Rental assistance agreement.* The recipient or subrecipient may make rental assistance payments only to an owner with whom the recipient or subrecipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the recipient or subrecipient a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant. Each rental assistance agreement that is executed or renewed on or after *December 16, 2016* must include all protections that apply to tenants and applicants under 24 CFR part 5, subpart L, as supplemented by §576.409, except for the emergency transfer plan requirements under 24 CFR 5.2005(e) and 576.409(d). If the housing is not assisted under another “covered housing program”, as defined in 24 CFR 5.2003, the agreement may provide that the owner's obligations under 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), expire at the end of the rental assistance period.

(f) *Late payments.* The recipient or subrecipient must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The recipient or subrecipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

(g) *Lease.* Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of 1 year. Each lease executed on or after *December 16, 2016* must include a lease provision or incorporate a lease addendum that includes all requirements that apply to tenants, the owner or lease under 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), as supplemented by 24 CFR 576.409, including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c). If the housing is not assisted under another “covered housing program,” as defined in 24 CFR 5.2003, the lease provision or lease addendum may be written to expire at the end of the rental assistance period.

(h) *Tenant-based rental assistance.* (1) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.

(2) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.

(3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:

(i) The program participant moves out of the housing unit for which the program participant has a lease;

(ii) The lease terminates and is not renewed; or

(iii) The program participant becomes ineligible to receive ESG rental assistance.

(i) *Project-based rental assistance.* If the recipient or subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the recipient or subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

(1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement ("assisted unit") may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.

(2) The recipient or subrecipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.

(3) The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the recipient or subrecipient may pay the next month's rent, *i.e.*, the first month's rent for a new program participant, as provided in paragraph (i)(2) of this section.

(4) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the recipient or subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the recipient or subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.

(5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the recipient or subrecipient commit ESG funds to be expended beyond the expenditure deadline in §576.203 or commit funds for a future ESG grant before the grant is awarded.

(j) *Changes in household composition.* The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

[76 FR 75974, Dec. 5, 2011., as amended at 81 FR 80808, Nov. 16, 2016]

§576.107 HMIS component.

(a) *Eligible costs.* (1) The recipient or subrecipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:

(i) Purchasing or leasing computer hardware;

(ii) Purchasing software or software licenses;

(iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture;

(iv) Obtaining technical support;

(v) Leasing office space;

(vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;

(vii) Paying salaries for operating HMIS, including:

(A) Completing data entry;

(B) Monitoring and reviewing data quality;

(C) Completing data analysis;

(D) Reporting to the HMIS Lead;

(F) Training staff on using the HMIS or comparable database; and

(G) Implementing and complying with HMIS requirements;

(viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;

(ix) Paying staff travel costs to conduct intake; and

(x) Paying participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the Continuum of Care to operate the area's HMIS.

(2) If the recipient is the HMIS lead agency, as designated by the Continuum of Care in the most recent fiscal year Continuum of Care Homeless Assistance Grants Competition, it may also use ESG funds to pay the costs of:

(i) Hosting and maintaining HMIS software or data;

(ii) Backing up, recovering, or repairing HMIS software or data;

(iii) Upgrading, customizing, and enhancing the HMIS;

(iv) Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems;

(v) Administering the system;

(vi) Reporting to providers, the Continuum of Care, and HUD; and

(vii) Conducting training on using the system or a comparable database, including traveling to the training.

(3) If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.*, longitudinal data) 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.

(b) *General restrictions.* Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

§576.108 Administrative activities.

(a) *Eligible costs.* The recipient may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out activities eligible under §576.101 through §576.107, because those costs are eligible as part of those activities. Eligible administrative costs include:

(1) *General management, oversight and coordination.* Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:

(i) Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities 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. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:

- (A) Preparing program budgets and schedules, and amendments to those budgets and schedules;
- (B) Developing systems for assuring compliance with program requirements;
- (C) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
- (D) Monitoring program activities for progress and compliance with program requirements;
- (E) Preparing reports and other documents directly related to the program for submission to HUD;
- (F) Coordinating the resolution of audit and monitoring findings;
- (G) Evaluating program results against stated objectives; and
- (H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.

(ii) Travel costs incurred for monitoring of subrecipients;

(iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and

(iv) 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.

(2) *Training on ESG requirements.* Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings.

(3) *Consolidated plan.* Costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan in accordance with ESG requirements and 24 CFR part 91.

(4) *Environmental review.* Costs of carrying out the environmental review responsibilities under §576.407.

(b) *Sharing requirement.* (1) *States.* If the recipient is a State, the recipient must share its funds for administrative costs with its subrecipients that are units of general purpose local government. The amount shared must be reasonable under the circumstances. The recipient may share its funds for administrative costs with its subrecipients that are private nonprofit organizations.

(2) *Territories, metropolitan cities, and urban counties.* If the recipient is a territory, metropolitan city, or urban county, the recipient may share its funds for administrative costs with its subrecipients.

§576.109 Indirect costs.

(a) *In general.* ESG grant funds may be used to pay indirect costs in accordance with 2 CFR part 200, subpart E.

(b) *Allocation.* Indirect costs may be allocated to each eligible activity under §576.101 through §576.108, so long as that allocation is consistent with 2 CFR part 200, subpart E.

(c) *Expenditure limits.* The indirect costs charged to an activity subject to an expenditure limit under §576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015]

Subpart C—Award and Use of Funds

§576.200 Submission requirements and grant approval.

(a) *Application submission and approval.* In addition to meeting the application submission requirements in 24 CFR part 5, subpart K, each State, urban county, or metropolitan city must submit and obtain HUD approval of a consolidated plan in accordance with the requirements in 24 CFR part 91, and each territory must submit and obtain HUD approval of a consolidated plan in accordance with the requirements that apply to local governments under 24 CFR part 91. As provided under 2 CFR 200.207, HUD may impose special conditions or restrictions on a grant, if the recipient is determined to be high risk.

(b) *Amendments.* The recipient must amend its approved consolidated plan in order to make a change in its allocation priorities; make a change in its method of distributing funds; carry out an activity not previously described in the plan; or change the purpose, scope, location, or beneficiaries of an activity. The amendment must be completed and submitted to HUD in accordance with the requirements under 24 CFR 91.505.

§576.201 Matching requirement.

