

Indiana Housing & Community Development Authority

ESG Rapid Rehousing & Homeless Prevention

Award Manual

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TABLE OF CONTENTS:

Summary & Overview.....1

SECTION I: DESCRIPTION.....2
Federal Program..... 2

SECTION II: DEFINITIONS, REFERENCE RESOURCES 3

SECTION III: ELIGIBILITY CRITERIA..... 5
Eligible Activities 9

SECTION IV: HOUSING RELOCATION & SERVICES 9
Financial Assistance
Service Costs: Housing Search, Case Management10
Mediation, Legal Services, Credit Repair11
Maximum Amounts of assistance 11

SECTION V RENTAL ASSISTANCE 12
Agreements & Leases13
Ineligible & Prohibited Activities14

SECTION VI HMIS COMPONENT DATA COLLECTION 15
ESG HMIS Requirements 15

SECTION VII ADMINISTRATIVE COSTS 15

SECTION VIII PROCEDURE & PROGRAM REQUIREMENTS 16
Assessment 17
Central Intake Coordinated Access 18
Habitability 18
Rent Calculation, Utility Payments, 19
Re-Evaluations 19
Case Management 20
Housing Plan 20
Arizona Matrix Tool – Housing Plan 20
Rapid Rehousing Only 21
Homeless Prevention Only 22
File Documentation Requirements 22

SECTION IX TERMINATION & APPEALS 23

SECTION X FINANCIAL MANAGEMENT, MATCH, CLAIMS 24
Match 24
Budget Modifications 27
Claims 28

SECTION XI OTHER FEDERAL & STATE REQUIREMENTS 29
Confidentiality, Record Keeping, Sanctions, Monitoring 29
Conflicts of Interest, Environmental Review 30
Lead Based Paint Requirements 30
Equal Opportunity, Affirmative Fair Housing 35
Religious Organizations 35
Lobbying, Drug Free Workplace 36
Frequently Asked Questions from HUD One CPD 36

REQUIRED FORMS:

- ESG Client File Checklist Form (highly recommended)
- Homeless or At Risk of Homeless Documentation Form
- I HOPE – software site – print out for file
- Coordinated/ Centralized Assessment (when it becomes available this will replace the IHOPE)
- HUD Income Checklist (for Homeless Prevention)
- Arizona Matrix Tool – embedded in HMIS
- Housing Plan-embedded in HMIS as a template under “case notes”
- Income Verification forms – as reference
- Zero Income Affidavit (if participant has no income)
- Income /Rent/ Utilities Calculation Form
- Initial Request for Unit Approval
- Housing Habitability Standards Form
- Lead Disclosure Form (If pregnant women and/or children under 6 will be living in a building built before 1978)
- Rental Assistance Payment Contract (RAP) between Subrecipient and Tenant
- Rental Assistance Payment Contract (RAP) between Subrecipient and Landlord
- Rent Reasonableness Certification from GoSection8 software
- Signed copy of Participant’s lease
- Termination & Appeal Policy & Procedure (recommend having client sign form that they’ve received a copy of it)

Indiana Housing Policies and Procedures Manual

The documentation of these policies and procedures promotes the standardization and simplification of requirements and functions and is a reference for sub-recipients that are responsible for the administration of all IHCDA ESG initiatives and funds. The Community Services Department of IHCDA is responsible for coordinating the development of these guidelines to ensure consistency of the information, the coordination of revisions/additions from HUD or IHCDA and the distribution of the information. It is the responsibility of the sub-recipients to disseminate information pertinent to their respective initiatives and to ensure that their staff is aware of, understands, and complies with policies and procedures in this guide.

Summary and Overview

On May 20, 2009, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 was passed into law, which amended and reauthorized the McKinney-Vento Homeless Assistance Act. The Emergency Solutions Grant (ESG) program is one of the primary McKinney-Vento Act programs affected by the HEARTH Act. HUD released interim regulations for ESG in December 2011. The final regulations have not been finalized, so HUD has instructed to utilize these regulations until the final is complete. Some of the primary changes include a change of name to Emergency Solutions Grant (formerly Emergency Shelter Grant), expansion of the definition of homelessness and chronic homelessness, a substantial increase and emphasis on prevention/rapid re-housing resources and greater focus on program performance.

The ESG Program is a categorical grant allocated according to population and other demographic factors to eligible jurisdictions nationwide. IHCDCA is the designated recipient for ESG funds directed to the State of Indiana program.

As a result of HEARTH Act changes, IHCDCA has created two separate ESG programs, the ESG Shelter Program and the ESG Rapid Re-housing program. The objectives of the Emergency Solutions Grant program is to assist in providing shelter and services for the homeless but also aid in the transition of this population to permanent housing.

The ESG program is designed as the first step in the continuum of assistance to prevent homelessness and to enable the homeless population to move steadily toward independent living. The Continuum of Care model is based on the understanding that homelessness is not caused by simply a lack of shelter, but involves a variety of underlying needs. The fundamental components of a Continuum of Care system are:

- Outreach and assessment to identify homeless person's needs;
- Immediate shelter as a safe, decent alternative to the streets;
- Transitional housing with appropriate supportive services;
- Permanent housing or permanent supportive housing for the disabled homeless.

How is ESG Funding Allocated?

If the recipient is a State, the recipient may use an amount consistent with the restrictions of the program activities (576.100 and § 576.108) to carry out administrative activities through its employees or procurement contracts. The recipient must sub grant 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.

The State of Indiana receives a formula amount of ESG funding each year from the U.S. Department of Housing and Urban Development. In order to receive the funds IHCDCA submits and obtains approval of a Consolidated Plan. The plan provides the framework for a process used by States to identify housing, homeless, community and economic development needs, and resources to develop a strategic plan to meet those needs. During this planning process, citizens have an opportunity to provide input and to help shape the community's priorities.

The Indiana Housing and Community Development Authority (IHCDCA) is responsible for the state's allocation of ESG funding. IHCDCA then allocates funds to eligible Sub-recipients. For specific information on IHCDCA's allocation of ESG and other formula funding, please review the state's consolidated plan at www.in.gov/ihcda.

SECTION I: DESCRIPTION

The purpose of the ESG is to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly re-house persons who are homeless as defined by section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302). HUD expects that these resources will be targeted and prioritized to serve households that are most in need of this temporary assistance and are most likely to achieve stable housing, whether subsidized or unsubsidized, outside of ESG after the program concludes.

The ESG is focused on housing for homeless and at-risk households. It provides temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless *but for* this assistance. The funds under this program are intended to target two populations of persons facing housing instability: 1) individuals and families who are currently in housing but are at imminent risk of becoming homeless and need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit (prevention), and 2) individuals and families who are experiencing homelessness (residing in emergency or transitional shelters or on the street) and need temporary assistance in order to obtain housing and retain it (rapid re-housing).

The ESG is NOT a mortgage assistance program. ESG funds are only eligible to help program participants—whether they are renters or homeowners about to become homeless—pay for utilities, moving costs, security deposits and rent in a new unit, storage fees, and other financial costs or services. ESG funds are not eligible to pay for any mortgage costs or legal or other fees associated with retaining a homeowners' housing.

Grant funds must be used for eligible activities as described in the HUD Notice. There are four categories of eligible activities for the ESG program: Housing Relocation and Stabilization with financial assistance and services, Rental Assistance, HMIS/Data collection and evaluation, and Administrative costs.

These eligible activities are intentionally focused on housing— either financial assistance to help pay for housing, or services designed to keep people in housing or to find housing. Generally, the intent of ESG assistance is to rapidly transition program participants to stability, either through their own means or through public assistance, as appropriate. ESG assistance is not intended to provide long-term support for program participants, nor will it be able to address all of the financial and supportive services needs of households that affect housing stability. Assistance should be focused on housing stabilization, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability.

All households receiving any form of ESG assistance are to have case management and complete an Initial Assessment. Monthly case management follow-up is required to assure that the household remains housed and is addressing barriers that led to the housing crisis. Individuals with apparent or diagnosed disabilities, e.g. serious mental illness or co-occurring disorders should be served from emergency through stability by separate service providers who will engage with these individuals, provide case management, and oversee support services with a goal of permanent housing and an adequate support network. The development of an individualized Housing Case Plan is an integral part of the Indiana program. Individuals and families served in this initiative will be those who have the most likelihood of becoming stabilized and who would otherwise tend to use the largest percentage of emergency shelter and other emergency resources.

SECTION II: DEFINITIONS, REFERENCE RESOURCES

Certification means a written assertion, based on supporting evidence that must be kept available for inspection by HUD, by the Inspector General of HUD, and by the public. The assertion shall be deemed to be accurate unless HUD determines otherwise, after inspecting the evidence and providing due notice and opportunity for comment.

Consolidated Plan means the plan prepared in accordance with 24 CFR Part 91.

Recipient means the legal entity to which HUD awards an ESG grant and which is accountable for the use of the funds provided. (IHCDA is recipient for ESG state funds).

HMIS means Homeless Management Information System.

HUD means the U.S. Department of Housing and Urban Development.

Private non-profit organization means an organization described in 26 U.S.C. 501(c) that is exempt from taxation under subtitle A of the Internal Revenue Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance.

Program participant means an individual or family with or without children that is provided ESG financial assistance or housing relocation and stabilization services through a rapid re-housing or prevention program. In this manual, the term “household” refers to individuals or families.

State means the State of Indiana.

Sub-recipient means any private non-profit organization or unit of general local government to which a sub recipient provides funds to carry out the eligible activities under the grant and which is accountable to the sub recipient for the use of the funds provided. The terms “sub-recipient” and “sub recipient” shall be synonymous for the purposes of this manual.

REFERENCE MATERIALS & RESOURCES

http://www.in.gov/ihcda/	Indiana Housing & Community Development Authority
http://www.hudhre.info/index.cfm?do=viewResource&ResourceID=4517	Emergency Solutions Grant (ESG) Program Interim Regulations
http://www.access.gpo.gov/nara/cfr/cfr-table-search.html	Code of Federal Regulations
http://www.indianahousingoptions.org/home.asp	Indiana Housing Opportunity Planner & Evaluator
http://www.endhomelessness.org	National Alliance to End Homelessness
http://www.hud.gov/offices/fheo/index.cfm	HUD Fair Housing Equal Opportunity Link
http://www.indianahousingnow.org	Indiana Housing Now Search Engine
14.231	Emergency Solutions Grant’s Code of Federal

Domestic Assistance (CFDA) Number

<http://www.hud.gov/offices/fheo/promotingfh/928-1.pdf>

Equal Housing Opportunity/ Fair Housing Poster

<http://www.huduser.org/portal/datasets/fmr.html>

HUD Fair Market Rents. Published every October

<http://www.gosection8.com/>

GoSection8 site for Rent Reasonable requirement

SECTION III: ELIGIBILITY CRITERIA

ESG Rapid Rehousing Eligibility Criteria:

Rapid Re-Housing Assistance may be provided to individuals and families that are homeless under Category 1 or Category 4 of the homeless definition

Rapid Re-housing (576.104):

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:

Homeless means: Category 1 or 4 of the homeless definition:

Category 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;

Category 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.

They also have to be literally homeless (see category 1) See HUD Document: Rapid Rehousing: ESG vs CoC page .

Documentation Requirements:

Category 1:

A signed and dated general certification from an outreach worker verifying that the services are going to homeless persons, and indicates where the persons served reside.

Staff should provide written information obtained from third party regarding the participant's whereabouts, and, then sign and date the statement. Written referral from the agency.

Written verification from the institution's staff that the participant has been residing in the institution for less than 90 days; and information on the previous living situation as being homeless in shelter or streets.

Written verification if available. Self report is acceptable. Utilize the area on the form for person to self declare and then sign and date.

Category 4:

Acceptable Evidence for Individuals Fleeing Domestic Violence:

Oral statement by the individual or head of household seeking assistance, that is certified by the individual or head of household; and where the safety of the household is not in jeopardy:

Written observation by intake worker; or

Written referral by a housing or service provider, social worker, or other organization from whom the household has sought assistance for domestic violence.

If the individual or family is being admitted to a domestic violence shelter or is receiving services from a victim service provider, the oral statement need only be documented by a certification of the individual or head of household, or by the intake worker.

The purpose of ESG funds for rapid re-housing is to assist eligible program participants to quickly obtain and sustain stable housing. Therefore, sub-recipients providing assistance will utilize a process to assess, for all potential program participants, their level of service need, other resources available to them, and the appropriateness of their participation in the rapid re-housing assistance portion of ESG.

Program participants who require longer-term housing assistance and services should be directed to programs that can provide the requisite services and financial assistance. In such cases, the ESG may serve as a "bridge" to permanent supportive housing if the housing program has been identified, and is identified as homeless and disabled at time that Rapid Rehousing assistance began.

There is no income threshold to be met with at intake with Rapid Rehousing. Only that they are homeless under these categories.

ESG Homeless Prevention Eligibility Criteria:

Homelessness Prevention (576.103):

Is targeted to individuals and families at risk of homelessness; specifically, this includes those that meet the criteria under the "at risk of homelessness" definition or as well as those who meet the criteria in categories (2), (3), and (4) of the "homeless" definition **AND** have an annual income below **30 percent of family median income for the area.**

Category 2: Individual or family, who will imminently lose their primary nighttime residence, provided that:

- 1) Residence will be lost within 14 days of the date of application for homeless assistance;
- 2) No subsequent residence has been identified; **AND**
- 3) 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;

These may include: At Risk of Homelessness:

- a) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR
- b) Is living in the home of another because of economic hardship; OR
- c) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR
- d) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR
- e) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR
- f) Is exiting a publicly funded institution or system of care; 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 Con Plan

Category 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 another federal definition. (Such as: 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); **AND**
- (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 in the preceding 60 days; **AND**
- (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers. Has one or more of the following chronic disabilities:
 chronic physical or
 mental health conditions
 substance addiction histories of domestic violence or childhood abuse
 child with a disability
 two or more barriers to employment, which include: lack of a high school degree or GED,
 illiteracy, low English proficiency, history of incarceration or detention for criminal activity,
 history of unstable employment

Category 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.

And with these possible housing risk criteria, the family median household income must be at 30% or lower median income to qualify for HP funds.

Documentation Requirements:

Category 2:

At least one of the following stating that the household must leave within 14 days:

A court order resulting from an eviction notice or equivalent notice, or a formal e eviction notice;

For individuals in hotels or motels that they are paying for, evidence that the individual or family lacks the necessary financial resources to stay for more than 14 days; or

An oral statement by the individual or head of household stating that the owner or renter of the residence will not allow them to stay for more than 14 days.

The intake worker must verify the statement either through contact with the owner or renter, or documentation of due diligence in attempting to obtain such a statement.

Certification by the individual or head of household that no subsequent residence has been identified.

Self-certification or other written documentation that the individual or head of household lacks the financial resources and support networks to obtain other housing.

Category 3:

A nonprofit, state, or local government entity that administers the other federal statute must certify that household qualifies as homeless under that statute’s definition.

To document that the individual has not had a lease, occupancy agreement, or ownership interest in housing in the last 60 days, certification by the individual or head of household, written observation by an outreach worker, or referral by a provider.

To document that the individual or family has moved two times in the past 60 days, a certification from the individual and supporting documentation, including records or statements from each owner or renter of housing, shelter or housing provider, or social worker, case worker, or appropriate official of an institution where the individual or family resided. Where these statements are unobtainable, the intake worker should include a written record of his or her due diligence in attempting to obtain them.

Evidence of barriers includes: Written diagnosis from a licensed professional, employment records, department of corrections records, literacy, and English proficiency tests.

For disability, any of the above, written verification from the Social Security Administration (or a disability check receipt), or observation of the intake worker of disability, which must be confirmed within 45 days by an appropriate professional.

Category 4:

Acceptable Evidence for Individuals Fleeing Domestic Violence:

Oral statement by the individual or head of household seeking assistance, that is certified by the individual or head of household; and Where the safety of the household is not in jeopardy:

Written observation by intake worker; or

Written referral by a housing or service provider, social worker, or other organization from whom the household has sought assistance for domestic violence.

If the individual or family is being admitted to a domestic violence shelter or is receiving services from a victim service provider, the oral statement need only be documented by a certification of the individual or head of household, or by the intake worker.

It can be more challenging to identify persons who are housed but who have a very high risk of becoming homeless. There are many people who are housed and have great need but would not become homeless if they did not receive assistance. Sub-recipients are encouraged to target prevention assistance to those individuals and families at the greatest risk of becoming homeless.

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.

HUD requires sub-recipients to evaluate and certify the **eligibility of program participants at least once every 3 months for all persons receiving medium-term rental assistance or other ESG assistance**. Similarly, sub-recipients should carefully assess a household's need and appropriateness for ESG assistance. If the household needs more intensive supportive services or long-term assistance than the sub-recipient can provide, or if a household is not at risk of imminent homelessness, sub-recipients must work to link them to other appropriate available resources.

SECTION IV: HOUSING RELOCATION & STABILITATION SERVICES

1. Housing Relocation & Stabilization: Financial Assistance

Financial assistance is limited to the following activities:

Rental application fees: ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants

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

In contrast to the requirements regarding rental assistance payments, security and utility deposits covering the same period of time in which assistance is being provided through another housing subsidy program are eligible, as long as they cover separate cost types. One example of this would be providing a security deposit for a participant receiving a HUD VA Supportive Housing (VASH) voucher, which provides rental assistance and services.

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.

Utility deposits: ESG funds may pay for a standard utility deposit required by the utility for all customers for the utilities listed under the utility payment section.

Utility payments: *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.

Moving cost assistance: 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 for services (housing search & placement and/or case management) and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

IHCDA Requirement: If accessing moving/storage services, the sub-recipient must document in detail the circumstances surrounding the need to access these services, include monthly fees that will be charged and the dates in which the services will be accessed. In addition, Sub-recipient staff should take an active role in assisting the participant in finding reasonably priced vendors for this service.

2. Housing Relocation & Stabilization: Service Costs

Subject to the general restrictions under the homeless definitions of homeless prevention and rapid rehousing, 576.103 and 576.104, ESG funds may be used to pay the costs of providing the following services:

a. Housing Search and Placement

ESG funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable permanent housing include the following:

- 1) Assessment of housing barriers, needs, and preferences;
- 2) Development of an action plan for locating housing;
- 3) Housing search;
- 4) Outreach to and negotiation with owners;
- 5) Assistance with submitting rental applications and understanding leases;
- 6) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
- 7) Assistance with obtaining utilities and making moving arrangements
- 8) Tenant counseling.

IHCDA Requirement: Utilize Go Section8 software used for determination of rent reasonableness. Site: <http://www.gosection8.com/> Ask IHCDA to request access if necessary.

b. 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 in permanent housing. Component services and activities consist of:

- 1) 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;
- 2) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid rehousing assistance;
- 3) Counseling;
- 4) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- 5) Monitoring and evaluating program participant progress;
- 6) Providing information and referrals to other providers;
- 7) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- 8) Conducting re-evaluations required under § 576.401(b).

c. 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.

d. 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.

e. 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.

3. 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 financial assistance (1) 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 service costs paragraph (2) 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.

4. Use of 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.

SECTION V RENTAL ASSISTANCE

A) General Provisions subject to the general conditions under homeless prevention and rapid rehousing (576.103 and § 576.104), the recipient or sub recipient 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

IHCDA is ONLY Funding Tenant Based Assistance

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.