(a) The recipient must make matching contributions to supplement the recipient's ESG program in an amount that equals the recipient's fiscal year grant for ESG. This amount may include contributions to any project under the recipient's ESG program, including any subrecipient's ESG project, if the requirements in this section are met. The first \$100,000 of a State's fiscal year grant is not required to be matched, but the benefit of this exception must pass to the state's subrecipients that are least capable of providing matching contributions. The match requirements under this section do not apply if the recipient is a territory.

(b) To be recognized as match for ESG, each contribution must meet the requirements under 2 CFR 200.306, except that:

(1) Notwithstanding 2 CFR 200.306(b)(4), matching contributions are not subject to the expenditure limits in §576.100; and

(2) Notwithstanding 2 CFR 200.306(b)(5), the recipient may use funds from another Federal program as match for ESG, unless doing so would violate a specific statutory prohibition or the recipient or subrecipient counts ESG funds as match for that program.

(c) The recipient may count as match the value specified in 2 CFR 200.306(d) for any building the recipient or subrecipient donates for long-term use in the recipient's ESG program, provided that depreciation on the building is not counted as match or charged to any Federal award. If a third party donates a building to the recipient or subrecipient, the recipient may count as match either depreciation of the building and fair rental charges for the land for each year the building is used for the recipient's ESG program or, if the building is donated for long-term use in the recipient's ESG program, the fair market value of the capital assets, as specified in 2 CFR 200.306(h)(2), (i), and (j). To qualify as a donation for long-term use, the donation must be evidenced by a recorded deed or use restriction that is effective for at least 10 years after the donation date. If the donated building is renovated with ESG funds, the minimum period of use under §576.102(c) may increase the period for which the building must be used in the recipient's ESG program.

(d) *Eligible types of matching contributions.* The matching requirement may be met by one or both of the following:

(1) *Cash contributions.* Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), of the recipient or subrecipient.

(2) *Noncash contributions.* The value of any real property, equipment, goods, or services contributed to the recipient's or subrecipient's ESG program, provided that if the recipient or subrecipient 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.

(e) *Calculating the amount of noncash contributions.* (1) To determine the value of any donated material or building, or of any lease, the recipient must use a method reasonably calculated to establish the fair market value.

(2) Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

(3) Some noncash contributions are real property, equipment, goods, or services that, if the recipient or subrecipient 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 recipient or subrecipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

(f) *Costs paid by program income.* Costs paid by program income shall count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the recipient's ESG program.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015]

§576.202 Means of carrying out grant activities.

(a) *States.* If the recipient is a State, the recipient may use an amount consistent with the restrictions in §576.100 and §576.108 to carry out administrative activities through its employees or procurement contracts. If the recipient is a State, and has been identified as the HMIS lead by the Continuum of Care, the State may use funds to carry out HMIS activities set forth in §576.107(a)(2). The recipient must subgrant the remaining funds in its fiscal year grant to:

(1) Units of general purpose local government in the State, which may include metropolitan cities and urban counties that receive ESG funds directly from HUD; or

(2) Private nonprofit organizations, provided that for emergency shelter activities the recipient obtains a certification of approval from the unit of general purpose local government for the geographic area in which those activities are to be carried out.

(b) *Recipients other than States; subrecipients.* The recipient, if it is not a State, and all subrecipients may carry out all eligible activities through their employees, procurement contracts, or subgrants to private nonprofit organizations. If the recipient is an urban county, it may carry out activities through any of its member governments, so long as the county applies to its members the same requirements that are applicable to local government subrecipients under this part.

§576.203 Obligation, expenditure, and payment requirements.

(a) *Obligation of funds.* (1) *Funds allocated to States.* (i) Within 60 days from the date that HUD signs the grant agreement with the State (or grant amendment for reallocated funds), the recipient must obligate the entire grant, except the amount for its administrative costs. This requirement is met by a subgrant agreement with, or a letter of award requiring payment from the grant to, a subrecipient.

(ii) Within 120 days after the date that the State obligates its funds to a unit of general purpose local government, the subrecipient must obligate all of those funds by a subgrant agreement with, or a letter of award requiring payment to, a private nonprofit organization; a procurement contract; or the written designation of a department within the government of the subrecipient to directly carry out an eligible activity.

(2) *Funds allocated to metropolitan cities, urban counties, and territories.* Within 180 days after the date that HUD signs the grant agreement (or a grant amendment for reallocation of funds) with the metropolitan city, urban county, or territory, the recipient must obligate all the grant amount, except the amount for its administrative costs. This requirement is met by an agreement with, or a letter of award requiring payment to, a subrecipient; a procurement contract; or a written designation of a department within the government of the recipient to directly carry out an eligible activity. If the recipient is an urban county, this requirement may also be met with an agreement with, or letter of award requiring payment to, a member government, which has designated a department to directly carry out an eligible activity.

(b) *Expenditures.* The recipient must draw down and expend funds from each year's grant not less than once during each quarter of the recipient's program year. All of the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient. For the purposes of this paragraph, expenditure means either an actual cash disbursement for a direct charge for a good or service or an indirect cost or the accrual of a direct charge for a good or service or an indirect cost.

(c) *Payments to subrecipients.* The recipient must pay each subrecipient for allowable costs within 30 days after receiving the subrecipient's complete payment request. This requirement also applies to each subrecipient that is a unit of general purpose local government.

Subpart D—Reallocations

§576.300 In general.

(1) Funds not awarded by HUD due to failure by the recipient to submit and obtain HUD approval of a consolidated plan will be reallocated in accordance with §§576.301 through 576.303.

(2) Recaptured funds will be awarded by formula. In October and April each year, HUD will determine if the amount of recaptured funds is at least 30 percent of the most recent fiscal year appropriation. If so, HUD will amend all existing grants and reallocate the funds. If the amount is less than 30 percent of the most recent fiscal year appropriation, the funds will be reallocated in conjunction with the next fiscal year's allocation of funding.

§576.301 Metropolitan cities and urban counties.

Grant funds returned by a metropolitan city or urban county will be reallocated as follows:

(a) *Eligible recipient.* HUD will make the funds available to the State in which the city or county is located.

(b) *Notification of availability.* HUD will promptly notify the State of the availability of the amounts to be reallocated.

(c) *Application requirement.* Within 45 days after the date of notification, the State must submit to HUD a substantial amendment to its consolidated plan in accordance with 24 CFR part 91.

(d) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under §576.3 apply to grant funds reallocated under this section, except that the State must distribute the reallocated funds:

(1) To private nonprofit organizations and units of general purpose local government in the geographic area in which the metropolitan city or urban county is located;

(2) If funds remain, to private nonprofit organizations and units of general purpose local government located throughout the State.

§576.302 States.

Grant funds returned by a State will be reallocated as follows:

(a) *Eligible recipients.* HUD will make the funds available:

(1) To metropolitan cities and urban counties in the State that were not allocated funds under §576.3 because the amount they would have been allocated did not meet the minimum requirement under §576.3(b)(2);

(2) If funds remain, to county governments in the State other than urban counties;

(3) Then, if funds remain, to metropolitan cities and urban counties in the State that were allocated funds under §576.3.

(b) *Notification of availability.* HUD will notify eligible recipients of the availability of the funds by a notification letter or FEDERAL REGISTER notice, which will specify how the awards of funds will be made.

(c) *Application requirements.* Within 45 days after the date of notification, the eligible recipient must submit to HUD:

(1) A substantial amendment to its approved consolidated plan in accordance with 24 CFR part 91; or

(2) If the eligible recipient does not have an approved consolidated plan, an abbreviated consolidated plan that meets the requirements in the FEDERAL REGISTER notice or notification letter from HUD.

(d) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under §576.3 apply to grant funds reallocated under this section.

§576.303 Territories.

(a) *General.* Grant funds returned by a territory will be reallocated to other territories, then if funds remain, to States.

(b) *Allocation method.* The funds will be allocated as follows:

(1) For territories, the funds will be allocated among the territories in direct proportion with each territory's share of the total population of all of the eligible territories. If HUD determines that a territory failed to spend its funds in accordance with ESG requirements, then HUD may exclude the territory from the allocation of reallocation amounts under this section.

(2) For States, the funds will be allocated to each State in direct proportion with each State's share of the total amount of funds allocated to States under §576.3.

(c) *Notification of availability.* HUD will notify eligible recipients of the availability of the fund by a letter or FEDERAL REGISTER notice, which will specify how the awards of funds will be made.

(d) *Application requirements.* Within 45 days after the date of notification, the eligible recipient must submit to HUD a substantial amendment to its consolidated plan in accordance with 24 CFR part 91.

(e) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under §576.3 apply to grant funds reallocated under this section.

Subpart E—Program Requirements

§576.400 Area-wide systems coordination requirements.

(a) *Consultation with Continuums of Care.* The recipient must consult with each Continuum of Care that serves the recipient's jurisdiction in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS.

(b) *Coordination with other targeted homeless services.* The recipient and its subrecipients 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 Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area. These programs include:

- (1) Shelter Plus Care Program (24 CFR part 582);
- (2) Supportive Housing Program (24 CFR part 583);
- (3) Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882);
- (4) HUD—Veterans Affairs Supportive Housing (HUD-VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110-161 (2007), 73 FR 25026 (May 6, 2008));
- (5) Education for Homeless Children and Youth Grants for State and Local Activities (title VII-B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*));
- (6) Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa-5));
- (7) Healthcare for the Homeless (42 CFR part 51c);
- (8) Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*));
- (9) Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc-21 *et seq.*));
- (10) Services in Supportive Housing Grants (section 520A of the Public Health Service Act);
- (11) Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 *et seq.*));
- (12) Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975));
- (13) Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021);
- (14) Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043);
- (15) VA Homeless Providers Grant and Per Diem Program (38 CFR part 61);

- (16) Health Care for Homeless Veterans Program (38 U.S.C. 2031);
- (17) Homeless Veterans Dental Program (38 U.S.C. 2062);
- (18) Supportive Services for Veteran Families Program (38 CFR part 62); and
- (19) Veteran Justice Outreach Initiative (38 U.S.C. 2031).

(c) *System and program coordination with mainstream resources.* The recipient and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:

- (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990);
- (2) Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f) (respectively 24 CFR parts 982 and 983);
- (3) Supportive Housing for Persons with Disabilities (Section 811) (24 CFR part 891);
- (4) HOME Investment Partnerships Program (24 CFR part 92);
- (5) Temporary Assistance for Needy Families (TANF) (45 CFR parts 260-265);
- (6) Health Center Program (42 CFR part 51c);
- (7) State Children's Health Insurance Program (42 CFR part 457);
- (8) Head Start (45 CFR chapter XIII, subchapter B);
- (9) Mental Health and Substance Abuse Block Grants (45 CFR part 96); and
- (10) Services funded under the Workforce Investment Act (29 U.S.C. 2801 *et seq.*).

(d) *Centralized or coordinated assessment.* Once the Continuum of Care 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 Continuum of Care's area must use that assessment system. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system.

(e) *Written standards for providing ESG assistance.* (1) If the recipient is a metropolitan city, urban county, or territory, the recipient must have written standards for providing Emergency Solutions Grant (ESG) assistance and must consistently apply those standards for all program participants. The recipient must describe these standards in its consolidated plan.

- (2) If the recipient is a state:

(i) The recipient must establish and consistently apply, or require that its subrecipients establish and consistently apply, written standards for providing ESG assistance. If the written standards are established by the subrecipients, the recipient may require these written standards to be:

(A) Established for each area covered by a Continuum of Care or area over which the services are coordinated and followed by each subrecipient providing assistance in that area; or

(B) Established by each subrecipient and applied consistently within the subrecipient's program.

(ii) Written standards developed by the state must be included in the state's Consolidated Plan. If the written standards are developed by its subrecipients, the recipient must describe its requirements for the establishment and implementation of these standards in the state's Consolidated Plan.

(3) At a minimum these written standards must include:

(i) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG);

(ii) Standards for targeting and providing essential services related to street outreach;

(iii) Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, *e.g.*, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;

(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;

(v) Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see §576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);

(vi) Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance (these policies must include the emergency transfer priority required under §576.409);

(vii) Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;

(viii) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and

(ix) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

(f) *Participation in HMIS.* The recipient must ensure that data on all persons served and all activities assisted under ESG are 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 subrecipient is a victim service provider or a legal services provider, it may use a comparable database that collects client-level data over time (*i.e.*, longitudinal data) 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.

[76 FR 75974, Dec. 5, 2011, as amended at 81 FR 80808, Nov. 16, 2016]

§576.401 Evaluation of program participant eligibility and needs.

(a) *Evaluations.* The recipient or its subrecipient must conduct an initial evaluation to determine the eligibility of each individual or 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).