IHCDA has capped ESG rental assistance at 12 months.

Even though IHCDA has put a limit on 12 months of rental assistance, the one-time payment of 6 months of allowed rental arrears is still allowed and is the HUD maximum allowed. So basically the most a person could receive with ESG State is 18 months. The maximum allowed by HUD is no more than 24 months.

(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.* Rental assistance cannot be provided if it exceeds 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 24CFR 982.507.

Rent must meet rent reasonableness standards and CANNOT EXCEED HUD's published FMRs for the area. In some communities, the reasonable rent for a specific unit may be lower than the FMR that has been established for the community.

Bottom line: The rent for the unit assisted with ESG funds must not exceed the lesser of the FMR or the rent reasonableness standard.

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.

**IHCDA requires that our Utility Allowance be utilized. They come out annually (May or June). They are located on our website at:
<http://www.in.gov/myihcda/2430.htm>**

Rental Assistance Agreements and Lease issues

E) *Rental assistance agreement.* The sub recipient can make rental assistance payments only to an owner with whom the sub recipient 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 sub recipient 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.

F) *Late payments.* The sub recipient 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 sub recipient 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.

IHCDA recommends only providing rental arrears with having a copy of the lease.

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 one year.

IHCDA is only providing ESG for Tenant based rental assistance.

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.

In general, the ESG Homeless Prevention Activity will offer rental assistance at 3 month intervals –ESG State approves **up to 12 months if needed**. The Rapid Re-Housing Program will offer rental assistance up to **maximum of 12 months where the reevaluations are not required until 12 months are completed**.

Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program. IHCD understands this prohibition to extend to any form of public rental support but not to rental units deemed “affordable” by virtue of a Low Income Housing Tax Credit set aside.

Ineligible and Prohibited Activities:

The intent of ESG is to provide funding for housing expenses to persons who are homeless or who would be homeless if not for this assistance. Therefore, financial assistance or services to pay for expenses that are available through other programs, including child care and employment training, are not eligible. Case managers should work to link program participants to these other resources.

Financial assistance may not be used to pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable. This prohibition extends to land contracts and “rent to own” situations in which the householder has a legal interest in the property.

ESG funds may not be used to pay for any of the following items:

- construction or rehabilitation;
- credit card bills or other consumer debt;
- car repair or other transportation costs;
- travel costs;
- food;
- medical or dental care and medicines;
- clothing and grooming;
- home furnishings;
- pet care;
- entertainment activities;
- work or education related materials;
- and cash assistance to program participants.

Programs may not charge fees to ESG program participants. Any ESG funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants.

If funds are found to be used for ineligible activities as determined by HUD, the sub recipient and/or sub-recipients will be required to reimburse HUD.

Sub recipients and sub-recipients must not make payments directly to program participants, but only to third parties, such as landlords or utility companies.

In addition, an assisted property may not be owned by the sub recipient, sub-recipient or the parent, subsidiary or affiliated organization of the sub-recipient.

ESG funds may not be used to move an individual or family into a transitional housing program, nor may the funds be used to assist persons while residing in a transitional housing program.

SECTION VI: HMIS COMPONENT DATA COLLECTION & EVALUATION

The Homeless Management Information System (“HMIS”) is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness. **The sub recipient is required to enter data into HMIS on a regular and consistent basis**, which is defined as data entry within **two weeks from the time of intake and discharge**. IHCD A will regularly monitor HMIS usage to verify consistent data entry for applicable shelters.

Data must be entered for the ESG funded programs serving homeless individuals and families. The data required for entry into HMIS includes the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. While domestic violence shelters are exempt from the HMIS requirement, they are required to maintain records of the above mentioned data elements in a separate, confidential system. Domestic violence shelters and DV transitional housing programs must collect client-level data in a comparable database, which collects all of the HMIS universal data elements listed in this paragraph and generates unduplicated aggregate reports. The HMIS system is used to report to HUD on an annual basis and to aid in local and statewide policy and planning.

Failure to enter data on a regular and consistent basis may result in the termination of the ESG agreement.

Each sub-recipient will be provided with the necessary tools and training for entering participant data into HMIS on an at least weekly basis. Sub-recipients also will be required to submit monthly and annual reports with information about the number of participants served, the kinds of services provided, and the amount of money spent on each kind of services.

All sub-recipients will be required to meet the following minimum standards for HMIS/ESG data collection and reporting;

Sub-recipients must enter into a HMIS/ESG Agency Participation Agreement and attend User training if they have not already attended.

All sub-recipient staff that participates in ESG eligible activities must have regular and convenient access to a computer with a high speed Internet connection.

All sub-recipient staff that participates in ESG eligible activities must have a unique assigned user name and password that they can access regularly during work hours. Each such user must sign a Code of Ethics statement prior to receipt of their log in and password.

SECTION VII ADMINISTRATIVE COSTS

The recipient (IHCD A) 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.

Sharing requirement States. If the recipient is a State, the recipient may share its funds for administrative costs with its sub recipients that are private nonprofit organizations.

IHCD A shares some of the Administrative costs with ESG RR and ESG HP sub recipients.

This does not include staff and overhead costs directly related to carrying out activities eligible under the program components of HP and RR – financial assistance, case management, housing search, etc. (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 sub recipients, 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 sub recipients 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. Services, accounting services, and audit services; and 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.

SECTION VIII PROCEDURE & PROGRAM REQUIREMENTS

Requirements for All ESG RR & HP Program Participants

Coordination with other targeted homeless services. The recipient and its sub recipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the 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: Permanent Supportive Housing Programs, HUD VASH programs, Education for Homeless Children, Health Care, Domestic Violence agencies, Health Care for Homeless Veterans, Youth and Runaway programs, etc.

System and program coordination with mainstream resources. The recipient and its sub recipients 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.

Sub-recipient staff will actively visit and/or contact homeless shelters and any other known areas where individuals who meet program eligibility requirements may be found in the community with a goal of engagement and admittance to the Program. Sub-recipient staff will work closely with community agencies to build collaborative relationships and to become familiar with how to access available services for participants efficiently and effectively. Further, sub-recipient staff will be responsible for developing a matrix of available resources in their community to use as a tool in directing participants to the appropriate agencies in order to prioritize and access services they need.

Program Criteria Eligibility Assessment for RR and HP

Eligibility Intake Criteria: The sub recipient 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. Sub-recipient staff will conduct an initial intake interview with participants using a standardized assessment to verify program eligibility and assess the type of housing the participant may need.

- For Rapid Rehousing: Utilize Homeless Documentation Form

-For Homeless Prevention: Utilize Homeless Prevention Documentation Form & Income Standard

See Documentation Requirements under Section III:

Complete IHOPE Assessment

- Each agency must complete an I-HOPE initial screening (www.indianahousingoptions.org) screening with the client. It is the initial assessment intake not used as eligibility tool, but referral tool. Use to screen in, not screen out.

IHCDA requires that each recipient of ESG assistance, have a completed assessment; a face-to-face interview that compiles the required information for the HMIS.

Assessments must be conducted directly with the applicant householder, not a proxy or family member. If language or disability interferes with the assessment, it is the responsibility of the sub-recipient to provide or arrange for interpreters or other accommodation, e.g. TTY. On site monitoring will include inspection of case files for the Arizona Matrix Tool has been completed.

- Assessment: I-Hope: www.indianahousingoptions.org
- Arizona Matrix Self Sufficiency Tool: embedded in HMIS.

Complete the Arizona Matrix Tool – The Arizona Self Sufficiency Matrix Tool is a case management tool to assist with overall assessment of client needs, program planning, performance measurement and staff supervision. This matrix tool is to be completed by qualified case managers who have training and/or education in structured interviewing and the obtaining of personal information in a sensitive and appropriate manner. The tool is embedded in HMIS.

This tool provides a concrete number of how persons are progressing out of shelter into stabilized housing and while being housed how they are becoming more self-sufficient. It points out the highest

barriers that need to be addressed to help stabilize the housing that leads to case management goals of the housing plan. It provides a focus for the case manager and the participant.

Coordinated Access Assessment:

Coordinated Access Assessment. HUD has required that all Continuum of Care have a Coordinated Access Assessment that all projects and agencies who serve homeless persons to utilize as the first step into the system. This is to be utilized by all types of programs that would include: Safe Havens, Day Shelters, Emergency Shelters, Transitional Housing, Permanent Housing like Rapid Rehousing, ESG Homeless Prevention and Permanent Supportive Housing and Shelter Plus Care Programs Legacy projects.

Once the Continuum of Care has developed a coordinated assessment every ESG funded program or project within the BOS Continuum of Care's area must use that assessment system. The sub recipient must work with the BOS Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required.

The Steering Committee is currently working on Centralized/Coordinated Access Assessment that will be imbedded in HMIS software. Continue to utilize assessments that we have recommended and utilize your current Regional Coordinated Access system until this new assessment and coordination has been implemented.

Once this assessment is launched and utilized, the IHOPE will no longer be necessary and required.

Habitability:

Sub-recipients are required to conduct a habitability standards inspection on any unit that a participant will be receiving ANY ESG financial assistance such as any rental assistance, security deposit, last month's deposit, utility deposit, moving costs. Sub-recipients must certify that the unit has passed habitability standards before any ESG funds may be released. In addition, an annual habitability standards inspection must be conducted for any unit in which ESG funds are being used. **Utilize the Habitability Standards Form**

Rent Reasonableness

Sub-recipients must ensure that ESG funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

IHCDA Requirement: Utilize GoSection8 Software to receive rent reasonable checklist. It is free to utilize: <http://www.gosection8.com/> Ask IHCDA to request access if necessary.