(b) *Re-evaluations for homelessness prevention and rapid re-housing assistance.* (1) The recipient or subrecipient 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. At a minimum, each re-evaluation of eligibility must establish that:

(i) The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and

(ii) The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

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

(c) *Annual income.* When determining the annual income of an individual or family, the recipient or subrecipient must use the standard for calculating annual income under 24 CFR 5.609.

(d) *Connecting program participants to mainstream and other resources.* The recipient and its subrecipients must assist each program participant, as needed, to obtain:

(1) 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

(2) Other Federal, State, local, and private assistance available to assist the program participant in obtaining housing stability, including:

(i) Medicaid (42 CFR chapter IV, subchapter C):

(ii) Supplemental Nutrition Assistance Program (7 CFR parts 271-283);

(iii) Women, Infants and Children (WIC) (7 CFR part 246);

(iv) Federal-State Unemployment Insurance Program (20 CFR parts 601-603, 606, 609, 614-617, 625, 640, 650);

(v) Social Security Disability Insurance (SSDI) (20 CFR part 404);

(vi) Supplemental Security Income (SSI) (20 CFR part 416);

(vii) Child and Adult Care Food Program (42 U.S.C. 1766(t) (7 CFR part 226));

(viii) Other assistance available under the programs listed in §576.400(c).

(e) *Housing stability case management.* (1) While providing homelessness prevention or rapid re-housing assistance to a program participant, the recipient or subrecipient must:

(i) Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; and

(ii) Develop a 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.

(2) The recipient or subrecipient is exempt from the requirement under paragraph (e)(1)(i) of this section if the Violence Against Women Act of 1994 (42 U.S.C. 13701 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits that recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services.

§576.402 Terminating assistance.

(a) *In general.* If a program participant violates program requirements, the recipient or subrecipient may terminate the assistance in accordance with a formal process established by the recipient or subrecipient that recognizes the rights of individuals affected. The recipient or subrecipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

(b) *Program participants receiving rental assistance or housing relocation and stabilization services.* To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:

(1) Written notice to the program participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the program 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; and

(3) Prompt written notice of the final decision to the program participant.

(c) *Ability to provide further assistance.* Termination under this section does not bar the recipient or subrecipient from providing further assistance at a later date to the same family or individual.

§576.403 Shelter and housing standards.

(a) *Lead-based paint remediation and disclosure.* The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R apply to all shelters assisted under ESG program and all housing occupied by program participants.

(b) *Minimum standards for emergency shelters.* Any building for which Emergency Solutions Grant (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. The recipient may also establish standards that exceed or add to these minimum standards.

(1) *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.

(2) *Access.* The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR part 35; where applicable.

(3) *Space and security.* Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.

(4) *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.

(5) *Water supply.* The shelter's water supply must be free of contamination.

(6) *Sanitary facilities.* Each program 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.

(7) *Thermal environment.* The shelter must have any necessary heating/cooling facilities in proper operating condition.

(8) *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.

(9) *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.

(10) *Sanitary conditions.* The shelter must be maintained in a sanitary condition.

(11) *Fire safety.* There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors 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.

(c) *Minimum standards for permanent housing.* The recipient or subrecipient cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in this paragraph (c). The recipient may also establish standards that exceed or add to these minimum standards.

(1) *Structure and materials.* The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.

(2) *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.

(3) *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.

(4) *Water supply.* The water supply must be free from contamination.

(5) *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.

(6) *Thermal environment.* The housing must have any necessary heating/cooling facilities in proper operating condition.

(7) *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.

(8) *Food preparation.* All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(9) *Sanitary conditions.* The housing must be maintained in a sanitary condition.

(10) *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.

§576.404 Conflicts of interest.

(a) *Organizational conflicts of interest.* The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the subrecipient, or a parent or subsidiary of the subrecipient. No

subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial evaluation required under §576.401 or administer homelessness prevention assistance under §576.103. Recipients and subrecipients must also maintain written standards of conduct covering organizational conflicts of interest required under 2 CFR 200.318.

(b) *Individual conflicts of interest.* For the procurement of goods and services, the recipient and its subrecipients must comply with 2 CFR 200.317 and 200.318. For all other transactions and activities, the following restrictions apply:

(1) *Conflicts prohibited.* No person described in paragraph (b)(2) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.

(2) *Persons covered.* The conflict-of-interest provisions of paragraph (b)(1) of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or its subrecipients.

(3) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of this subsection on a case-by-case basis, taking into account the cumulative effects of the criteria in paragraph (b)(3)(ii) of this section, provided that the recipient has satisfactorily met the threshold requirements of paragraph (b)(3)(i) of this section.

(i) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(A) If the recipient or subrecipient is a government, disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(B) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate state or local law.

(ii) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the threshold requirements under paragraph (b)(3)(i) of this section, HUD must conclude that the exception will serve to further the purposes of the ESG program and the effective and efficient administration of the recipient's or subrecipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(B) Whether an opportunity was provided for open competitive bidding or negotiation;

(C) Whether the affected person has withdrawn from his or her functions, responsibilities or the decision-making process with respect to the specific activity in question;

(D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (b)(1) of this section;

(E) Whether undue hardship results to the recipient, the subrecipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict; and

(F) Any other relevant considerations.

(c) *Contractors.* All contractors of the recipient or subrecipient must comply with the same requirements that apply to subrecipients under this section.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015]

§576.405 Homeless participation.

(a) Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).

(b) If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.

(c) To the maximum extent practicable, the recipient or subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

§576.406 Equal participation of faith-based organizations.

The HUD program requirements in §5.109 of this title apply to the ESG program, including the requirements regarding disposition and change in use of real property by a faith-based organization.

[81 FR 19418, Apr. 4, 2016]

§576.407 Other Federal requirements.

(a) *General.* The requirements in 24 CFR part 5, subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a) and the housing counseling requirements at 24 CFR 5.111. Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and implementing regulations at 24 CFR part 135 apply, except that homeless individuals have priority over other Section 3 residents in accordance with §576.405(c).

(b) *Affirmative outreach.* The recipient or subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the recipient or subrecipient intends to use to make known the availability of the facilities, assistance, and services will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the recipient or subrecipient must establish additional procedures that ensure that those persons are made aware of the

facilities, assistance, and services. The recipient and its subrecipients must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

(c) *Uniform requirements.* The requirements of 2 CFR part 200 apply to the recipient and subrecipients, and:

(1) Program income may be used as matching contributions, subject to the requirements in §576.201;

(2) The disposition of real property for which ESG funds are used for major rehabilitation, conversion, or other renovation under §576.102 is governed by the minimum period of use requirements under §576.102(c).