Fair Market Rent: The unit must be at or below Fair Market Rent. Utilize the HUD Fair Market Rent website: <http://www.huduser.org/portal/datasets/fmr.html>

Tenant Rent Calculation

The tenant portion of rent is calculated on the basis of allowable household income. In general, a

participant who claims a zero income will not be appropriate for the ESG unless there is a clear recent loss of income and an expected return to income production in the near future. Persons with no income over a long period of time may be seen as having substantial barriers to housing stability and assisted in accessing long term housing alternatives.

Tenant's portion of the rent is paid directly to the landlord and is subject to the same timeliness requirements as the overall rent. In other words, failure to pay the tenant portion of the rent for an ESG assisted unit can be reason for eviction.

IHCDA furnishes a spreadsheet which automatically calculates tenant rents once pertinent information is entered. Utilize the Income/Rent Calculation Form.

Utility payments:

ESG funds may be used for up to 24 months of utility payments per program participant, including 6 months of utility payments in arrears, per service. A partial payment of utility bill counts as one month. Utility payments must not be paid in situations where the standard practice of the landlord is to include utility costs in the rent. See Section IV for more information on the requirements.

Sub-recipients must obtain proof that a participant or a household member has a utility account in his/her name or proof of responsibility to make utility payments such as cancelled checks or receipts in his/her name from a utility company before utility payments are approved and released on behalf of the participant. Copies of the proof of responsibility should be obtained and maintained in the participant file. Utility payments may co-occur with rental assistance when the lease does not include utilities.

Utilize utility allowance as a guide of the amount of utilities can be paid. See IHCDA website for current allowance in the county. These change annually around May or June. <http://www.in.gov/myihcda/2430.htm>

Once a unit is determined to meet the FMR and rent reasonableness requirements, ESG funds may be **used to pay for the actual utility costs**. The utility allowance calculation is only used to determine whether the unit meets the FMR standard

Re-evaluations for homelessness prevention and rapid re-housing assistance.

(1) Homeless Prevention: The sub recipient 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.**

- 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.

Rapid Re-housing assistance, it should be re-evaluated annually. At a minimum, each re-evaluation of eligibility must establish that:

IHCDA has put a cap of only 12 months of assistance for rapid rehousing and homeless prevention. For rapid rehousing there is no annual recertification since it is once a year requirement.

- If during case management, there is information provided that they have increased their income, prior to the 1 year, they are not discharged from program due to increase of income. They can continue to stay on program. Recommend annual reevaluations as intended by HUD for Rapid Rehousing
- **If client loses income suddenly, reevaluate income again for their 30% adjusted gross income share.**

(2) The sub recipient may require each program participant receiving homelessness prevention to notify the recipient or sub recipient 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 sub recipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

Housing Stability Case Management:

- 1) While providing homelessness prevention or rapid rehousing assistance to a program participant, the sub recipient must:
 - (i) The sub recipient is required to provide and the participant is required 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.
 - (iii) Utilize the Arizona Self Sufficiency Matrix Tool as a guide for the participants goals within their housing plan. The Arizona Tool is embedded in HMIS.

Housing Plan:

The ESG program uses standardized Housing Case Management Plans. There are two basic forms of the Plan. The Homeless Prevention Phase Plan is intended for households which receive prevention assistance in an effort to maintain their present housing. The Rapid Re-Housing Phase Plan is aimed at households who already experiencing homelessness.

The Housing Plan must be completed and placed in the participant file. The Housing Plan Form is embedded in HMIS as a template under "case notes." The Plan is a tool that will be used to assess and develop a strategy to achieve participant stability within the timeframe established by program regulations.

Utilize the information from the Arizona Matrix Tool to provide guidance on what goals should be targeted to provide self-sufficiency.

Additionally, the Plan must be used to actively assist participants in meeting established outcomes based

upon individual participant need. The Plan should be referenced, revised and updated regularly throughout a participant's participation in the program. Either plan may address short term or intermediate term (up to 12 months) goals which are directly tied to the household's ability to recover and/or maintain housing stability.

All goals are to be written in observable and concrete terms, e.g.

“Will increase household income-- through part-time employment of spouse” or;

“Will obtain access to transportation – by relocating to apartment close to bus route” – with the first portion the goal and the remainder an example of an objective.

All goal statements should include specific objectives, which may be understood as “way points” in reaching the goal.

Typically, objectives may be added to the Housing Plan as the participant achieves each “step” but it is also allowable for the case manager and the participant to outline all the objectives when formulating a goal. This can give a participant a “road map” to follow in achieving a mutually agreed upon goal. Goals are not realistic unless they are understood by and accepted by the ESG participant. Interventions are services or direct assistance that will facilitate the participant in reaching the goal.

Form: ESG Housing Plan: Prevention: embedded in HMIS as a template under “case notes”.

Form: ESG Housing Plan: Rapid Re-Housing: embedded in HMIS as a template under “case notes”.

A. Rapid Rehousing Program Requirements ONLY:

Items that must be completed:

The Rapid Re-Housing Program will offer rental assistance up to maximum of 12 months. IHCDA requires that rental assistance only be rendered when a valid and compliant lease exists between the landlord and the resident, with the leaseholder eligible to the full recourse of the law.

Lead Based Paint Poisoning Act requirements must be met when applicable based upon participant household composition, i.e. a child under the age of 6. (Addendum O: Rental Form Lead Disclosure Form)

Sub-recipients will work closely with program participants to locate a rental unit. When a rental unit has been located, sub-recipients will assist the participant in contacting the landlord to complete the appropriate paperwork and conduct a habitability standards inspection

In order to provide rental assistance for a new, to be occupied unit, the following steps must be completed:

- An Initial Request for Unit. (**Utilize the Initial Request Form from IHCDA**) is furnished to the eligible participant and used in selecting a potential housing option. This form allows the participant and potential landlord to exchange information and is completed at the time of resident application for a lease.
- Once the unit is inspected and the rent determined to be reasonable, the tenant rent calculation is completed, based on 30% of the household's income. Rent, Income and

Utilities Calculation.

IHCDA Form: Income/Rent Calculation Form.

- All supported leases must contain the required elements: including a term of at least one year, designation of eligible household members and description of included utilities. See Section V for more rental agreement information.

B. Homeless Prevention Program Requirements ONLY

Income Eligibility Requirement: A participant must be at or below 30% of Area Median Income (AMI) as defined in the U.S. Department of Housing and Urban Development's (HUD). Sub recipients will complete income verification forms and submit appropriate income sources for 3rd party verification. Completed income verifications should be placed in the participant file.

ESG Homeless Prevention Activity will offer rental assistance at 3 month intervals with income updates at the 3 month period where the participant's annual income **must be below 30% median family income to be eligible for next 3 months** of assistance.

IHCDA requires that rental assistance only be rendered when a valid and compliant lease exists between the landlord and the resident, with the leaseholder eligible to the full recourse of the law.

IHCDA posts area median income levels on its website for use by ESG providers
(www.ihcda.in.gov) See IHCDA Sample of Income Verification Form

FILE DOCUMENTATION/CONTENTS: Initial Eligibility

If a participant is found to be eligible and appropriate for the program after the initial interview, certain documents must be obtained and placed in the participant file. These include:

1. Homeless or Homeless Prevention Documentation – utilize form or HMIS intake form
2. IHOPE – Assessment of Housing Options based upon information. All required to utilize IHOPE - either through one of the local shelters or the agency who has the ESG RR funds. This is a local decision of who completes the IHOPE. IHOPE not an eligibility assessment but to find the best housing type source - what is best housing based option for them based upon information. Once the Coordinated Access Assessment is completed and being utilized by the BOS, the IHOPE assessment will not be required.
3. HMIS intake and Assessment form
4. Non-profit sub recipients may accept forms of identification, e.g. social security cards, birth certificates, etc.
5. Arizona Self Sufficiency Matrix – embedded in HMIS
5. Housing Plan Form-embedded in HMIS as a template under “case notes”.
6. Locating Housing – Utilize “Request for Unit Approval” to help client find apartment with assistance from coordinator.
7. Housing Inspection - Utilize Habitability Form
8. Lead Based Form - utilize form if it applies
9. Rent Reasonable check - Utilize GoSection 8 – copy and place in file
10. Rent cannot be over FMR – utilize most up to date FMR. HUD provides these annually in October
11. Income information collected – place in file
12. If utilities not included in rent – Utility allowance calculated
13. Income/rent calculation – Utilize Form. For HP, income verification required every 3 months

14. No Income – Utilize Zero Income Affidavit Form
15. Lease Forms – Utilize Forms:
 - RAP (rental assistance payment) contract – between tenant & sub-recipient;
 - RAP between landlord & sub-recipient
16. Copy of signed lease between landlord & tenant
17. Provide termination policy & procedures and appeals process. Recommend having client sign that they've received it and understood it.
18. Case Management required monthly. Utilize HMIS service case management for time spent with each household/person

SECTION IX: TERMINATION & APPEALS

Terminating Assistance (576.402)

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

A client will only be terminated if the client or household members have threatened property/staff; or

if the client has met the maximum number of months of assistance per ESG guidelines, or if the client has stated in writing they no longer want ESG financial assistance or case management; or

refusing to participate in the once a month case management requirement.

In each case, the reason for termination must be well documented and approved by a supervisor. To the extent possible, the ESG sub recipient must identify a subsequent living arrangement for the household with the goal of preventing shelter entrance. In most cases, it is expected that termination would only be completed after the ESG sub recipient had exhausted all opportunities to increase service plans, revise goals, and identify more suitable housing options. When the client is terminated, he/she should also be given a comprehensive service summary from ESG and list of contact information for places for financial and social service assistance.

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 sub recipient from providing further assistance at a later date to the same family or individual.

Termination Policy and Appeal Process:

The sub recipient is required to have a written policy and procedures regarding reasons for termination and the procedure of the appeal process for those who are denied or terminated from the ESG program. These policies and procedures should be provided to all participants at the beginning of the program. This could be part of the intake into the program and the document needs to be signed and dated by participant and case management. IHCDA will not be the appeals process or involved in the appeal.

IHCDA has a sample document for your agency to use as a guide.

SECTION X: FINANCIAL MANAGEMENT, MATCH & CLAIMS

Before a sub recipient may first request reimbursement for ESG funds expended on specific activities/budget line items, the following items must be received by IHCDA:

- Signed/executed award agreement;
- Completed budget page;
- Authorized signature form; and
- Requested documentation in response to conditional funding (if applicable)

Each ESG Sub recipient must match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources. A sub recipient may comply with this requirement through matching funds or voluntary efforts provided by any recipient or project sponsor.

Matching funds must be provided after the date of the grant award to the sub recipient. Funds used to match a previous ESG grant may not be used to match a subsequent grant award. No federal funds can be used for match, with the exception of Community Development Block Grant funds.

All ESG Sub recipients are required to contribute 100% match to their ESG program. For example, if the ESG award is \$10,000, the sub recipient must demonstrate \$10,000 as match. The following items may be used as match:

Below are some examples of match that could be used as ESG match. Please note that in order for the match to be counted, it the source must be eligible, as described on the "Match Requirements" tab, and its use must be an eligible ESG activity. Match can be provided by the sub recipient itself OR any other community agency, but must directly benefit the ESG participants and be provided during the award term in order to be counted. This list is not exhaustive. Here are some match possibilities:

In-Kind	Cash
211 Helpline: Time conducting I-HOPE assessments or other eligible expenses.	CDBG, CSBG
AIDS/HIV-related services provided to ESG participants	City or County funds
Alcohol and substance abuse services	Community Action Agencies
Bookkeeping/Administrative services for ESG program (but not billed to ESG)	Donations received as a result of the Neighborhood Assistance Program
Budgeting, credit repair service provided to participants in the community (but not billed to ESG)	ICJI grants, as eligible
Case management (not billed to ESG)	Local Foundations

Child care	Private donations
Clothing, Household, Hygiene items donated	Program income
Community Center - educational meetings related to housing, transportation vouchers, other eligible financial assistance	United Way
Donation Inventory Management	Township Trustees(s) assistance provided to ESG participants
Education, GED, classes (parenting)	
Employment assistance & Job Training	
Emergency Shelter/ Transitional Housing - services provided in program, not billed to ESG	
Faith Based Community; Ecumenical/Ministerial associations	
Food donated to participants by local churches (food stamps <i>cannot</i> be counted)	
Furniture donated	
Health care provided by	
Housing Food kit, Move-in kit preparation	
Housing placement	
Hygiene Kit preparation	
Legal Services	
Life skills Training not billed to ESG	
Mental health services (CMHC's)	
Minority Health Coalitions	
Motel Stays	
Move in Kits donated	
Office space donated	
Street Outreach: Engagement, case management, emergency mental health services, transportation, services to special populations	
Outpatient Health services - Community Health Centers, other medical centers	
Rent, not paid with ESG	
Renovation of shelter facility, benefiting ESG participants	
School Corporations- eligible services provided to ESG participants	
Transportation	
Utilities, not paid with ESG	
Utility Companies- any amount that is waived from arrears or deposits off of amount due	
Volunteer - professional - local, customary rate	
Volunteer - general labor. \$5/hr	

Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 of the recipient or sub recipient. Cash contributions must be expended within the award term to count toward the required match for the sub recipient's fiscal year grant. The matching contributions must be provided after the date that HUD signs the grant agreement, and before the expenditure deadline.

Federal Grants as Cash Match:

Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local, and private sources. However, the following requirements apply to matching contributions from a Federal source of funds:

- a) The laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds.

b) If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirements under this section.

Noncash Match (In-Kind):

The value of any real property, equipment, goods, or services contributed to the sub recipients'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. Noncash contributions must be provided after award date, and before the expenditure deadline.

Calculating the Amount of Noncash Contributions:

To determine the value of any donated material or building, or of any lease, the sub recipient must use a method to reasonably calculate to establish the fair market value.

Volunteer services provided by individuals must be valued at the rate of what employees are ordinarily paid for similar work in the sub recipient's organization.

If the 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 sub recipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the sub recipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

Program Income

Costs paid by program income may count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the sub recipient's ESG program.

The following are NOT allowed to be used as match:

SNAP benefits (food stamps), because the funds are being used to cover the program participant's costs.

Housing Choice Vouchers, because the funds are used to pay the PHA's obligations under its Housing Assistance Payment contract with the owner; and;

The tenant's portion of the rent, because this amount is the tenant's obligation.

The matching funds are provided based on the total grant amount and do not have to be provided on a component-by-component basis. For example, if a sub recipient is spending \$10,000 on HMIS, they do not need to find \$10,000 in data collection funds from another source to use as match.

HOME-TBRA funds generally cannot be used as match, because the requirements for rental assistance are significantly different between the two programs. There could be a rare instance where it is possible; if you believe this is the case, please contact IHCD to see if it would be allowable

SHP funds generally cannot be used as match, because very few activity costs are allowable under both SHP and ESG. However, in some cases, such as where SHP funds are used for HMIS costs that are allowable under ESG, SHP funds can be counted as match in accordance with above restrictions. Please note, however, that HMIS costs are only eligible to be used as match under ESG if they are eligible under section 576.107 and allocable to the ESG program, whether charged as direct costs or indirect costs. If the SHP HMIS funds are being used to pay for SHP projects' data entry, those data entry costs are not allocable to the ESG program and the funds used cannot be counted as match.

Budget Modifications

At some point during the program year, the sub recipient may need to reallocate funds budgeted among their approved activities.

Budget modification requests are reviewed by the ESG Program Coordinator to determine if the sub recipient has administered the grant in a timely and responsible manner, if the proposed modification presents new problems in meeting federal or state regulatory or policy requirements, or if the request in any way changes the factors involved in the initial evaluation of the proposal for funds.

There are two types of budget modifications permitted with the Emergency Solutions Grant.

- 1) **Line item modification**: Sub recipients can modify the amounts *among* line items within Rapid Rehousing Financial Assistance or Services as they deem necessary. No Budget Modification request to IHCDCA is required for line item modifications.
- 2) **Budget modification**: Sub recipients are limited to *two* budget modifications each program year that would switch funds between categories. For example, switching funds between Financial Assistance and Rental Assistance. The request to IHCDCA must be in letter format and submitted with an original signature of the Sub recipient's Chief Executive Officer or Executive Director. This letter may be emailed to the ESG Program Coordinator. The letter must explain the circumstances and rationale for the requested budget change. The request must also contain a Budget Modification form completed online. Once submitted, the ESG Program Coordinator will review the request and notify the sub recipient of approval or denial in letter format via email. If approved, the letter will be accompanied with an amended award agreement, which must then be printed, signed and returned to IHCDCA by mail. Once this is received, IHCDCA will sign the form as well and send the executed copy back by e-mail.

Claims

Claims for reimbursement will be submitted through IHCDCA Online electronic claims system via <https://ihcdaonline.com/>. Supporting documentation must be submitted electronically through IHCDCA Online. The fiscal year is July 1, 2014-December 31, 2015. Subrecipients may submit claims monthly, for up to 18 months.

If you have questions regarding a specific claim, contact the online claims system at claims@ihcda.in.gov. The subject line of your email should contain your agency name, the award number, and the claim number, as well as any appropriate additional information (i.e. Homeless Agency, ESRRHP-014-069, Claim 1, documentation clarifications).

Detailed instructions on claim access, submission, and claims policy information can be found via <https://ihcdaonline.com/>.

Claim Process

All claims are paid on a reimbursement basis. Sub recipients incur eligible costs and then request reimbursement by IHCDCA. There will be up to 18 claims per fiscal year. Each claim represents one month of bills that were ***incurred or paid*** during that month. Example: Claim #1 (July) will contain all eligible ESG expenses for July. All of the expenses listed must have either been incurred at some time in July or paid in July. Sub recipients cannot claim more or less than one month's expenses in one claim. After one month is claimed, the sub recipient cannot reclaim expenses for that same month later in the fiscal year. Similarly, if a sub recipient skips one month, and claims the month following the skipped month, the skipped month cannot be claimed at a later time. It is allowable to claim your award in less than 18 months of the agreement (18 claims). **Sub recipients must submit request for reimbursement for no less than seventy-five percent (75%) of total award no later than the following June of the next year.**

The sub recipient must submit each claim for eligible expenses within sixty (60) days after the calendar month in which the expenses are incurred or paid by the sub recipient. For example, the July claim must be submitted no later than last day of September.

The following claim documents must be submitted with each claim:

- 1) Signed Claims Receipt (E-Signature)
- 2) ESG RR and HP Excel Forms
- 3) Case Management Summary Sheet from HMIS
- 4) Supporting documentation

Signed Claims Receipt- The Claims Receipt is a receipt that is generated after the submission of the claim online. It can now be signed electronically.

Case Management Summary Sheet: The HMIS provides a summary of case management hours provided by each case manager. These hours must match the claim documentation of staff time spent when completing claims for reimbursement. The summaries must be attached showing the required 1x month of case management.

ESG RR & HP Financial Narrative Form- The financial narrative form is an excel form that is separate from the online claim system. The sub recipient must list the correct items listed on the forms.

Supporting Documentation- This documentation includes copies of the actual receipt or bills that are being claimed for reimbursement or a copy of the check sent to the vendor. If a bill/invoice is submitted, the check number and date paid must be written or stamped on it. The organization will be contacted if there is any issue with the claim.