(d) *Environmental review responsibilities.* (1) Activities under this part are subject to environmental review by HUD under 24 CFR part 50. The recipient shall supply all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50. The recipient also shall carry out mitigating measures required by HUD or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS).

(2) The recipient or subrecipient, or any contractor of the recipient or subrecipient, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this part, or commit or expend HUD or local funds for eligible activities under this part, until HUD has performed an environmental review under 24 CFR part 50 and the recipient has received HUD approval of the property.

(e) *Davis-Bacon Act.* The provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-5) do not apply to the ESG program.

(f) *Procurement of Recovered Materials.* The recipient and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[76 FR 75974, Dec. 5, 2011, as amended at 80 FR 75939, Dec. 7, 2015; 81 FR 90660, Dec. 14, 2016]

§576.408 Displacement, relocation, and acquisition.

(a) *Minimizing displacement.* Consistent with the other goals and objectives of Emergency Solutions Grant (ESG), the recipient and its subrecipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under Emergency Solutions Grant (ESG).

(b) *Temporary relocation not permitted.* No tenant-occupant of housing (a dwelling unit) that is converted into an emergency shelter may be required to relocate temporarily for a project assisted with ESG funds, or be required to move to another unit in the same building/complex. When a tenant moves

for a project assisted with ESG funds under conditions that trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 U.S.C. 4601-4655, as described in paragraph (c) of this section, the tenant should be treated as permanently displaced and offered relocation assistance and payments consistent with that paragraph.

(c) *Relocation assistance for displaced persons.* (1) *In general.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the URA and 49 CFR part 24. A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601 *et seq.*). Whenever possible, minority persons shall be given reasonable opportunities to relocate to comparable and suitable decent, safe, and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means. This policy, however, does not require providing a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling. (See 49 CFR 24.205(c)(2)(ii)(D).) As required by Section 504 of the Rehabilitation Act (29 U.S.C. 794) and 49 CFR part 24, replacement dwellings must also contain the accessibility features needed by displaced persons with disabilities.

(2) *Displaced Person.* (i) For purposes of paragraph (c) of this section, the term “displaced person” means any person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership, or association) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted under the ESG program. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

(A) After the owner (or person in control of the site) issues a notice to move permanently from the property or refuses to renew an expiring lease, if the move occurs on or after:

(I) The date of the submission by the recipient (or subrecipient, as applicable) of an application for assistance to HUD (or the recipient, as applicable) that is later approved and funded if the recipient (or subrecipient, as applicable) has site control as evidenced by a deed, sales contract, or option contract to acquire the property; or

(II) The date on which the recipient (or subrecipient, as applicable) selects the applicable site, if the recipient (or subrecipient, as applicable) does not have site control at the time of the application, provided that the recipient (or subrecipient, as applicable) eventually obtains control over the site;

(B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or

(C) By a tenant-occupant of a dwelling unit and the tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition of the property for the project.

(ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if:

(A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement; violation of applicable Federal, State or local law, or other good cause; and the recipient determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance.

(B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (*e.g.*, the person may be displaced), and the fact that the person would not qualify as a “displaced person” (or for any assistance under this section) as a result of the project;

(C) The person is ineligible under 49 CFR 24.2(a)(9)(ii); or

(D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(iii) The recipient or subrecipient may, at any time, request that HUD to determine whether a displacement is or would be covered by this rule.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing payment assistance to be provided to a displaced person pursuant to this section:

(i) If the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, "initiation of negotiations" means the execution of the agreement between the recipient and the subrecipient or the agreement between the recipient (or subrecipient, as applicable) and the person owning or controlling the property;

(ii) If site control is only evidenced by an option contract to acquire the property, the "initiation of negotiations" does not become effective until the execution of a written agreement that creates a legally enforceable commitment to proceed with the purchase, such as a sales contract.

(d) *Real property acquisition requirements.* The acquisition of real property, whether funded privately or publicly, for a project assisted with Emergency Solutions Grant (ESG) funds is subject to the URA and Federal governmentwide regulations at 49 CFR part 24, subpart B.

(e) *Appeals.* A person who disagrees with the recipient's (or subrecipient's, if applicable) determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the recipient under 49 CFR 24.10. A low-income person who disagrees with the recipient's determination may submit a written request for review of that determination by the appropriate HUD field office.

§576.409 Protection for victims of domestic violence, dating violence, sexual assault, or stalking.

(a) *Applicability of VAWA protections.* The core statutory protections of VAWA that prohibit denial or termination of assistance or eviction solely because an applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking applied upon enactment of VAWA 2013 on March 7, 2013. The VAWA regulatory requirements under 24 CFR part 5, subpart L, as supplemented by this section, apply to all eligibility and termination decisions that are made with respect to ESG rental assistance on or after *December 16, 2016*. The recipient must ensure that the requirements under 24 CFR part 5, subpart L, are included or incorporated into rental assistance agreements and leases as provided in §576.106(e) and (g).

(b) *Covered housing provider.* For the ESG program, "covered housing provider," as such term is used in HUD's regulations in 24 CFR part 5, subpart L, refers to:

(1) The recipient or subrecipient that administers the rental assistance for the purposes of 24 CFR 5.2005(e);

(2) The housing owner for the purposes of 24 CFR 5.2005(d)(1), (d)(3), and (d)(4) and 5.2009(a);

(3) The housing owner and the recipient or subrecipient that administers the rental assistance for the purposes of 24 CFR 5.2005(d)(2); and

(4) The housing owner and the recipient or subrecipient that administers the rental assistance for the purposes of 24 CFR 5.2007. However, the recipient or subrecipient may limit documentation requests under 24 CFR 5.2007 to only the recipient or subrecipient, provided that:

(i) This limitation is made clear in both the notice described under 24 CFR 5.2005(a)(1) and the rental assistance agreement;

(ii) The entity designated to receive documentation requests determines whether the program participant is entitled to protection under VAWA and immediately advise the program participant of the determination; and

(iii) If the program participant is entitled to protection, the entity designated to receive documentation requests must notify the owner in writing that the program participant is entitled to protection under VAWA and work with the owner on the program participant's behalf. Any further sharing or disclosure of the program participant's information will be subject to the requirements in 24 CFR 5.2007.