Claiming Salaries - Salaries can be budgeted in ESG RR & HP. All salaries can be for staff time spent providing *direct services* to homeless or at risk participants. On the excel forms list the employee's name in the corresponding activity column, and the amount claimed to ESG in the amount column.

Additionally, IHCDA is now requiring timesheets with the staff name and hours spent on ESG, to be included every time staff time is claimed. Please include the type of eligible activity that the staff was doing for ESG. IHCDA also requires pay stubs to be submitted with each claim that includes payment for staff. The pay stubs can have personal information blacked out but should have the date paid, hours worked, and pay rate easily identifiable.

Closeout of ESG RR & HP Funds:

All ESG RR & HP sub recipients will be required to complete and submit a grant closeout form. This form will be distributed to sub recipients close to the end of the grant agreement year (ends December 31st – 18 month agreement). All outstanding claims must be submitted by December 31st of the 18 month of the agreement. All unclaimed funds remaining after this date will be closed out and no longer be available to the sub recipient. Any sub recipient who does not claim all funds by the end of the program year will negatively affect the award amount the following program year.

Employee Dishonesty

Please notify IHCDA in writing immediately upon discovering any incidence of employee dishonesty. If any ESG funds were misspent they would need to be repaid. Please indicate the amount of misspent ESG funds in the notification letter and have documentation that shows the specific incident; for example, a copy of the falsely used check. IHCDA will then respond with a written request for return of the misspent funds. IHCDA will also request a copy of the new policies/procedures that will be put into place to ensure that such an incident doesn't happen again. Depending on the severity of the incident, future funding could be affected. The agency will also be added to the next ESG monitoring round.

To repay the funds, a check will need to be written to Indiana Housing and Community Development Authority. Please see the guidance in the Claims Manual for further details on the repayment process.

SECTION XI: OTHER FEDERAL AND STATE REQUIREMENTS

Confidentiality

Each ESG sub-recipient must develop and implement procedures to ensure:

- The confidentiality of records pertaining to any individual provided with assistance; and
- That the address or location of any assisted housing will not be made public, except that landlords may advertise their willingness to receive applicants from the program.

Recordkeeping

Each sub-recipient must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that IHCD or HUD may require within the timeframe specified. IHCD provides a required file format checklist which all sub-recipients are to follow (**Form Checklist**) Files may also be uploaded into HMIS system if they have the capability.

Sanctions

If a recipient determines that a sub-recipient is not complying with the requirements of this guide or other applicable state or federal rules, regulations or laws, the recipient will take appropriate actions, which may include;

- Issuing a warning letter that further failure to comply with such requirements will result in a more serious sanction;
- Directing the sub-recipient to cease incurring costs with grant funds; or
- Requiring that some or all of the grant amounts be remitted to IHCD.

Any grant amounts that become available to IHCD as a result of a sanction will be made available (as soon as practicable) to other private non-profit organizations or units of general local government located in the state for use within the time periods specified in HUD Notice.

Monitoring

IHCD is responsible for monitoring all ESG activities, including activities that are carried out by a sub-recipient, to ensure that the program requirements established by the HUD Notice and any subsequent guidance are met. This will be accomplished with regular site visits to sub-recipients and review of grant activity reports that will be required of sub-recipients.

Sub-recipients are expected to make available all participant level, financial and program records for periodic review on a schedule to be established by IHCD. In addition, sub-recipients will maintain participant files in compliance with the standard set by IHCD. Significant deficiencies in file content or quality will result in required Plans of Corrective Action, with possible loss of allocated funds upon discovery of continuing deficiencies.

Program and HMIS usage and data integrity will also be subject to regular and random monitoring by

IHCDA staff. Monitoring of sub-recipients may be conducted by the IHCDA, local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, or another federal agency to determine whether the sub-recipient complied with the requirements of this program.

Conflicts of Interest (576.404)

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 sub recipient, or a parent or subsidiary of the sub recipient. No sub recipient may, with respect to individuals or families occupying housing owned by the sub recipient, or any parent or subsidiary of the sub recipient, carry out the initial evaluation required under or administer homelessness prevention assistance.

b) *Individual conflicts of interest.* For the procurement of goods and services, the recipient and its sub recipients must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) and 4CFR 84.42 (for private nonprofit organizations). 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 sub recipients.

Environmental Requirements

The HUD Notice does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing (other than tenant-based rental assistance), rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c) (1), the HUD Notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C.4321). Moreover, consistent with the provisions for administrative and management expenses, tenant-based rental assistance, and supportive services in 24 CFR 50.19(b) (3), (11), and (12), **the eligible activities to be assisted under the HUD Notice are categorically excluded from the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321) and are not subject to environmental review under the related laws and authorities.**

Lead-Based Paint Requirements

Background

The primary cause of childhood lead poisoning is deteriorating lead-based paint and lead-contaminated dust and soil in older housing units. Although lead was banned from residential house paint in 1978 by the Consumer Product Safety Commission (CPSC), an estimated 57 million older homes still contain some lead-based paint. Of these, some 3.8 million dwellings are thought to have both lead-based paint

hazards and young children as residents.

The amount of lead-based paint in housing is significant. Tens of millions of housing units contain at least some lead-based paint. Children living in homes with lead-based paint become exposed to lead by directly eating chips of lead-based paint or chewing on protruding surfaces painted with lead-based paint. The more common route of exposure, however, is the ingestion of lead-bearing dust that is generated by the paint when it deteriorates, chalks, or is disturbed through renovation or even abrasion from the opening and closing of windows. Even in this less direct way, lead-based paint can be a source lead poisoning.

The most common route of exposure for children is through ingestion of lead-contaminated dust. This dust sticks to moist hands as a child plays or crawls across the floor, and is then ingested via finger sucking or other normal hand-to-mouth activity. A child can also be poisoned by eating lead-based paint chips and lead-contaminated soil, and by being exposed to other environmental sources of lead from inside and outside the home. Additionally, repair and renovation activities, such as repainting, that disturb lead-based paint can generate significant levels of leaded dust to which children can be easily exposed.

“Lead-based paint hazards” have been defined in the Residential Lead-Based Paint Hazard Reduction Act of 1992, commonly referred to as “Title X,” as any of six conditions which can present lead exposures sufficient to cause adverse health effects. These include:

1. lead-contaminated dust;
2. deteriorated lead-based paint;
3. intact lead-based paint on friction surfaces;
4. intact lead-based paint on impact surfaces;
5. intact lead-based paint on chewable surfaces accessible to young children; and
6. lead contaminated bare soil.

ESG Lead Requirements

The only ESG-assisted housing covered under the lead based paint requirements is longer-term transitional housing in an apartment with one or more bedrooms AND which has family residents who are part of a program requiring continual residence of more than 100 days.

The EPA Lead brochures must be distributed to all households receiving long-term rental assistance. Documentation of this brochure must be maintained in each client file.

Exemptions to the New Lead Based Paint Requirements

- Residential structures built after January 1, 1978;
- Emergency action activities;
- Existence of Lead-Based Paint Unlikely;
- Areas where state and local governments banned lead-based paint prior to January 1, 1978;
- Properties found not to have lead-based paint during earlier testing that meets the requirements of prior evaluations;
- Properties where all lead-based paint has been identified and removed using approved methods;
- Human Threat Unlikely;
- Unoccupied units that will be demolished;

- Property not suitable for human residential habitation
- Rehabilitation that does not disturb paint;
- Child Occupancy Unlikely;
- Zero-room dwelling units;
- Elderly and disabled housing; and
- Emergency housing assistance (such as for the homeless) unless the assistance is for long-term assistance that lasts more than 100 days. In the case where longer-term housing assistance lasts for more than 100 days, then rule does apply.

Long-term Rental Assistance

If there will be a child under the age of 6 residing in the unit receiving ESG long-term housing, the award sub recipient must conduct a visual assessment for the presence of lead-based paint. Award sub recipients cannot provide long-term rental assistance to any unit with lead-based paint present.

Lead Hazard Evaluation

The interior and exterior surfaces and common areas of the rental property must be visually assessed to identify deteriorated paints. Note: A visual assessment is not considered an evaluation that requires a notification of lead hazard evaluation, since the assessment does not evaluate lead-based paint and/or lead hazards.

If the visual assessment reveals deteriorated paint, the award sub recipient should notify the owner of the unit with inspection results. The owner is required to have the deteriorated paint tested for lead based paint or to assume the presence of lead based paint is its stabilization activities.

Award sub recipient staff should instruct the owner to conduct paint stabilization before the unit is occupied to control possible lead-based paint hazards.

Owners must correct the deteriorated paint identified during the visual assessment process using safe work practices in order to participate in the long-term rental assistance program.

Lead Hazards Reduction

At the completion of any paint stabilization, the owner must sign the Lead Certification 8.11 of the HQS inspection form or a form with equivalent language. This section instructs the owner to provide certification to the administering agency if any correction of defective paint occurs at the unit.

- Training/Supervision. Workers performing paint stabilization must be trained in accordance with OSHA regulations at 29 CFR 1926.59. In addition, they must meet one of the following:
 - (a) Supervision by a certified abatement supervisor;
 - (b) Successful completion of an accredited abatement supervisor course in accordance with 40 CFR 745.225;
 - (c) Successful completion of an accredited lead-based paint abatement worker course in accordance with 40 CFR 745.225;
 - (d) Successful completion of the Lead-Based Paint Maintenance Training Program developed by the National Environmental Training Association for EPA and HUD;
 - (e) Successful completion of the Remodeler's and Renovator's Lead-Based Paint Training Program developed by HUD and the National Association of the Remodeling Industry; or
 - (f) Successful completion of an equivalent course approved by HUD.