(c) *Notification.* As provided under 24 CFR 5.2005(a) each recipient or subrecipient that determines eligibility for or administers ESG rental assistance is responsible for ensuring that the notice and certification form described under 24 CFR 5.2005(a)(1) is provided to each applicant for ESG rental assistance and each program participant receiving ESG rental assistance at each of the following times:

(1) When an individual or family is denied ESG rental assistance;

(2) When an individual or family's application for a unit receiving project-based rental assistance is denied;

(3) When a program participant begins receiving ESG rental assistance;

(4) When a program participant is notified of termination of ESG rental assistance; and

(5) When a program participant receives notification of eviction.

(d) *Emergency transfer plan.* (1) The recipient must develop the emergency transfer plan under 24 CFR 5.2005(e) or, if the recipient is a state, require its subrecipients that administer ESG rental assistance to develop the emergency transfer plan(s) required under 24 CFR 5.2005(e). If the state's subrecipients are required to develop the plan(s), the recipient must specify whether an emergency transfer plan is to be developed for:

(i) The state as a whole;

(ii) Each area within the state that is covered by a Continuum of Care; or

(iii) Each subrecipient that administers ESG rental assistance.

(2) Once the applicable plan is developed in accordance with this section, the recipient and each subrecipient that administers ESG rental assistance must implement the plan in accordance with 24 CFR 5.2005(e).

(3) Each emergency transfer plan must meet the requirements in 24 CFR 5.2005(e) and include the following program requirements:

(i) For families living in units receiving project-based rental assistance (assisted units), the required policies must provide that if a program participant qualifies for an emergency transfer, but a safe unit is not immediately available for an internal emergency transfer, that program participant shall have priority over all other applicants for tenant-based rental assistance, utility assistance, and units for which project-based rental assistance is provided.

(ii) For families receiving tenant-based rental assistance, the required policies must specify what will happen with respect to the non-transferring family member(s), if the family separates in order to effect an emergency transfer.

(e) *Bifurcation*. For the purposes of this part, the following requirements shall apply in place of the requirements at 24 CFR 5.2009(b):

(1) When a family receiving tenant-based rental assistance separates under 24 CFR 5.2009(a), the family's tenant-based rental assistance and utility assistance, if any, shall continue for the family member(s) who are not evicted or removed.

(2) If a family living in a unit receiving project-based rental assistance separates under 24 CFR 5.2009(a), the family member(s) who are not evicted or removed can remain in the assisted unit without interruption to the rental assistance or utility assistance provided for the unit.

(f) *Emergency shelters*. The following requirements apply to emergency shelters funded under §576.102:

(1) No individual or family may be denied admission to or removed from the emergency shelter on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the individual or family otherwise qualifies for admission or occupancy.

(2) The terms "affiliated individual," "dating violence," "domestic violence," "sexual assault," and "stalking" are defined in 24 CFR 5.2003.

[81 FR 80808, Nov. 16, 2016]

Subpart F—Grant Administration

§576.500 Recordkeeping and reporting requirements.

(a) *In general*. The recipient must have policies and procedures to ensure the requirements of this part are met, including those required by 2 CFR part 200. The policies and procedures must be established in writing and implemented by the recipient and its subrecipients to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the recipient and HUD to determine whether ESG requirements are being met.

(b) *Homeless status*. The recipient must maintain and follow written intake procedures to ensure compliance with the homeless definition in §576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake

worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

(1) If the individual or family qualifies as homeless under paragraph (1)(i) or (ii) of the homeless definition in §576.2, acceptable evidence includes a written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider, or a certification by the individual or head of household seeking assistance.

(2) If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition in §576.2, because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in paragraph (b)(1) of this section and one of the following:

(i) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; or

(ii) Where the evidence in paragraph (b)(2)(i) of this section is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in paragraph (b)(2)(i) and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less.

(3) If the individual or family qualifies as homeless under paragraph (2) of the homeless definition in §576.2, because the individual or family will imminently lose their housing, the evidence must include:

(i)(A) A court order resulting from an eviction action that requires the individual or family to leave their residence within 14 days after the date of their application for homeless assistance; or the equivalent notice under applicable state law, a Notice to Quit, or a Notice to Terminate issued under state law;

(B) For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or

(C) An oral statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either: (I) be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or (II) if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of household seeking assistance that his or her statement was true and complete;

(ii) Certification by the individual or head of household that no subsequent residence has been identified; and

(iii) Certification or other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.

(4) If the individual or family qualifies as homeless under paragraph (3) of the homeless definition in §576.2, because the individual or family does not otherwise qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute or section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the evidence must include:

(i) For paragraph (3)(i) of the homeless definition in §576.2, certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable;

(ii) For paragraph (3)(ii) of the homeless definition in §576.2, referral by a housing or service provider, written observation by an outreach worker, or certification by the homeless individual or head of household seeking assistance;

(iii) For paragraph (3)(iii) of the homeless definition in §576.2, certification by the individual or head of household and any available supporting documentation that the individual or family moved two or more times during the 60-day period immediately preceding the date of application for homeless assistance, including: recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or, where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records. Where a move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and

(iv) For paragraph (3)(iv) of the homeless definition in §576.2, written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff-recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition); employment records; department of corrections records; literacy, English proficiency tests; or other reasonable documentation of the conditions required under paragraph (3)(iv) of the homeless definition.

(5) If the individual or family qualifies under paragraph (4) of the homeless definition in §576.2, because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain other housing. If the individual or family is receiving shelter or services provided by a victim service provider, the oral statement must be documented by either a certification by the individual or head of household; or a certification by the intake worker. Otherwise, the oral statement that the individual or head of household seeking assistance has not identified a subsequent residence and lacks the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain housing must be documented by a certification by the individual or head of household that the oral statement is true and complete, and, where the safety of the individual or family would not be jeopardized, the domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening condition must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The

written referral or observation need only include the minimum amount of information necessary to document that the individual or family is fleeing, or attempting to flee domestic violence, dating violence, sexual assault, and stalking.