- Safe Work Practices. The owner must use safe work practices when conducting paint stabilization. Safe work practices include safe work methods, occupant protection, worksite preparation, and cleanup.
- (a) Occupant Protection. Work should be performed in a vacant unit if possible. If residents must remain inside the dwelling during work, a barrier to the room where stabilization is taking place should be erected and residents should not be allowed to enter the work area until clearance has been completed.
- (b) Worksite Preparation. The worksite should be contained using plastic sheeting extending five feet beyond the perimeter of the treated area in all directions on the floor. Ventilation systems should be turned off until work is complete.
- (c) Cleanup. After paint stabilization is complete, the worksite should be cleaned to remove all lead-based paint dust. Cleanup must be accomplished by wet washing surfaces with a lead specific detergent or its equivalent. Other cleaning devices, such as vacuum cleaners with HEPA filters, can be used during cleanup. Waste and debris must be disposed of in sealed containers in accordance with Federal and state waste disposal requirements. Use of a HEPA vacuum is recommended.
- Exemptions to Safe Work Practices. Safe work practices are not required when treated areas are tested and found to be free of lead-based paint, or if the surface area being treated is smaller than a total of 2 square feet per room or 10 percent of the total surface area of interior components, such as window sills.
- Occupant Protection. Property owners should protect residents and their personal belongings from exposure to lead-contaminated dust and debris during paint stabilization.
- (a) Personal belongings should be relocated to an area outside the treatment area or covered with an impermeable covering with all seams and edges taped shut.
- (b) Residents may need to be temporarily relocated during treatment if they are exposed to lead-based paint hazards.
- (c) Worksite Preparation. The award sub recipient should instruct the owner to control the spread of dust and debris at the worksite. This preparation should ensure that leaded dust, lead-based paint chips and other debris are contained within the worksite until they can be safely removed. Protective measures include sealing off vents and doorways with poly sheeting; covering floors and furniture with poly sheeting and wrapping debris in poly before disposal.
- Cleanup. After paint stabilization is complete, the worksite should be cleaned to remove lead-based paint dust. Cleanup must be accomplished by wet washing surfaces a lead-specific detergent or its equivalent. Vacuum cleaners with HEPA filters should be used during cleanup. Waste and debris must be disposed in sealed containers in accordance with Federal and state disposal requirements.

Clearance

- Clearance must take place following paint stabilization. Clearance helps to ensure that lead-based paint hazards are controlled and the unit is safe for habitation.
- Paint stabilization and other lead hazard reduction efforts are considered complete when clearance is conducted. Clearance must be performed to ensure that lead-based paint hazards have been controlled.
- (a) Clearance consists of a visual examination, collection of dust samples, and laboratory analysis of the samples for lead.
- (b) Clearance is performed after lead hazard reduction and clean-up are complete.
- (c) Dwellings must meet the following clearance standards.

	Floors ($\mu\text{g}/\text{ft}^2$)	Interior Window Sills	Window Troughs ($\mu\text{g}/\text{ft}^2$)
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		($\mu\text{g},\text{ft}^2$)	
Lead in Dust (as measured by a dust wipe sample)	40	250	800

- Clearance Examiner. The administering agency is responsible for hiring a certified professional to conduct the clearance. This professional may be a certified risk assessor, lead-based paint inspector, or clearance technician. The clearance examiner must be independent from the individual or entity who conducted the paint stabilization or other lead hazard reduction, unless they are employees of the administering agency. Note: If agency employees are used, the same individual who conducted paint stabilization is not permitted to conduct clearance.
- Clearance Report. Prior to closing, and within 15 calendar days of the completion of the lead hazard reduction activities, the tenant must be notified of the clearance examination. The administering agency should ensure that the report is prepared and sent to the tenant. This report should include:
 - (a) Beginning and ending dates of the lead hazard reduction activities.
 - (b) Name and address of the firm conducting lead hazard reduction activities and the name of the supervisor assigned to the lead hazard reduction activities.
 - (c) The name, address and signature of each person conducting clearance sampling, the date of the clearance testing, and the certification number for each certified risk assessor or inspector who conducted sampling.
 - (d) The results of clearance testing and the name of each laboratory that conducted the analyses and the identification number of the laboratory.
 - (e) A detailed written description of the lead hazard reduction activities including methods used, location of rooms where activity occurred, and any suggested monitoring.
- Notify Tenants. The owner must provide a notice to tenants describing the results of the clearance examination. The award sub recipient should instruct the owner to notify tenants of clearance results.
- Staff Training. As a result of the new cleanup and clearance requirements, the administering agency will need to evaluate their program design and incorporate these new requirements.
 - (a) All program staff should have a basic understanding of the proper clearance procedures;
 - (b) Staff conducting the clearance examination must complete one of the acceptable training courses listed under paint stabilization; and

Program staff should understand the components of the clearance report and understand the procedures for notifying the buyer of the results. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M, and R shall apply to housing occupied by families receiving assistance through ESG. **This requires that a visual inspection be made of any property built prior to 1979 for possible evidence of flaking or peeling paint.**

Any suspect areas must be remediated according to HUD and EPA standards and the unit re-inspected prior to occupancy. The leaser of any such unit must be provided with the EPA leaflet related to lead risks. While households remaining in their present housing with ESG assistance are generally not required to undergo a habitability inspection, any unit built prior to 1979 with children under the age of six in it must be inspected if ESG assistance is rendered.

Nondiscrimination and Equal Opportunity Requirements

Sub-recipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a). In addition, sub-recipients must make known that ESG rental assistance and services are available to all on a nondiscriminatory basis and ensure that all citizens have equal access to information about ESG and equal access to the financial assistance and services provided under this program. Among other things, this means that each sub-recipient must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may mean providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction and that limited English proficient persons have meaningful access to ESG assistance

In addition, all notices and communications shall be provided in a manner that is effective for persons with hearing, visual, and other communication related disabilities consistent with section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.6. If the procedures that the sub-recipient intends to use to make known the availability of the rental assistance and services are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for such rental assistance and services, the sub-recipient must establish additional procedures that will ensure that such persons are made aware of the rental assistance and services.

Affirmatively Furthering Fair Housing

Under section 808(e) (5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. Sub-recipients will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. Examples of affirmatively furthering fair housing include: (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency; (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD's rule on effective communications at 24 CFR 8.6); (3) providing fair housing counseling services or referrals to fair housing agencies; (4) informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1-800- 669-9777; and (5) recruiting landlords and service providers in areas that expand housing choice to program participants.

Uniform Administrative Requirements

Non-profit sub-recipients shall be subject to the requirements of 24 CFR Part 84. This includes responsibility for an IRS A-133 compliant audit if more than \$500,000 of federal funds is received annually.

Equal Participation of Religious Organizations

Sub-recipients that are religious or faith-based are eligible, on the same basis as any other organization, to participate in ESG. Neither the federal government nor a Sub recipient shall discriminate against an organization on the basis of the organization's religious character or affiliation.

Sub-recipients that are directly funded under ESG may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG . If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for the program participants.

A religious organization that participates in ESG will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression

of its religious beliefs, provided that it does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG -funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a ESG -funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

Sub-recipients that participate in the ESG program shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

Lobbying and Disclosure Requirements

The disclosure requirements and prohibitions of section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (the Byrd Amendment), and implementing regulations at 24 CFR part 87, apply to ESG . Applicants must disclose, using Standard Form LLL (SF-LLL), “Disclosure of Lobbying Activities,” any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding specific grants or contracts.

Drug-Free Workplace Requirements

The Drug-Free Workplace Act of 1988 (41 U.S.C. 701, et seq.) and HUD’s implementing regulations at 24 CFR part 21 apply to ESG. Sub-recipients are required to sign the Drug Free Workplace Certification as a part of the contracting process. This requires that all sub-recipients post and enforce Drug Free Workplace standards, specifically including a prohibition on the use of ESG monies for any alcohol or drug related expense (except for the assessment and referral of eligible participants for whom such alcohol or drug use constitutes a barrier to stable housing.)

Frequently Asked Questions from HUD One CPD Website:

Question:

Is an individual or family that is receiving Rapid Re-Housing Assistance considered homeless for purposes of remaining eligible for other permanent housing placements?

Answer:

Yes. Program participants that are receiving Rapid Re-Housing Assistance through programs such as the Emergency Solutions Grants (ESG) Program, the Continuum of Care (CoC) Program, the Supportive Services for Veterans Families (SSVF) Program, or the Veterans Homelessness Prevention Demonstration Program (VHPD) maintain their homeless status for the purpose of eligibility for other permanent housing programs, such as HUD-VASH and CoC-funded permanent supportive housing (so long as they meet any other additional eligibility criteria for these programs). Program participants only maintain their homeless status during the time period that they are receiving the rapid re-housing assistance. Rapid re-housing is a model for helping homeless individuals and families obtain and maintain permanent housing, and it can be appropriate to use as a bridge to other permanent housing programs.

It is important to note that although the program participants in rapid re-housing are considered homeless for purposes of eligibility for other programs, the housing itself is still considered permanent housing; therefore, these program participants are not considered homeless for counting purposes, and must not be included in the CoCs sheltered point-in-time count.

Question:

Can ESG be used in combination with HUD-VASH?

Answer:

ESG funds may be used to provide security deposits to help veterans move into units receiving HUD-VASH rental assistance, as long as the security deposit is not being paid for with another source of funds. ESG may not be used to provide rental assistance during the same period of time that HUD-VASH is providing rental assistance for the same participant. (See 24 CFR § 576.106).

Question:

To what ESG program components does the 30% area median income (AMI) limit apply?

Answer:

For **Rapid Re-Housing**, an income assessment is not required at initial evaluation. However, at annual re-evaluation, income must be **LESS THAN OR EQUAL TO 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 once every three months - the participant must have an annual income **LESS THAN OR EQUAL TO 30% AMI**.

Whether a sub recipient must stop a program participant's ESG assistance upon learning of an increase in income (or other change in household circumstances that may affect eligibility) depends upon whether the information is obtained through a re-evaluation, or through other means (e.g., case management).

If income over AMI is discovered *during* re-evaluation for homelessness prevention and rapid re-housing assistance: Each re-evaluation of eligibility must establish that the program participant has an annual income that does not exceed 30 percent of median family income for the area, as determined by HUD. (24 CFR § 576.401(b)(1)(i)). Rapid Re-Housing program participants must be re-evaluated not less than once annually and Homelessness Prevention program participants must be re-evaluated not less than once every three months. If the re-evaluation shows that the program participant is no longer eligible for ESG, assistance must be stopped at that time.

If income over AMI is discovered *outside* of the re-evaluation process for homelessness prevention and rapid re-housing assistance: HUD does not require sub recipients to conduct a re-evaluation outside of the regular re-evaluation process if information becomes available to indicate that a household has (or may have) increased income or a change in household circumstances that affect eligibility for the program. However, the sub recipient has discretion to institute its own standards and **MAY** require each program participant receiving Rapid Re-Housing or Homelessness Prevention assistance to provide information about changes in income or other circumstances (e.g., household composition) that affect the program participant's need for assistance. When a program participant notifies a sub recipient of a relevant change because the notification is **REQUIRED**, the recipient/sub recipient **MUST** re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs (see 24 CFR § 576.401(b)(2)). If the re-evaluation shows that the program participant is no longer eligible for ESG, assistance must be stopped at that time.

If the sub recipient has **NOT** required such a notification, simply receiving information about a change in a program participant's situation outside of the re-evaluation process (e.g., through case management

or credit repair activities) has no immediate effect on the program participant's eligibility for ESG, and ESG assistance can continue until the next re-evaluation. At that time, the re-evaluation will determine whether the program participant continues to be eligible for ESG assistance.

Question:

If I am providing only housing relocation and stabilization services under the Rapid Re-housing or Homelessness Prevention components, do the habitability requirements apply?

Answer:

Yes, habitability standards (24 CFR § 576.403(c)) apply any time ESG funds are used to help a program participant remain in or move into housing under the Rapid Re-housing or Homelessness Prevention components. This would include providing only rental arrears assistance, only security deposit, only legal assistance, only credit repair, etc.

In cases where the program participant will be moving to a new unit, the habitability requirement applies to the new unit the program participant will move to, not to the unit the household is leaving.

Question:

What are the limits on rental assistance provided through ESG? For how many months of rental arrears can the ESG funds be used?

Answer:

The maximum length of time a program participant may receive rental assistance through ESG is 24 months during any 3-year period. Short-term rental assistance is for up to 3 months of rent. Medium-term rental assistance is for more than 3 months, but not exceeding 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. The limit of up to 24 months of payments must include the arrears payments. For example, if a participant receives assistance for 6 months of rental arrears payments, the maximum amount of monthly rental assistance they may receive is 18 months.

Question:

Can the cost of sub recipients' travel time and expenses to an ESG-specific training provided by Recipient be an eligible Administrative expense under ESG? The Regulations states training includes the "Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings." However, what about trainings sponsored by the Recipient? With HPRP, these expenses were eligible as long as the training was HPRP specific. However based on the statement in the regulation stated above, it would appear the sub recipient's time and costs to travel for training would not be eligible. Please clarify what sub recipient expenses are eligible with regard to training and travel.

Answer:

The sub recipient's time and costs to travel to and attend **recipient- or sub recipient-sponsored** training or conferences is not an eligible ESG activity. Also, it cannot be considered match.

The costs of attending a **HUD-sponsored** training (including HUD webinars) can only be eligible as an Administrative cost. However, if a sub recipient does not receive Administrative funds, or if the recipient has used all of its available administrative funds (subject to the 7.5% cap), then the sub recipient could use the funds they spent to attend the training as match, as long as it was in accordance with HUD's match requirements (see 24 CFR 576.201 and the FAQ on match found at <http://hudhre.info/index.cfm?do=viewFaqById&faqID=1928>).

The costs of training **provided by** the recipient or sub recipient on ESG requirements is an eligible

administrative cost, and therefore must be charged to Administration. If the sub recipient does not receive Administrative funds, then they cannot use ESG funds to pay for providing training. However, note that providing and attending meetings or structured information sessions in which in-house staff work to improve their knowledge of the ESG program in order to perform their jobs is allowable. For example, a supervisor could have a meeting with case management staff for a Rapid Re-Housing program to go over how to complete intake forms. This type of supervisory work would be charged to the applicable program component. In this example, it would be charged to the Rapid Re-housing component.

Question:

Can the rental arrears payment be paid to a former landlord who is now placed the arrears under a collection agency and now has gone to court? Can the payment go to the collection agency or the court directly?

Answer:

No, ESG funds may not be used to pay rental arrears to a former landlord who has placed the arrears under a collection agency nor can ESG funds be used to pay a collection agency directly.

If a former landlord has placed arrears under a collection agency, ESG funds may not be used to pay the arrears directly to the former landlord. That is because once the landlord turns the arrears over to a collection agency the funds are no longer owed to the landlord. Additionally, ESG funds may not be used to pay a collection agency for the arrears formerly owed to the landlord. A recipient or sub recipient may only make rental assistance payments, including an arrears payment, to an owner with whom the recipient or sub recipient has entered into a rental assistance agreement. § 576.106(e).

Please also note that the costs of Homelessness Prevention or Rapid Re-Housing assistance, including rental arrears assistance, are only eligible to the extent that the assistance is necessary to help the program participant regain stability in his/her current permanent housing or move into other permanent housing and achieve stability in that housing. (See § 576.103 and § 576.104). This means that ESG funds should be used to pay for rental arrears ONLY if failing to pay the arrears would result in the potential participant moving into an emergency shelter or place not meant for human habitation or would prevent the eligible participant from obtaining housing.

Question:

Is there any guidance regarding clients who temporarily vacate due to illness or another unforeseen circumstance?

Answer:

Under the ESG Interim Rule, recipients and subrecipients administering rental assistance must follow the guidelines established under 24 CFR 576.106, which do not include a regulatory requirement around the length of time that grant funds can be used to pay for an empty unit. Therefore, the amount of time that the unit may be held is at the discretion of the local program. However, when an individual is staying in an institution, HUD would advise that the recipient not hold the unit for the individual for more than 90 days. In addition, if you know in advance that the program participant is going to be in an institution for more than 90 days, then you should exit the program participant from the program. Recipients and subrecipients should have clear policies and procedures in place regarding absences from units and program participant termination related to this.

Question:

Can RRH pay lot rent and/or a security deposit for someone who is buying a mobile home? Also, if the mobile home is a rent to buy program, can RRH assist with the rent?

Paying for rent of a lot on which a mobile home (also known as a manufactured home) is located is eligible as rental assistance under the ESG Homelessness Prevention and Rapid Re-Housing components.

With regard to providing rental assistance for a rent-to-buy program, the specific terms of the lease will determine whether providing ESG rental assistance would be allowable. To provide rental assistance under ESG, a lease must meet the requirements laid out in 24 CFR § 576.106 of the ESG Interim Rule and all applicable requirements under the ESG Interim Rule must be satisfied. In general, HUD does not expect that a lease-to-own agreement would meet these requirements and be considered a lease agreement. However, if you believe that the client's rent-to-buy agreement would meet the ESG program's lease requirements, then you will need to submit a copy of it to HUD via the Ask A Question portal for further review by HUD staff and lawyers. Please reference question number 42620 if you resubmit it.

Finally, keep in mind that all other program requirements pertaining to rental assistance would apply when assisting a household with lot rent, including habitability standards, rent reasonableness, and Fair Market Rent (FMR). Some communities have FMRs for manufactured home spaces. If there are no FMRs for manufactured home spaces in the area, the FMR requirement would not apply in this limited situation. HUD lists all of the current FMRs for communities on the HUD User website, which can be found at <http://www.huduser.org/portal/datasets/fmr.html>.

Question:

There are some residents who have been put on a budget with their electric/gas company. When assisting clients with utility payments, do we pay the actual bill (example \$20.00 this month due to the nice weather) or the monthly budget that the company billed them that is actually \$70.00. This \$70.00 is the due amount every month. If they do not pay the full budget amount, they will lose their budget agreement with the company and this becomes a major problem in the winter when utility bills are significantly higher. They would be in danger of losing their housing if they do not pay their utility bills and could be homeless. So do we pay the actual bill of \$20.00 or the required budget bill of \$70.00?

Whether to allow utilities to be paid based on a budget billing agreement is left to the recipient's discretion. ESG assistance can be used to 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. The case manager/intake worker should assess each applicant's needs and determine the appropriate level of ESG financial assistance needed to prevent or end homelessness. HUD encourages recipients and subrecipients to consider requiring the program participant to share costs to the extent possible as long as it is consistent with their written standards.

It is not clear from your question whether the utility assistance would be provided in conjunction with other ESG assistance, or as utility assistance only. Please note that recipients and subrecipients may provide ****utility-only**** assistance under the Homelessness Prevention component; however, HUD expects that this will be rare. First, there are laws governing public utilities in many states that prevent utility companies from shutting off power to households during winter months, and which may also

require the utility company to offer payment plans to households that miss payments. Second, there may be other forms of utility assistance available to prevent shut-off, such as LIHEAP.

However, utility-only assistance may be allowable if the household is going to have to leave its housing due to a lack of utilities, can avoid moving into an emergency shelter or place not meant for human habitation by having utilities paid, and meets other ESG eligibility requirements. The costs of utility-only homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in his/her current permanent housing or move into other permanent housing and achieve stability in that housing (24 CFR § 576.103).