(c) *At risk of homelessness status.* For each individual or family who receives Emergency Solutions Grant (ESG) homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the recipient or subrecipient. The evidence must also include:

(1) If the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in §576.2:

(i) The documentation specified under this section for determining annual income;

(ii) The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in §576.2;

(iii) The most reliable evidence available to show that the program participant does not have sufficient resources or support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition. Acceptable evidence includes:

(A) Source documents (*e.g.*, notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);

(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, public administrator, relative) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under paragraph (1)(ii) of the definition of "at risk of homelessness" in §576.2; or

(C) To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or subrecipient's intake staff describing the efforts taken to obtain the required evidence; and

(iv) 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 (*e.g.*, eviction notice, notice of termination from employment, bank statement);

(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, owner, primary leaseholder, public administrator, hotel or motel manager) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition of "at risk of homelessness"; or

(C) To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or subrecipient'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 recipient's or subrecipient's intake staff describing the efforts taken to obtain the required evidence; or

(2) If the program 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 administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable.

(d) *Determinations of ineligibility.* For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination.

(e) *Annual income.* For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:

(1) Income evaluation form containing the minimum requirements specified by HUD and completed by the recipient or subrecipient; and

(2) 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 (*e.g.*, wage statement, unemployment compensation statement, public benefits statement, bank statement);

(3) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, employer, government benefits administrator) or the written certification by the recipient's or subrecipient'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

(4) To the extent that source documents and third party verification 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.

(f) *Program participant records.* In addition to evidence of homeless status or "at risk of homelessness" status, as applicable, records must be kept for each program participant that document:

(1) The services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;

(2) Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions at §576.101 through §576.106, the provision on determining eligibility and amount and type of assistance at §576.401(a) and (b), and the provision on using appropriate assistance and services at §576.401(d) and (e); and

(3) Where applicable, compliance with the termination of assistance requirement in §576.402.

(g) *Centralized or coordinated assessment systems and procedures.* The recipient and its subrecipients must keep documentation evidencing the use of, and written intake procedures for, the

centralized or coordinated assessment system(s) developed by the Continuum of Care(s) in accordance with the requirements established by HUD.

(h) *Rental assistance agreements and payments.* The records 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.

(i) *Utility allowance.* The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.

(j) *Shelter and housing standards.* The records must include documentation of compliance with the shelter and housing standards in §576.403, including inspection reports.

(k) *Emergency shelter facilities.* The recipient 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 recipient's records must also include documentation of the value of the building before the rehabilitation of an existing emergency shelter or after the conversion of a building into an emergency shelter and copies of the recorded deed or use restrictions.

(l) *Services and assistance provided.* The recipient must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provided under the recipient's program and the amounts spent on these services and assistance. The recipient and its subrecipients that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services.

(m) *Coordination with Continuum(s) of Care and other programs.* The recipient and its subrecipients must document their compliance with the requirements of §576.400 for consulting with the Continuum(s) of Care and coordinating and integrating ESG assistance with programs targeted toward homeless people and mainstream service and assistance programs.

(n) *HMIS.* The recipient must keep records of the participation in HMIS or a comparable database by all projects of the recipient and its subrecipients.

(o) *Matching.* The recipient must keep records of the source and use of contributions made to satisfy the matching requirement 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.

(p) *Conflicts of interest.* The recipient and its subrecipients must keep records to show compliance with the organizational conflicts-of-interest requirements in §576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in §576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions.

(q) *Homeless participation.* The recipient must document its compliance with the homeless participation requirements under §576.405.

(r) *Faith-based activities.* The recipient and its subrecipients must document their compliance with the faith-based activities requirements under §576.406.

(s) *Other Federal requirements.* The recipient and its subrecipients must document their compliance with the Federal requirements in §576.407 and §576.409, as applicable, including:

(1) Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under §576.407(a) and the affirmative outreach requirements in §576.407(b), including:

(i) 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

(ii) Documentation required under 24 CFR 5.168 in regard to the recipient's Assessment of Fair Housing and the certification that the recipient will affirmatively further fair housing.

(2) Records demonstrating compliance with the uniform administrative requirements in 2 CFR part 200.

(3) Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.

(4) Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR part 87.

(5) Data on emergency transfers requested under §576.409, pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of such requests.

(t) *Relocation.* The records must include documentation of compliance with the displacement, relocation, and acquisition requirements in §576.408.

(u) *Financial records.* (1) The recipient must retain supporting documentation for all costs charged to the ESG grant.

(2) The recipient and its subrecipients must keep documentation showing that ESG grant funds were spent on allowable costs in accordance with the requirements for eligible activities under §§576.101 through 576.109, financial management in 2 CFR 200.302, and the cost principles in 2 CFR part 200, subpart E.

(3) The recipient and its subrecipients must retain records of the receipt and use of program income.

(4) The recipient must keep documentation of compliance with the expenditure limits in §576.100 and the expenditure deadline in §576.203.

(v) *Subrecipients and contractors.* (1) The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable. If the recipient is a State, the recipient must keep records of each recapture and distribution of recaptured funds under §576.501.

(2) The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 2 CFR part 200, subpart D.

(3) The recipient must ensure that its subrecipients comply with the recordkeeping requirements specified by the recipient and HUD notice or regulations.

(w) *Other records specified by HUD.* The recipient must keep other records specified by HUD.

(x) *Confidentiality.* (1) The recipient and its subrecipients must develop and implement written procedures to ensure:

(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;

(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

(2) The confidentiality procedures of the recipient and its subrecipients must be in writing and must be maintained in accordance with this section.

(y) *Period of record retention.* All records pertaining to each fiscal year of ESG funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

(1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served;

(2) Where ESG funds are used for the renovation of an emergency shelter involves costs charged to the ESG grant that exceed 75 percent of the value of the building before renovation, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation; and

(3) 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 percent 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.

(z) *Access to records.* (1) *Federal Government rights.* Notwithstanding the confidentiality procedures established under paragraph (x) of this section, the recipient and its subrecipients must comply with the requirements for access to records in 2 CFR 200.336.

(2) *Public rights.* The recipient 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 recipient received during the preceding 5 years.

(aa) *Reports.* The recipient must collect and report data on its use of ESG funds in the Integrated Disbursement and Information System (IDIS) and other reporting systems, as specified by HUD. The recipient must also comply with the reporting requirements in 2 CFR part 200 and 24 CFR part 91 and the reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, (31 U.S.C. 6101 note), which are set forth in appendix A to 2 CFR part 170.

§576.501 Enforcement.

(a) *Performance reviews.* (1) HUD will review the performance of each recipient in carrying out its responsibilities under this part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the records and reports from the recipient and, when appropriate, its subrecipients, as well as information from onsite monitoring, audit reports, and information from IDIS and HMIS. Where applicable, HUD may also consider relevant information pertaining to the recipient's performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this part will be conducted as necessary, with or without prior notice to the recipient.

(2) If HUD determines preliminarily that the recipient or one of its subrecipients has not complied with an ESG program requirement, HUD will give the recipient notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD and on the basis of substantial facts and data, that the recipient has complied with Emergency Solutions Grant (ESG) requirements. HUD may change the method of payment to require the recipient to obtain HUD's prior approval each time the recipient draws down Emergency Solutions Grant (ESG) funds. To obtain prior approval, the recipient may be required to manually submit its payment requests and supporting documentation to HUD in order to show that the funds to be drawn down will be expended on eligible activities in accordance with all ESG program requirements.

(3) If the recipient fails to demonstrate to HUD's satisfaction that the activities were carried out in compliance with ESG program requirements, HUD will take one or more of the remedial actions or sanctions specified in paragraph (b) of this section.

(b) *Remedial actions and sanctions.* Remedial actions and sanctions for a failure to meet an ESG program requirement will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

(1) HUD may instruct the recipient to submit and comply with proposals for action to correct, mitigate, and prevent noncompliance with ESG requirements, including:

(i) Preparing and following a schedule of actions for carrying out activities affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities;

(ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;

(iii) Canceling or revising activities likely to be affected by the noncompliance, before expending ESG funds for the activities;

(iv) Reprogramming ESG funds that have not yet been expended from affected activities to other eligible activities;

(v) Suspending disbursement of ESG funds for some or all activities;

(vi) Reducing or terminating the remaining grant of a subrecipient and reallocating those funds to other subrecipients; and

(vii) Making matching contributions before or as draws are made from the recipient's ESG grant.

(2) HUD may change the method of payment to a reimbursement basis.

(3) HUD may suspend payments to the extent HUD deems it necessary to preclude the further expenditure of funds for affected activities.

(4) HUD may remove the recipient from participation in reallocations of funds under subpart D of this part.

(5) HUD may deny matching credit for all or part of the cost of the affected activities and require the recipient to make further matching contributions to make up for the contribution determined to be ineligible.

(6) HUD may require the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities.

(7) HUD may reduce or terminate the remaining grant of a recipient and reallocate those funds to other recipients in accordance with subpart D of this part.

(8) HUD may condition a future grant.

(9) HUD may take other remedies that are legally available.

(c) *Recipient sanctions.* If the recipient determines that a subrecipient is not complying with an ESG program requirement or its subgrant agreement, the recipient must take appropriate actions, as prescribed for HUD in paragraphs (a) and (b) of this section. If the recipient is a State and funds become available as a result of an action under this section, the recipient must reallocate those funds to other subrecipients as soon as practicable. If the recipient is a unit of general purpose local government of territory, it must either reallocate those funds to other subrecipients or reprogram the funds for other activities to be carried out by the recipient as soon as practicable. The recipient must amend its Consolidated Plan in accordance with its citizenship participation plan if funds become available and are reallocated or reprogrammed under this section. The reallocated or reprogrammed funds must be used by the expenditure deadline in §576.203.

<https://www.hudexchange.info/programs/esg/>

The screenshot shows a web browser window with the URL <https://www.hudexchange.info/programs/esg/>. The page header includes the HUD Exchange logo and navigation menus for "My HUD Exchange", "Programs", "Resources", "Trainings", "Program Support", "Grantees", and "News". A "NEED HOUSING ASSISTANCE?" button is also visible. The main content area is titled "Emergency Solutions Grants Program" and includes a detailed description of the program's history and regulations, a list of related resources, and several news announcements. On the right side, there are two callout boxes: "Learn About Homelessness Assistance Programs" with links to a mailing list, contact information, FAQs, and awards; and "Planning and Reporting for ESG" with links to various systems and reports. A third callout box at the bottom right is titled "ESG Program Limits" with a link to "ESG Income Limits".

Home > Programs > ESG: Emergency Solutions Grants Program

Emergency Solutions Grants Program

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, revising the Emergency Shelter Grants Program in significant ways and renaming it the Emergency Solutions Grants (ESG) program. The ESG Interim Rule took effect on January 4, 2012. The second allocation of FY 2011 ESG funding and future years are all subject to the ESG regulations. The first allocation of FY 2011 ESG funding and prior years are subject to the Emergency Shelter Grants Program regulations. [View HUD Secretary Donovan's video introducing the Emergency Solutions Grants \(ESG\) program.](#)

- [Learn about ESG Requirements](#)
- [View ESG Law, Regulations, and Notices](#)
- [View the SNAPs Weekly Focus](#)
- [View SNAPs-Shots](#)
- [View Other ESG Program Information](#)

ESG Program Guides, Tools, and Webinars

Guides, tools, webinars, and other resources are provided to assist grantees and program partners in designing and implementing their programs.

[View ESG Program Guides, Tools, and Webinars](#)

[View ESG Peer to Peer Resources](#)

ESG News & Announcements

[HUD Conducting Survey of All RRH Programs](#)
Date Posted: June 26, 2018

[Save the Date: Rapid Re-Housing Institutes - October 2-3, 2018 and October 16-17, 2018](#)
Date Posted: June 22, 2018

[Register Today: Best Practices for Setting Up and Completing the CAPER in the eCon Planning Suite - July 26, 2018 - 1:00 PM EDT](#)
Date Posted: June 22, 2018

[The FY 2018 CoC Program Competition is Now Open](#)
Date Posted: June 20, 2018

[From Our Partners: CDC Releases Official Health Advisory Related to Hepatitis A Outbreaks among Persons Experiencing Homelessness](#)
Date Posted: June 20, 2018

[2018 NHSDC Fall Conference - Portland, Oregon - October 17-18, 2018](#)
Date Posted: June 19, 2018

[View All ESG News & Announcements](#)

[Learn About Homelessness Assistance Programs](#)

[Join a Mailing List](#)

[Contact an ESG Grantee](#)

[View ESG FAQs](#)

[Ask an ESG Question](#)

[View FY18 ESG Awards](#)

[View FY17 and Earlier ESG Awards](#)

Planning and Reporting for ESG

[IDIS: Integrated Disbursement and Information System](#)

[Consolidated Plan, Action Plan, and CAPER](#)

[ESG CAPER Guides, Tools, and Webinars](#)

[HMIS: Homeless Management Information System](#)

[Housing Inventory Count \(HIC\)/Point-In-Time \(PIT\) Count](#)

[Annual Homeless Assessment Report \(AHAR\)](#)

ESG Program Limits

[ESG Income Limits](#)